

BOARD OF DIRECTORS

Subhash Chandra	Non-Executive Chairman
Jawahar Lal Goel	Managing Director
Ashok Kurien	Non-Executive Director
Bhagwan Dass Narang	Independent Director
Arun Duggal	Independent Director
Eric Louis Zinterhofer	Independent Director
Lakshmi Chand	Independent Director
Mintoo Bhandari	Non-Executive Nominee Director
Utsav Bajjal	Alt. Director to Mintoo Bhandari

Ranjit Singh	Company Secretary
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B S R & Co. LLP, Gurgaon Chartered Accountants	Auditors
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ICICI Bank	Bankers
Standard Chartered Bank	
State Bank of India	
Yes Bank	
Bank of India	
Central Bank of India	
Dena Bank	
IDBI Bank	
ING Vysya Bank	
Axis Bank	

Essel House B-10, Lawrence Road, Industrial Area, Delhi - 110035, India Tel: +91-11-27156040/41/43 Fax: +91-11-27156042	Registered Office
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FC – 19, Sector 16 A, Film City, Noida – 201301, UP, India Tel: +91-120-2599555/391 Fax: +91-120-4357078	Corporate Office
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Website: www.dishtv.in
CIN: L51909DL1988PLC101836



CHAIRMAN'S MESSAGE

Your Company withstood the gale force of the stressed economy during the year under review through steadfast focus on sticking to the fundamentals, tight cash management and an eagle eye on maintaining fiscal discipline. Despite the impact of the rupee depreciation ballooning the debt book, your Company managed to reduce the overall debt.

Despite a promising start, the year under review saw the Indian economy face unprecedented volatility. The mid-year selloff which saw the Rupee depreciate nearly 30% on the back of the deteriorating Current Account Deficit put severe stress on the economy and on all Companies which had high exposure to foreign debt as well as high capex outgoes. Capex and Forex debt became negative terminologies in the risk averse situation many companies found themselves in.

Battered by these external forces the outlook for the economy looked bleak indeed until

the RBI stepped in with a slew of measures to stabilize the rupee and more importantly soothe the nerves of the investors by undertaking a series of bold steps to shore up the rupee and manage to arrest the widening current account deficit.

Inspite of the obvious focus on prudent cash management given the volatile external environment, your Company nonetheless undertook several initiatives which have significantly strengthened its market position and positioned it very well for profitable growth ahead. I will list below a few of these initiatives.

- Through the year the focus was to reduce the subsidy on the hardware provided by the Company to its subscribers and the subscriber acquisition costs was brought down.

- ARPU continued to grow despite the challenges and your Company ended the year with an ARPU of ₹ 170 vs an ARPU of ₹ 157 in the prior year.

- Your Company has made specific plans to address the digitization opportunity in Phase III and Phase IV.

- Rather than wait for the digitization to happen, your Company has launched a tailor made product for DAS Phase III and Phase IV areas. Named “Zing”, this is the second brand from the stable of Dish TV India Ltd. Zing focuses on providing superior regional content and after a successful launch in Orissa and West Bengal will be extended to several other linguistic states during the coming year.

- During the year your Company also became the first DTH Company in India to offer Over the Top (OTT) services in India with the launch of Dish Online on Android/IOS as well as through Desktop. With this launch your Company is well positioned to take advantage of any shift in viewing to alternate screens such as tablets / smartphones / laptops etc.

With these initiatives as well as a clear focus on profitable growth, your Company swung back to incremental share leadership during the later half of the year and is poised to take clear leadership in the opportunity presented by digitization in DAS Phase III and Phase IV areas.

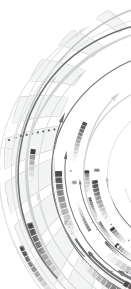
During the year, your Company undertook several steps to strengthen customer service to expand the service network from 200 touch points to over 1000 touch points. These investments will enable your Company to provide a best in class experience to the customers and ensure that their every need is properly taken care of by the Company.

We continue to expand the reach of our sales and distribution infrastructure and to day reach over 25000 outlets directly through a network of 1250 distributors.

For the full year under review Revenues grew from ₹ 21,668 million to ₹ 25,090 million. EBITDA increased from ₹ 5,795 million to ₹ 6,261 million and stood at 28% of revenues

Going forward, with a significantly deleveraged balance sheet which is best in class in the industry and the slew of initiatives as outlined above gathering momentum, your Company is well poised to accelerate EBITDA as well as cash flow and profitability in a manner which will result in sustained enhancement of shareholder value which remains the central focus of all our endeavours.

Dr. 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,

Tel No.: 0120-2599391/2599555, Fax No.: 0120-4357082

Website: www.dishtv.in, E-mail: investor@dishtv.in, CIN: L51909DL1988PLC101836

NOTICE

Notice is hereby given that the **26th (Twenty Sixth) Annual General Meeting** of the Members of Dish TV India Limited will be held on Monday, the 29th day of September, 2014 at 11:30 A.M. at Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, A.P.S Colony, Delhi Cantt, New Delhi – 110 010 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company, on a Standalone and Consolidated basis, for the Financial Year ended March 31, 2014 including the Balance Sheet as at March 31, 2014, the Statement of Profit & Loss for the Financial Year ended on that date, and the Reports of the Auditors' and Board of Directors' thereon.
2. To appoint a Director in place of Mr. Mintoo Bhandari (DIN-00054831), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Walker Chandiok & Co LLP, Chartered Accountants, New Delhi, (Firm Registration No. 001076N/N-500013) as Statutory Auditors of the Company in place of M/s B S R & Co LLP, Chartered Accountants, Gurgaon, (Firm Registration No. 101248W/W-100022) the retiring Statutory Auditors, for 3 (Three) consecutive years from the date of the 26th Annual General Meeting until the conclusion of the 29th Annual General Meeting of the Company to be held in the calendar year 2017 and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Lakshmi Chand (DIN-00558169), Independent Director, who was appointed as a Director whose office was liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company, whose office is not subject to retirement by rotation, to hold office for a term of 3 (three) consecutive years from the conclusion of the 26th Annual General Meeting upto the conclusion of the 29th Annual General Meeting of the Company to be held in the calendar year 2017."
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Bhagwan Dass Narang (DIN-00038052), Independent Director, who was appointed as a Director whose office was liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company, whose office is not subject to retirement by rotation, to hold office for a term of 3 (three) consecutive years from the conclusion of the 26th Annual General Meeting upto the conclusion of the 29th Annual General Meeting of the Company to be held in the calendar year 2017."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Arun Duggal (DIN-00024262), Independent Director, who was appointed as a Director whose office was liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company, whose office is not subject to retirement by rotation, to hold office for a term of 3 (three) consecutive years from the conclusion of the 26th Annual General Meeting upto the conclusion of the 29th Annual General Meeting of the Company to be held in the calendar year 2017."

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Eric Louis Zinterhofer (DIN-01929446), Independent Director, who was appointed as a Director whose office was liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company, whose office is not subject to retirement by rotation, to hold office for a term of 3 (three) consecutive years from the conclusion of the 26th Annual General Meeting upto the conclusion of the 29th Annual General Meeting of the Company to be held in the calendar year 2017.”

By order of the Board

Ranjit Singh
Company Secretary
Membership No. A15442

Place: Noida
Date: August 26, 2014

Registered Office:

Essel House, B-10,
Lawrence Road Industrial Area, Delhi - 110 035
E-mail: investor@dishtv.in, CIN: L51909DL1988PLC101836

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out the details relating to the Special Business to be transacted at the Annual General Meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE (ON A POLL ONLY) ON HIS/HER BEHALF. A proxy need not be a Member of the Company. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent 10% (ten percent) of the total share capital of the Company carrying voting rights. Any Member holding more than 10% of the total Equity Share Capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member.**
3. The Instrument appointing the proxy, 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. A Proxy Form is annexed to this Annual Report.
4. During the period beginning 24 hours before the time fixed for the commencement of the Annual General Meeting and ending with the conclusion of the meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members / Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the Annual General Meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
8. The Company had received Special Notice dated August 26, 2014 under Section 140(4) read with Section 115 of the Companies Act, 2013 from a Member of the Company recommending appointment of M/s. Walker Chandio & Co LLP, Chartered Accountants, New Delhi, as Statutory Auditors of the Company in place of M/s B S R & Co LLP, Chartered Accountants, Gurgaon, the retiring Statutory Auditors, who have expressed their unwillingness to be re-appointed as the Statutory Auditor of the Company. The Audit Committee and the Board of Directors have placed

on record their appreciation for the professional services rendered by M/s B S R & Co LLP during their association with the Company as its Auditors.

9. As required under Clause 49 of the Listing Agreement, relevant information in respect of Directors recommended by the Board for appointment / re-appointment at the Annual General Meeting forms part of the 'Report on Corporate Governance' in the Annual Report.
10. Corporate Members intending to send their authorized representative to attend the meeting are requested to send at the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
11. The Register of Members and Share Transfer Books will remain closed from Saturday, September 20, 2014 to Friday, September 26, 2014 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
12. Electronic copy of the Annual Report for Financial Year 2013-14 along with Notice of the 26th Annual General Meeting of the Company (including Attendance Slip and Proxy Form) is being sent to all the members whose email IDs are registered with the Company / Registrar / Depository Participants(s) with their consent for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the Financial Year 2013-14 along with Notice of the 26th Annual General Meeting of the Company is being sent by other permissible modes.
13. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for the Financial Year 2013-14 will be available on the Company's website, www.dishtv.in. All documents referred to in the Notice will be available for inspection at the Company's Registered Office for inspection on all working days, except Saturdays between 2 P.M. to 4 P.M. upto the date of the Annual General Meeting.
14. The Company is concerned about the environment and utilizes natural resources in a sustainable way. Members, who have not yet registered / updated their E-mail address with the Company / Registrar and Share Transfer Agent / Depository Participant are requested to do the same at the earliest by submitting duly filled in 'E-Communication Registration Form' attached to the Annual Report.
15. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit PAN with their Depository Participants with whom they are maintaining their demat accounts. It has also been made mandatory for the transferee to furnish a copy of PAN to the Company / Registrar and Share Transfer Agent for their registration of transfers and securities market transactions and off- market/ private transactions involving transfer of shares of Listed Companies in physical form. Accordingly, Members holding shares in physical mode should attach a copy of their PAN Card for every transfer request sent to the Company / Registrar and Share Transfer Agent.
16. In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of name and attending the meeting, will be entitled to vote.
17. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
18. Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.
19. Members desirous of obtaining any information / clarification concerning the Financial Statements of the Company for the Financial Year 2013-2014, may send their queries in writing atleast ten days before the Annual General Meeting to the Company Secretary at the Registered Office of the Company, so that the information required may be made available at the Annual General Meeting.
20. Members are requested to notify immediately about any change in their address / e-mail address / bank details to their Depository Participants (DPs) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agent - 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.
21. The Certificate from Auditors of the Company certifying that the Employee Stock Option Scheme of the Company is being implemented in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase

Scheme) Guidelines, 1999 and in accordance with the resolutions passed by the members of the Company, will be available at the Annual General Meeting.

22. 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.
23. 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).
24. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
25. Guidelines for attending the ensuing Annual General Meeting of the Company:
 - a) Entry to the Auditorium / Hall will be strictly against entry coupon available at the counters at the venue and against the exchange of duly filled in, signed and valid Attendance Slip.
 - b) Any briefcase / bags / eatables or other articles are not allowed inside the Auditorium / Hall.
 - c) Member(s) are requested to bring the copy of the Annual Report to the meeting.
26. E-voting
 - a) In compliance with Section 108 of the Companies Act, 2013 read with rules made thereto, the Company is pleased to offer E-voting facility to the Members of the Company to exercise his right to vote by electronic means in respect of the resolutions contained in this notice. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the Authorized Agency to provide E-voting facility. E-Voting is optional and a member may physically vote at the Annual General Meeting at his/her discretion.
 - b) The Board of Directors have appointed Mr. Jayant Gupta, Practising Company Secretary, as the Scrutinizer for conducting the E-voting process in fair and transparent manner.
 - c) Members are requested to carefully read the instructions for E-voting before casting their vote.
 - d) The E-voting facility will be available during the following voting period after which the portal will be blocked and shall not be available for E-voting. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.

Commencement of E-Voting	Tuesday, September 23, 2014 (From 9:00 AM)
End of E-Voting	Thursday, September 25, 2014 (Upto 6:30 PM)

- e) The cut-off date (i.e. the record date) for the purpose of E-voting is Friday, the 29th day of August, 2014. The voting rights of Members shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on the cut-off date.
- f) The Scrutinizer to E-voting process shall on Friday, the 26th day of September, 2014, unblock the votes in presence of two witness, not in employment of the Company and after scrutinizing votes received shall make a report of the votes cast in favor or against or invalid votes in connection with all resolutions mentioned in the Notice of Annual General Meeting and submit the same forthwith to the Company.
- g) The Results of E-voting shall be announced at the Annual General Meeting and the final result of E voting and Physical voting at the Annual General Meeting shall be declared on Tuesday, 30th day of September 2014 at 11:00 AM at the Registered Office of the Company. The results along with Scrutinizer's report shall be placed on the website of the Company viz www.dishtv.in and shall also be communicated to the Stock Exchanges.
- h) The Resolutions shall be deemed to be passed, if approved, on the date of Annual General Meeting.

The procedure and instructions for E-voting are as under:

- I. Open your web browser during the E-voting period and log on to the e-voting website <https://www.evotingindia.com>.
- II. Click on "Shareholders" tab to cast your vote.
- III. Enter your USER ID-
For CDSL: 16 Digit beneficiary ID
For NDSL: 8 Digits DP ID followed by 8 Digit Client ID
For members holding shares in Physical form: Folio Number registered with the Company.
- IV. Enter the Captcha Code as displayed and click on 'LOGIN'.

- V. If you are holding shares in Demat form and have logged on to website <https://www.evotingindia.com> and have cast your vote earlier for EVSN of any Company, then your existing Login ID and Password are to be used. If Demat Account holder has forgotten the changed password then enter the User ID and captcha code click on forgot password and enter the details as prompted by the system.

- VI. If you are first time user, fill up the following details in the appropriate boxes:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (in Capital) (Applicable for both demat Shareholders as well as physical Shareholders)
DOB#	Enter the Date of Birth as recorded in your Demat Account or in the Company records for the said Demat Account or folio in dd/mm/yyyy format OR
Dividend Bank Details	Enter the Dividend Bank details as recorded in your Demat Account or in the Company records for the said Demat Account or folio.

* Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name followed by 8 digit of demat account Client ID /folio number in the PAN field. In case the folio number is less than 8 digits, then enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar and your folio number is 1234 then enter RA00001234 in the PAN field.

Please enter the details in order to login. In case the details are not recorded with the Registrar and Share Transfer Agent / Depository, please enter the number of shares held by you as on July 25, 2014 in the Dividend Bank details field.

- VII. After entering these details appropriately, click on 'SUBMIT' tab.
- VIII. Members holding shares in physical form will then reach directly to the EVSN selection screen. Members holding equity shares in physical form can use these details only for e-voting on the resolution contained in this Notice.
- IX. Members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that the Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- X. Select the 'Electronic Voting Sequence Number (EVSN)' along with 'Dish TV India Limited' and click on 'SUBMIT'.
- XI. On the voting page, you will see Description of Resolution and option 'Yes/No' for voting. Select the option 'Yes' or 'No' as desired. The option 'Yes' implies that you assent to the resolution & 'No' implies that you dissent to the resolution.
- XII. Click on the Resolution file link, if you wish to view the entire Annual General Meeting Notice
- XIII. After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XIV. Once you click 'OK' and confirm your vote, a confirmation box will appear which will state that "Vote(s) have been successfully recorded. Do you wish to print current voting status?" Press "OK" to take out print of the voting done by you, else press "Cancel".
- XV. Institutional Members (viz other than Individuals, HUF, NRI etc.) are required to log on to website <https://www.evotingindia.com> and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same. Else, they can vote without registration, in which case,

they shall be required to mail the scanned copy of the Board Resolution and Power of Attorney which they have issued in favour of the Custodian, if any, in PDF format to Mr. Jayant Gupta, Practicing Company Secretary, the Scrutinizer to the E-Voting Process at pcs.jga@gmail.com with a copy to helpdesk.evoting@cdslindia.com.

- XVI. In case you have any queries or issues regarding E-voting, you may refer the Frequently Asked Questions ["FAQs"] and e-voting manual available at www.evotingindia.com under help section or send email to helpdesk.evoting@cdslindia.com.

Contact Details	
Company	Dish TV India Limited Corp Office: FC – 19, Sector 16A, Noida – 201 301, Uttar Pradesh E-mail: investor@dishtv.in
Registrar & Transfer Agent	Sharepro Services (I) Private Limited Unit: Dish TV India Limited 13AB, Samhita Warehousing Complex 2nd Floor, Saki Naka Telephone Exchange Lane Off. Andheri-Kurla Road, Sakinaka, Andheri (E) Mumbai-400 072 Tel. No. 022-6772 0300/6772 0400/2851 1872 Email: sharepro@shareproservices.com
E-voting Agency	Central Depository Services (India) Limited Email: helpdesk.evoting@cdslindia.com
Scrutinizer	Mr. Jayant Gupta, Practicing Company Secretary E-mail: pcs.jga@gmail.com

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Mr. Lakshmi Chand (DIN-00558169), Director of the Company was appointed as an Independent Director on May 8, 2010, whose office was liable to retirement by rotation.

In terms of the provisions of Sections 149, 150, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder and Clause 49 of the Listing Agreement, Mr. Chand is proposed to be appointed as an Independent Director for a term of 3 (three) consecutive years from the conclusion of the 26th Annual General Meeting upto the conclusion of the 29th Annual General Meeting of the Company to be held in the calendar year 2017, whose office shall not be liable to retire by rotation.

The Board at its meeting held on August 26, 2014, on the recommendation of the Nomination and Remuneration Committee and after consideration, has recommended the appointment of Mr. Chand as Independent Director of the Company for a term of 3 (three) consecutive years from the conclusion of the 26th Annual General Meeting upto the conclusion of the 29th Annual General Meeting of the Company to be held in the calendar year 2017, whose office shall not be liable to retire by rotation. Accordingly, the Board recommends the Ordinary Resolution as set out in Item No. 4 in relation to appointment of Mr. Chand as an Independent Director, for the approval by the Members of the Company.

The brief resume of Mr. Chand, the nature of his expertise in specific functional areas, names of Companies in which he holds Directorships, Committee Memberships / Chairmanships, his Shareholding etc., forms part of the Corporate Governance Report.

Mr. Chand is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director of the Company. The Company has also received declaration(s) from Mr. Chand that he meets with the criteria of Independence as prescribed under Section 149 of the Act.

The Board of Directors are of the opinion that Mr. Chand, being eligible and fulfilling the conditions specified by the Companies Act, 2013 for the position of an Independent Director of the Company, is a persons of integrity and possess relevant expertise and experience . The Board considers that his continued association would be of immense benefit to

the Company and it is desirable to continue to have Mr. Chand as an Independent Director on the Board of the Company. Except Mr. Chand, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution set out in Item No. 4.

Item No. 5

Mr. Bhagwan Dass Narang (DIN-00038052), Director of the Company was appointed as an Independent Director on January 6, 2007, whose office was liable to retirement by rotation.

In terms of the provisions of Sections 149, 150, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder and Clause 49 of the Listing Agreement, Mr. Narang is proposed to be appointed as an Independent Director for a term of 3 (three) consecutive years from the conclusion of the 26th Annual General Meeting upto the conclusion of the 29th Annual General Meeting of the Company to be held in the calendar year 2017, whose office shall not be liable to retire by rotation.

The Board at its meeting held on August 26, 2014, on the recommendation of the Nomination and Remuneration Committee and after consideration, has recommended the appointment of Mr. Narang as Independent Director of the Company for a term of 3 (three) consecutive years from the conclusion of the 26th Annual General Meeting upto the conclusion of the 29th Annual General Meeting of the Company to be held in the calendar year 2017, whose office shall not be liable to retire by rotation. Accordingly, the Board recommends the Ordinary Resolution as set out in Item No. 5 in relation to appointment of Mr. Narang as an Independent Director, for the approval by the Members of the Company.

The brief resume of Mr. Narang, the nature of his expertise in specific functional areas, names of Companies in which holds Directorships, Committee Memberships / Chairmanships, his Shareholding etc., forms part of the Corporate Governance Report.

Mr. Narang is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director of the Company. The Company has also received declaration(s) from Mr. Narang that he meets with the criteria of Independence as prescribed under Section 149 of the Act.

The Board of Directors are of the opinion that Mr. Narang, being eligible and fulfilling the conditions specified by the Companies Act, 2013 for the position of an Independent Director of the Company, is a persons of integrity and possess relevant expertise and experience . The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to have Mr. Narang as an Independent Director on the Board of the Company.

Except Mr. Narang, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution set out in Item No. 5.

Item No. 6

Mr. Arun Duggal (DIN-00024262), Director of the Company was appointed as an Independent Director on January 6, 2007, whose office was liable to retirement by rotation.

In terms of the provisions of Sections 149, 150, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder and Clause 49 of the Listing Agreement, Mr. Duggal is proposed to be appointed as an Independent Director for a term of 3 (three) consecutive years from the conclusion of the 26th Annual General Meeting upto the conclusion of the 29th Annual General Meeting of the Company to be held in the calendar year 2017, whose office shall not be liable to retire by rotation.

The Board at its meeting held on August 26, 2014, on the recommendation of the Nomination and Remuneration Committee and after consideration, has recommended the appointment of Mr. Duggal as Independent Director of the Company for a term of 3 (three) consecutive years from the conclusion of the 26th Annual General Meeting upto the conclusion of the 29th Annual General Meeting of the Company to be held in the calendar year 2017, whose office shall not be liable to retire by rotation. Accordingly, the Board recommends the Ordinary Resolution as set out in Item No. 6 in relation to appointment of Mr. Duggal as an Independent Director, for the approval by the Members of the Company.

The brief resume of Mr. Duggal, the nature of his expertise in specific functional areas, names of Companies in which holds Directorships, Committee Memberships / Chairmanships, his Shareholding etc., forms part of the Corporate Governance Report.



Mr. Duggal is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director of the Company. The Company has also received declaration(s) from Mr. Duggal that he meets with the criteria of independence as prescribed under Section 149 of the Act.

The Board of Directors are of the opinion that Mr. Duggal, being eligible and fulfilling the conditions specified by the Companies Act, 2013 for the position of an Independent Director of the Company, is a persons of integrity and possess relevant expertise and experience . The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to have Mr. Duggal as an Independent Director on the Board of the Company.

Except Mr. Duggal, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution set out in Item No. 6.

Item No. 7

Mr. Eric Louis Zinterhofer (DIN-01929446), Director of the Company was appointed as an Independent Director on October 22, 2007, whose office was liable to retirement by rotation.

In terms of the provisions of Sections 149, 150, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder and Clause 49 of the Listing Agreement, Mr. Zinterhofer is proposed to be appointed as an Independent Director for a term of 3 (three) consecutive years from the conclusion of the 26th Annual General Meeting upto the conclusion of the 29th Annual General Meeting of the Company to be held in the calendar year 2017, whose office shall not be liable to retire by rotation.

The Board at its meeting held on August 26, 2014, on the recommendation of the Nomination and Remuneration Committee and after consideration, has recommended the appointment of Mr. Zinterhofer as Independent Director of the Company for a term of 3 (three) consecutive years from the conclusion of the 26th Annual General Meeting upto the conclusion of the 29th Annual General Meeting of the Company to be held in the calendar year 2017, whose office shall not be liable to retire by rotation. Accordingly, the Board recommends the Ordinary Resolution as set out in Item No. 7 in relation to appointment of Mr. Zinterhofer as an Independent Director, for the approval by the Members of the Company.

The brief resume of Mr. Zinterhofer, the nature of his expertise in specific functional areas, names of Companies in which holds Directorships, Committee Memberships / Chairmanships, his Shareholding etc., forms part of the Corporate Governance Report.

Mr. Zinterhofer is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director of the Company. The Company has also received declaration(s) from Mr. Zinterhofer that he meets with the criteria of independence as prescribed under Section 149 of the Act.

The Board of Directors are of the opinion that Mr. Zinterhofer, being eligible and fulfilling the conditions specified by the Companies Act, 2013 for the position of an Independent Director of the Company, is a persons of integrity and possess relevant expertise and experience. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to have Mr. Zinterhofer as an Independent Director on the Board of the Company.

Except Mr. Zinterhofer, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution set out in Item No. 7.

By order of the Board

Ranjit Singh
Company Secretary
Membership No. A15442

Place: Noida
Date: August 26, 2014

Registered Office:
Essel House, B-10,
Lawrence Road Industrial Area, Delhi - 110 035
E-mail: investor@dishtv.in, CIN: L51909DL1988PLC101836

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 26th (Twenty Sixth) Annual Report and the Audited Financial Statements of the Company for the Financial Year ended March 31, 2014.

FINANCIAL RESULTS

The Financial Performance of your Company for the Financial Year ended March 31, 2014 is summarized below:

(₹ / Thousand)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Sales & Services	25,089,803	21,668,050
Other Income	660,249	511,952
Total Income	25,750,052	22,180,002
Total Expenses	26,128,424	23,431,940
Profit/(Loss) before Tax & Prior Period Item	(378,372)	(1,251,938)
Prior Period Item	(1,163,688)	-
Profit/(Loss) before Tax	(1,542,060)	(1,251,938)
Provision for Taxation (net)	-	-
Profit/(Loss) after Tax	(1,542,060)	(1,251,938)
Exceptional items	-	594,442
Profit/(Loss) for the Year	(1,542,060)	(657,496)
Add: Balance brought forward	(18,180,416)	(17,522,920)
Amount available for appropriations	(19,722,476)	(18,180,416)
Appropriations :		
Dividend	NIL	NIL
Tax on Dividend	NIL	NIL
General Reserve	NIL	NIL
Balance Carried Forward	(19,722,476)	(18,180,416)

DIVIDEND

Your Directors have not recommended any dividend on the equity shares of the Company for the year under review.

BUSINESS OVERVIEW

The Financial Year 2013 – 14 was a globally challenging year with the economy facing turbulent times and the dollar touching new heights. The economic downturn brought challenges to your Company however your Company, despite the economic slowdown, continued to grow in all aspects. The year under review witnessed increase in all folds including gross revenue, gross subscriber base, EBITDA and ARPU.

Dish TV has pioneered the Direct-to-Home (DTH) distribution space and continues to hold the largest registered subscriber base till date. It has become synonymous with quality digital entertainment in the Country. Ever since inception dishtv has been a thought leader bringing new and innovative products and services into the category and setting benchmarks for others to follow. Dishtv has built and continues to sustain abundant capacity, beaming from 2 (two) different satellites, offering the largest bouquet of content with an unmatched 450+ channels and services. All this packaged at consumer friendly tiers that suit diverse consumer needs for content across different genres and languages.

During the year under review, your Company continued to engage subscribers by providing wholesome entertainment experience through relevant content, on demand services and the door step service & support. The positive effect of Digitization already initiated in the previous years continued to show in parts of 38 cities and your Company created new service franchisees to cater to the increased requirements of newly digitized homes in the said 38 cities. This provided an edge over competition and the benefit of such service infrastructure will yield benefit in coming years. The Digital Cable System continued to aggressively engage into stiff competition however DTH continues to be a favoured choice of the customer. Your Company continued to play the role of the leader of the Industry with bringing new and innovative products and services into the category and setting benchmarks for others to follow.

Dishtv now offers consumer choice across a wide array of multi-brand and multi product portfolio, to suit different consumer segments. Continuing the lead the category with largest bouquet of 40 HD channels, dishtruHD+, India's first HD set top box with unlimited recording, has built a hi-ARPU base of HD users that provide hi-ARPU and better retention too. Dish+, the standard definition recorder that allowed Indian

consumers to taste the power of pause / play, recording features at SD prices, has become a 30% contributor to gross additions during the year and attracts quality subscribers into the fold.

During the year under review, your Company launched a new product under the brand name – ZING. The new product is aimed at providing regional driven content, covering small towns and rural markets which will provide your Company an opportunity to strengthen its presence in these areas.

The favorable demographic pattern and constant rise in the net disposable income is also driving major change in the Media and Entertainment Industry. The quality of contents is also improving with the increased demand, desire and expectations of the consumers. The rise in education level and increased expectations mainly because of the access to international media, internet and social networking platforms is also driving the Industry. The consumer of today is more evolved, tech savvy, broadband oriented and is willing to go places to satiate his demand for content.

In true spirit of a category leader, Dish TV has constantly pioneered new products that have set new benchmarks, throughout its journey. This year Dish TV forayed into the OTT (Over the Top) space with an online TV streaming product christened dishonline. Stemming from high penetration of smart phones and internet, the Indian consumer today, is spending increasing time on alternate screens like the laptop, tablet and smart phone, away from the conventional TV viewing. A large part of this consumption on smaller screens is dominated by viewership of content online. Understanding the new dynamics of evolving consumer trends of multi-screen behavior, this product provides live TV, on demand movies, catch up TV and video shows at the press of a button on an app. Hence dish TV viewers can now access their favorite TV shows on the go, on their mobile device and never miss a minute of their loved program. This innovative and engaging product was introduced at a small top up price of ₹ 60 a month, over and above the base subscription on TV, has seen over 4 lac downloads in a short span of time. The dishonline product has a great VAS opportunity to build ARPU.

The changing consumer attitudes of today's discerning consumers and increase in spending patterns, specially towards embracing new technology products, presents an opportunity for adoption of new formats such as recorders and hi-definition. With the downturn in CRTV

market and the tide shifting to flat panel technology showcases the consciousness of consumers with regard to quality of TV viewing. The panorama for DTH is brighter than ever before. Clubbed with reduction in prices of flat panel televisions, demand for quality television provides a very fertile ground for the category. Therefore, the Company sees an upsurge in demand for Hi-Definition STB sales due to the expanding HD universe by consumers actively seeking quality content. Opportunities also lie in acquiring quality consumers who make a positive difference to the bottom line not only contributing to ARPU but also increase brand loyalty.

SUBSIDIARY OPERATIONS

Subsidiary in Sri Lanka

Your Company, upon the approval of Board of Directors, incorporated a Joint Venture ('JV') Company with Satnet (Private) Limited, a Company incorporated under the Laws of Sri Lanka, in the name and style of 'Dish T V Lanka (Private) Limited' on April 25, 2012 with a paid-up share capital of 1 million Sri Lankan Rupees. Your Company holds 70% of the paid-up share capital and Satnet (Private) Limited holds 30% of the paid-up share capital, respectively, in the said JV Company. Dish T V Lanka (Private) Limited shall provide DTH services upon receipt of the License from the Government of Sri Lanka. The Company has received the license from the Telecom Regulatory Commission of Sri Lanka and is awaiting the license from Media Ministry of Sri Lanka, post which it shall commence the commercial operations.

Subsidiary in India

Your Company, upon the approval of Board of Directors and the Members of the Company, acquired the entire share capital of Xingmedia Distribution Private Limited ('Xingmedia') on March 24, 2014. The principal business of Xingmedia is to provide support services for satellite based communication services, management of hard assets like Consumer Premises Equipment (CPE) and its installation, after sales service, call center & back end support service, value added services etc. With the strategy of the Company to focus on core business activities, strengthen and expand its operations in this field, the investment in Xingmedia will help the Company to take necessary steps in this direction expeditiously and effectively. Your Company holds the entire share capital in Xingmedia. Xingmedia shall, post commencement of commercial operations, shall also provide various services to Dish TV including call center and back end support service.

Audited Accounts of Subsidiary Companies

In accordance with the General Circular No. 2 / 2011 dated February 8, 2011 read with General Circular No. 3 / 2011 dated February 21, 2011 issued by the Government of India, Ministry of Corporate Affairs, the accounts of Subsidiary Companies are not attached to the Annual Audited Accounts of the Company. The Board of Directors of the Company at their meeting held on May 27, 2014 had opted for not attaching the Financial Statements of the subsidiaries. The Company has prepared the Audited Consolidated Financial Statements in compliance with applicable Accounting Standards and the Listing Agreement that forms part of this Annual Report. The Statement pursuant to Section 212 of Companies Act, 1956, highlighting the summary of the financial performance of our subsidiaries is annexed to this Report. The Audited Financial Statements and related information of the Subsidiaries will be made available to any member, upon request, and shall also be open for inspection at the Registered Office of the Company.

As required under the Accounting Standard AS-21 – 'Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India ('ICAI') and applicable provisions of the Listing Agreement with the Stock Exchange(s), the Audited Consolidated Financial Statements of the Company reflecting the Consolidation of the Accounts of its subsidiaries to the extent of equity holding in these Companies are included in this Annual Report.

LISTING

Your Company's fully paid equity shares continue to be listed and traded on BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE'). Both these Stock Exchanges have nation-wide terminals and hence facilitates the Shareholders / Investors of the Company in trading the shares. The Company has paid the annual listing fee for the Financial Year 2014-15 to the said Stock Exchanges.

The Global Depository Receipts ('GDR') of the Company are listed on the Luxembourg Stock Exchange. The Company has paid the annual listing fee to the Luxembourg Stock Exchange.

DEPOSITORIES

Your Company has entered into an agreement with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'), the Depositories of the Company, for facilitating the members to trade in the equity shares of the Company

in Dematerialized form. The Company has paid the annual custody fees for the Financial Year 2014-15 to both the Depositories.

SHARE CAPITAL

During the year under review, your Company has issued and allotted 69,590 equity shares, upon exercise of Stock Option by the Employees / Independent Directors of the Company, pursuant to the Employee Stock Option Scheme - 2007 ('ESOP - 2007') of the Company and these shares were duly admitted for trading on both the stock exchanges viz NSE and BSE.

During the Financial Year 2008-09, your Company had come up with Rights Issue of 518,149,592 equity shares of ₹ 1 each, issued at ₹ 22 per share (including premium of ₹ 21 per share), payable in three installments. Upon receipt of valid first and second call money from the concerned shareholders, during the year under review, the Company converted 170,612 equity shares from ₹ 0.50 each paid up to ₹ 0.75 each paid up and 170,733 equity shares from ₹ 0.75 each paid up to ₹ 1 each fully paid up.

Pursuant to the issue of further equity shares under ESOP scheme and subsequent to conversion of partly paid equity shares, the paid up capital of your Company during the year has increased from ₹ 1,064,779,289.5 (comprising of 1,064,662,247 fully paid up equity shares of ₹ 1 each & 22,314 equity shares of ₹ 1 each paid up ₹ 0.75 per equity share & 200,614 equity shares of ₹ 1 each, paid up ₹ 0.50 per equity share) to ₹ 1,064,934,215.75 (comprising of 1,064,902,570 fully paid up equity shares of ₹ 1 each & 22,193 equity shares of ₹ 1 each, paid up ₹ 0.75 per equity share & 30,002 equity shares of ₹ 1 each, paid up ₹ 0.50 per equity share).

RIGHT ISSUE OF SHARES & UTILISATION OF PROCEEDS THEREOF

Out of the total Right Issue size of ₹ 113,992.91 Lakhs, the Company has received a sum of ₹ 113,986.33 Lakhs towards the share application and call money as at March 31, 2014, the details of which has been provided under the preceding heading.

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



The Board at its meeting held on May 28, 2009 approved to make changes in the manner of usage of right issue proceeds. The manner of utilization of rights issue proceeds as on March 31, 2014, 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/	19,720.37
Acquisition of Consumer Premises Equipment (CPE)	26,000.00
Right Issue Expenses	544.52
Total	98,986.33

The half yearly Monitoring Reports issued by IDBI Bank Limited, the Monitoring Agency of the Company, containing deviation from the original proposed expenditure plan and in accordance with the approved 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, 2014, 85,035 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, 2014 is as under:

Particulars	Amount (₹ In Lacs)
Acquisition of FA including CPE	7,669.88
GDR Issue Expenses	344.63
Advance Against Share Application Money given to erstwhile Subsidiary	56.14
Repayment of Bank Loans	755.22
Operation Expenses including interest payment bank charges, exchange fluctuation	21,819.05
Less: Interest earned-realized	(439.94)
Balance with Non-Scheduled Bank	25,443.97
Total	55,648.95

EMPLOYEE STOCK OPTION SCHEME

In compliance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time, your Board had authorized the Nomination and Remuneration Committee (formerly 'Remuneration Committee') to administer and implement the Company's Employees Stock Option Scheme (ESOP - 2007) including deciding and reviewing the eligibility criteria for grant and /or issuance of stock options to the eligible Employees / Independent Directors under the Scheme. Further, your Board has also constituted an ESOP Allotment Committee to consider, review and allot equity shares to the eligible Employees / Independent Directors exercising the stock options under the Employee Stock Option Scheme (ESOP - 2007) of the Company.

During the period under review, the Nomination and Remuneration Committee (formerly 'Remuneration Committee') of the Board granted 380,650 stock options to the eligible Employees / Independent Directors as per the ESOP - 2007 of the Company. The ESOP Allotment Committee of the Board, during the year, issued and allotted 69,590 fully paid equity shares, upon exercise of the stock options by eligible Employees / Independent Directors under the ESOP - 2007.

Applicable disclosures relating to Employees Stock Options as at March 31, 2014, pursuant to Clause 12 (Disclosure in the Directors' Report) of the SEBI (Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines, 1999, as amended from time to time, are set out in the Annexure to this Report.

A certificate to the effect that the ESOP - 2007 Scheme of the Company has been implemented in accordance with the SEBI Guidelines and as per the resolution passed by the members of the Company authorizing issuance of the said ESOPs, as prescribed under Clause 14 of the said Guidelines, has been issued by the Statutory Auditors of the Company. The said certificate shall be available for inspection at the Annual General Meeting of the Company and a copy of the same shall be available for inspection at the Registered Office of the Company.

PUBLIC DEPOSITS AND LOAN / ADVANCES

During the year under review, your Company has not accepted any Deposits under Section 58A and Section 58AA of the Companies Act, 1956 read with Companies

(Acceptance of Deposits) Rules, 1975. Pursuant to Clause 32 of the Listing Agreement, the particulars of loans / advances given to Subsidiary Companies have been disclosed in the Financial Statements of the Company.

CORPORATE GOVERNANCE

Corporate Governance is not just a destination but a journey to constantly improve sustainable value creation. Your Company firmly believes that maintaining the highest standards of Corporate Governance is imperative in its pursuit of leadership in the Direct to Home ('DTH') business. Your Company continues to focus its resources, strengths and strategies to achieve its vision of becoming true global leader in DTH Industry. Your Company further believes that a sound, transparent, ethical and responsible Corporate Governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the organization. This is ensured by taking ethical business decisions and conducting the business with a firm commitment to values, while meeting Shareholders' expectation. Your Company considers it an inherent responsibility to disclose timely and accurate information and places high emphasis on best business practices and standards of governance.

Your Company seeks to align and synergize the Corporate Governance norms prescribed by various regulatory bodies with a view to adopt best governance practices leading to sustained growth of your Company embracing the inclusive growth and long term benefits for all its Stakeholders and the economy as a whole. Your Company has been constantly reassessing and benchmarking itself with well-established Corporate Governance practices.

The 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 fiscal year ending 2014, 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.

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 is separately attached hereto and forms a part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

As part of the Essel Group, 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.

AWARDS AND ACHIEVEMENTS

During the year, your Company was voted as the 'Most Attractive DTH Brand' in the TRA's (Trust Research Advisory) report of 'India's Most Attractive Brand 2013' and also as the 'Most Trusted Brand' by Trust Research Advisory (TRA) in their report 'Brand Trust Report – 2014'.

RATINGS

CRISIL, a Credit Rating Agency, has during the year under review assigned 'CRISIL A- / Stable (Assigned)' rating to the New Banking Facilities of the Company.

CARE (Credit Analysis and Research Limited), a Credit Rating Agency has revised the rating of Long-Term Bank Facilities of the Company from 'CARE BBB (Triple B)' to 'CARE A- (Single A minus)'. The revision in standalone rating of the Company factors in comfortable debt coverage metrics (Total Debt / GCA & Interest coverage ratio), availability of large unencumbered deposits (cash) to meet any contingencies and strong parentage.

POSTAL BALLOT

During the year under review, your Company sought the approval of the Shareholders on the following matters, vide Postal Ballot Notice dated February 14, 2014.

- Special Resolution under Section 372A of the Companies Act, 1956 to approve making loans / investments or giving guarantee or providing any security, for an additional amount of Indian Rupees 30 Crores, the aggregate amount of loans / investments / guarantees not exceeding Indian Rupees 100 Crores, in Dish T V Lanka (Private) Limited over and above the limits prescribed under the said Section.
- Special Resolution under Section 372A of the Companies Act, 1956 to approve making an



initial investment of upto Indian Rupees 1 lakh for acquiring / investing through purchase / transfer, the entire share capital of Xingmedia Distribution Private Limited over and above the limits prescribed under the said section.

The said Postal Ballot Notice along with Postal Ballot Form and Business Reply Envelopes were duly sent to the Shareholders of your Company and your Company also offered E-Voting facility as an alternate option for voting by the Shareholders, which enabled them to cast their votes electronically, instead of Physical Postal Ballot Form. The result on the voting conducted through Postal Ballot process was declared on March 24, 2014.

The procedure prescribed under Section 192A of the Companies Act, 1956 and notified applicable provisions of Companies Act, 2013 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 was adopted for conducting the Postal Ballot.

Further, details related to the Postal Ballot procedure adopted, voting pattern and result thereof have been provided under the General Meeting Section of 'Report on Corporate Governance'.

DIRECTORS

In terms of the Articles of Association of the Company and the applicable provisions of the Companies Act, 1956, Mr. Mintoo Bhandari, Non-Executive Nominee Director is liable to retire by rotation at the ensuing Annual General Meeting. Your Board recommends the re-appointment of Mr. Mintoo Bhandari, as a Director liable to retire by rotation, in terms of the applicable provisions of the Companies Act, 2013.

In terms of provisions of the Companies Act, 2013, the office of the Independent Directors shall not be liable to retire by rotation. Accordingly, Mr. B. D. Narang, Mr. Arun Duggal, Mr. Lakshmi Chand and Mr. Eric Louis Zinterhofer, 'Non-Executive & Independent Directors' of the Company, whose office are liable to retire by rotation, under the erstwhile provisions of the Companies Act, 1956 have been proposed to be appointed as Independent Directors of the Company whose office would not be liable to retire by rotation, in terms of the provisions of Section 149, 150 and 152, Schedule IV of the Companies Act, 2013, for a term of 3 (three) consecutive years with effect from the conclusion of 26th Annual General Meeting upto the conclusion of 29th Annual General Meeting of the Company to be held in the calendar year 2017.

The Board has received declarations from all the 'Independent Directors' of the Company confirming

that they meet with the criteria of Independence, as prescribed under Section 149 of the Companies Act, 2013. Further, your Board has also evaluated and opined that the 'Independent Directors' of the Company fulfil the conditions specified in the Companies Act, 2013 and the rules made thereunder and are Independent. Thus the Board recommends their appointment as Independent Directors on the Board of the Company.

Details of the proposal for the appointment of above Directors is mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the Annual General Meeting. Brief resume and details of Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting are included in the Corporate Governance Report.

AUDITORS

The Statutory Auditors B S R & Co. LLP, Chartered Accountants, Gurgaon, having Registration No. 101248W/W-100022, have expressed their unwillingness to be reappointed as the Statutory Auditor of the Company. The Board, on recommendation of the Audit Committee, has proposed to the members, the appointment of Walker Chandiok & Co LLP, Chartered Accountants, New Delhi (Firm Registration No. 001076N/N-500013) as the Statutory Auditor of the Company for a period of 3 years, i.e., from the conclusion of 26th Annual General Meeting until the conclusion of 29th Annual General Meeting to be held in the calendar year 2017 and also to fix their remuneration.

Your Company has received confirmation from Walker Chandiok & Co LLP, Chartered Accountants, New Delhi, to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and that they satisfy the criteria specified in Section 141 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules 2014.

AUDITOR'S REPORT

The response to the matter of Emphasis laid down by the Auditors in the Audit Report and the Annexure thereto is as under:

The response to Serial No. 5 (a) of the Auditors report and Serial No. (x) of the Annexure to the Audit Report - The Company holds a DTH license from Government of India and the DTH business necessitates long gestation period. Being first mover, the Company has incurred huge cost on establishment and awareness of the product, brand building on a pan India basis. 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. The Company also has positive operating cash flows and the loss is also reducing gradually.

The response to Serial No. 5(b) and 5(c) of the Auditors report is- The Company has been recognizing the initial activation fee received from the subscribers over a period ranging from 3 years to 5 years based on the time period and nature of scheme under which the connection of the subscriber was activated. However, the cost incurred in procurement, installation and activation of the Consumer Premises Equipment (CPE) is higher than the amount realized from the subscribers. To this extent, there was a mismatch in the total cost incurred upto the time of activation of the connection at the customers end and the initial revenue realized by the Company. In order to give a fair representation of the transaction & matching the cost leading upto installation, a change in revenue recognition policy was adopted by the Management. This will result in a true and fair view of the underlying business transaction.

The response to Serial No.(ix)(a) of the Annexure to the Audit Report is- The Company has to pay the Entertainment Tax in various states individually and the Entertainment Tax regime is ever evolving with each state making changes in the Entertainment Tax regime. The delays were on account of procedural issues which have been taken care of and the amounts have been subsequently paid to the authorities

The response to Serial No. (xvii) of the Annexure to the Audit Report is - The Company needs to procure CPE for installation at the end of subscriber. The same is treated as Fixed asset and depreciated over a period of 5 years. The funds borrowed for this purpose is relatively of shorter duration and hence prima facie, the short term funds are used for long term purpose.

AUDIT COMMITTEE RECOMMENDATION

During the year there was no such recommendation of the Audit Committee which was not accepted by the Board.

COST AUDIT

In compliance with the Companies (Cost Audit Report) Rules, 2011 and Cost Accounting Records (Telecommunication Industry) Rules, 2011 issued by the Central Government, your Company had appointed Chandra Wadhwa & Co., Cost Accountants (Membership Number – 6797), as the Cost Auditor for

the Financial Year 2013-14. The Cost Auditors' Report for the Financial Year 2013-14 will be forwarded to the Central Government on or before September 30, 2014.

Pursuant to Companies (Cost Records and Audit) Rules, 2014 dated June 30, 2014 issued by the Ministry of Corporate Affairs, there is no further requirement of appointment of Cost Auditors for Company providing Broadcasting Services and accordingly your Company is from now onwards exempt from appointing Cost Auditors.

RISK MANAGEMENT SYSTEM & INTERNAL CONTROL SYSTEMS

Your Company has an effective internal control and risk mitigation system, which is constantly assessed and strengthened with new / revised standard operating procedures and which ensures that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized and recorded. The Company has laid down procedures to inform Audit Committee and Board about the risk assessment and mitigation procedures, to ensure that the management controls risk through means of a properly defined framework. This internal control systems of your Company ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

An extensive program of internal audits and management reviews supplements the process of internal control. Properly documented policies, guidelines and procedures are laid down for this purpose. The internal control system has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets.

The Company also has an Audit Committee, presently comprising of 4(four) Non-Executive professionally qualified Directors, who along with Management team, interact with the Statutory Auditors, Internal Auditors, Cost Auditors and Auditees in dealing with matters within its terms of reference. The Committee *inter alia* deals with accounting matters, Financial Reporting and Internal Controls which also periodically reviews the Risk Management Process.

COMPANIES ACT, 2013

During the current Financial Year the Companies Act, 1956 has been replaced by newly enacted Companies Act, 2013 and became applicable from April 1, 2014.



The Ministry of Corporate Affairs, Government of India vide its Circular 08/2014 dated April 4, 2014 notified that the Financial Statements (and documents attached thereto), Auditor's Report and Board's Report in respect of the financial years that commenced earlier than April 1, 2014 shall be governed by the relevant provisions / schedules / rules of the Companies Act, 1956. Accordingly, the Financial Statements and the Director's Report has been prepared as per the applicable provisions of the Companies Act, 1956.

Your Company has been regular in keeping pace with the fast changes introduced by the Companies Act, 2013 and initiated necessary actions accordingly. Some of the important initiatives taken by your Company are as under:

- a) Reconstitution of the Board and the Committees thereof;
- b) Revision of the terms of reference of the Board Committees;
- c) Designation of Key Managerial Personnels;
- d) Setting up of Vigil Mechanism;
- e) Constitution of Corporate Social Responsibility Committee;
- f) Recommendation for the Appointment of the Independent Directors, not liable to retire by rotation, who satisfy the criteria enumerated in Companies Act, 2013;
- g) Providing E-Voting facility to Members to vote on the resolutions of General Meeting and Postal Ballot.

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

Your Company is in the business of providing Direct-to-Home ('DTH') 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. 30, 31 and 32 to the notes to the Accounts forming part of the Annual Accounts.

HUMAN RESOURCE MANAGEMENT

The Company is committed to nurturing, enhancing and retaining talent through superior learning & Organization Development interventions. Long term development of human capital and strategic employment of retention tools is at the core of your Company's strategy. Your Company believes that its Employees are the most valuable assets and vital for the sustained growth of the Company. We at Dish TV, encourage innovation, meritocracy and the pursuit of excellence by setting up robust recruitment and human resource management policies. The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business.

The Company has a structured induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on Key Result Areas (KRAs) are in place for employees of the Company.

The Management of your Company aims at developing such strategies that not only promise attraction of best talent in your Company but also ensures their retention by building trust and instilling devotion in the employees at all levels. Your Company aims to incorporate the planning and control of manpower resource into the corporate level plans so that all resources are used together in the best possible combination.

PARTICULARS OF EMPLOYEES

As on March 31, 2014, the total numbers of employees on the records of the Company were 947. The information required under Section 217(2A) of the Companies Act, 1956 ('Act') read with the Companies (Particulars of Employees) Rules, 1975, as amended

from time to time, is required to be set out in an annexure to this report. However, in terms of Section 219(1)(b) of the Act, the Annual Report is 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 of the Company. None of the employees, except Mr. Jawahar Lal Goel, Managing Director, mentioned in the said list are related to any Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of and pursuant to Section 217(2AA) of the Companies Act, 1956, as amended from time to time, in relation to the Annual Financial Statements for the Financial Year 2013-14, your Directors confirm the following:

- a) That in the preparation of the Financial Statements for the year ended March 31, 2014, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) That the Accounting Policies have been selected and 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, 2014, and of the profit or loss of the Company for the year ended on that date;
- c) That proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) That the Annual Accounts for the year ended March 31, 2014 have been prepared on a going concern basis.

INDUSTRIAL OPERATIONS

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across the organization.

CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations and actual results might differ.

ACKNOWLEDGEMENT

It is our strong belief that caring for our business constituents has ensured our success in the past and will do so in future. Your Directors acknowledge with sincere gratitude the co-operation and assistance extended by the Central and State Governments, the Ministry of Information and Broadcasting ('MIB'), the Department of Telecommunication ('DOT') 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.

Your Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued stakeholders.

For and on behalf of the Board

Jawahar Lal Goel
Managing Director
DIN: 00076462

B D Narang
Director
DIN: 00038052

Place: Noida
Date: August 26, 2014

ANNEXURE 'A' TO DIRECTORS' REPORT

Statement as at March 31, 2014 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, as amended from time to time.

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
		July 19, 2012	141,450	₹ 68.10
		May 23, 2013	288,550	₹ 68.00
	July 26, 2013	92,100	₹ 57.10	
B	Pricing formula	The pricing formula as approved by the Shareholders of the Company, shall be the “market price” as per the SEBI Guidelines, 1999, as amended from time to time, 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	5,723,050 (Includes the Lapsed Options which were added back to the kitty)		
D	Total number of Options vested (includes option exercised)	2,133,938 (Net Options Vested)		
E	Options Exercised	1,547,370		
F	The total number of shares arising as a result of exercise of options	1,547,370		
G	Total number of Options Lapsed	2,851,740		
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	₹ 62,072,246/-		
J	Total number of Options in force	1,323,940		
K	Employee wise details of Options Granted (as on March 31, 2014):			
	(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	-
	Rajiv Khattar	President – Projects	167,950	-
	Rajeev Kumar Dalmia	CFO	171,100	-
	Salil Kapoor	COO	142,950	28,590
	V K Gupta	COO	97,200	58,320
	(ii) Any other Employee(s) who received a grant in any one year of Option amounting to 5% or more of Options granted during the year			
	Name	Designation	No. of Options Granted	
	Joy Patra	Senior Vice President – Sales	42,900	
	Salil Srivastava	DVP Central Zone	52,100	
	Renjith NK	DVP-South 1 Zone	52,100	
	Gurpreet Singh	Senior Vice President Sales	141,450	
	R S Vijyakumar	DVP South Zone	52,100	
	Tarun Nanda	DVP – Finance & Investor Relations . Finance & Accounts	40,000	

	(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. 41 to the Standalone Financial Statements of the Company										
M	Where the Company has calculated the Employee compensation cost using the intrinsic value of the stock options, the difference between the Employee compensation cost so computed and the Employee compensation cost that shall have been recognized if it had used the fair value of the Options. The impact of this difference on profits and on EPS of the Company shall also be disclosed.		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	19-Jul-12	23-May-13	26-Jul-13
		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)	-	-	9,495	902,628	212,597	864,720	4,154,004	481,687	(1,325,118)	1,885,479	663,096
		Impact on profits and EPS in case of fair value method was employed for accounting of ESOP	Loss per share increase by ₹ 0.01 per share (from ₹ 1.45 per share to ₹ 1.46 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	19-Jul-12	23-May-13	26-Jul-13
		Weighted – average exercise price (Pre re-pricing) (₹)	75.20	63.25	37.55	47.65	41.45	57.90	58.95	93.20	68.10	68.00	57.10
		Weighted – average exercise price (Post re-pricing) (₹)	37.55	37.55	37.55	47.65	41.45	57.90	58.95	93.20	68.10	68.00	57.10
		Weighted – average Fair Value (Pre re-pricing) (₹)	40.45	-	23.87	30.61	26.64	36.57	37.54	55.32	37.92	35.12	30.12
		Weighted – average Fair Value (Post re-pricing) (₹)	21.49	-	23.87	30.61	26.64	36.57	37.54	55.32	37.92	35.12	30.12

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	20-Jul-11	19-Jul-12	23-May-13	26-Jul-13
	(i) risk-free interest rate	8.45%	-	8.48%	6.36%	7.35%	7.89%	8.01%	8.23%	8.06%	7.32%	8.57%
	(ii) expected life (yrs.)	5	-	5	5	5	5	5	5	5	5	5
	(iii) expected volatility	68.23%	-	68.23%	73.47%	71.72%	64.89%	63.65%	60.68%	54.32%	48.94%	47.93%
	(iv) the price of the underlying share in the market at the time of option grant.(₹)	75.20*	-	37.55	47.65	41.45	57.90	58.95	93.20	68.10	68.00	57.10
	(v) expected dividends	The shares issued under Stock Options shall rank <i>pari-passu</i> , including the right to receive dividend. Expected dividend payouts to be paid during the life of the option reduce the value of a call option by creating drop in market price of the stock. Adjustments for known dividend payouts over the life of the Option are made to the formulae under Black Scholes Method. However, in the present case, as the life of the Option is greater than one year, there is considerable difficulty in estimating the amount and time of future dividend payouts with certainty. Hence, future dividend payouts have not been incorporated in the valuation analysis.										

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

For and on behalf of the Board

Jawahar Lal Goel
Managing Director
DIN-00076462

B D Narang
Independent Director
DIN-00038052

Place: Noida
Date: August 26, 2014

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 T V Lanka (Private) Limited	Xingmedia Distribution Pvt. Ltd.
2. Financial Year of the Subsidiary Company ended on	31-Mar-2014	31-Mar-2014
3. Holding Company's interest	70%	100%
4. Shares held by the Holding Company in the Subsidiary	70,000 Equity Shares of LKR 10/- each (₹ 0.43) fully paid up	118,010,000 Equity Shares of ₹ 10/- each, fully paid up
5. The net aggregate amount of profit / (loss) 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, 2014	(208)	(110)
b) For the previous Financial Years of the Subsidiaries since it became a Subsidiary	(36)	First Year of Operation
6. The net aggregate amount of profit / (loss) 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, 2014	NIL	NIL
b) For the previous Financial Years of the Subsidiaries since it became a Subsidiary	NIL	NIL

For and on behalf of the Board

Jawahar Lal Goel
Managing Director
DIN-00076462

B D Narang
Independent Director
DIN-00038052

Place: Noida
Date: August 26, 2014

REPORT ON CORPORATE GOVERNANCE

Dish TV's Corporate Governance Policy is based on transparency, accountability, trusteeship and ethical corporate citizenship. Transparency and Accountability are the fundamental principles to sound Corporate Governance, which ensures that the Organization is managed and monitored in a responsible manner for 'creating and sharing value'. Corporate Governance is the acceptance by the Management of the inalienable rights of the Stakeholders as the true owners of the Corporation and of their own role as trustees on behalf of the Stakeholders. Effective Corporate Governance is the key element ensuring Investors' protection, providing finest work environment leading to highest standards of Management and maximization of everlasting long-term values. A transparent, ethical and responsible Corporate Governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the Organization which has been the hallmark of your Company.

We believe, Corporate Governance is not just a destination but a journey to constantly improve sustainable value creation. Your Company firmly believes that maintaining the highest standards of Corporate Governance is imperative in its pursuit of leadership. Your Company continues to focus its resources, strengths and strategies to achieve its vision of becoming true global leader. Your Company further believes that a sound, transparent, ethical and responsible Corporate Governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the Organization. This is ensured by taking ethical business decisions and conducting the business with a firm commitment to values, while meeting Shareholders' expectation. Your Company considers it an inherent responsibility to disclose timely and accurate information and places high emphasis on best business practices and standards of governance.

We believe that the essence of Corporate Governance lies in the phrase "Your Company". It is "Your" Company because it belongs to "You" – the Shareholders. The Chairman and Directors are "Your" fiduciaries and trustees. Their objective is to take the business forward to maximize "Your" long-term value.

To succeed, we believe, requires highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our Shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come. Strong leadership and effective Corporate Governance practices have been your Company's hallmark.

Recently, the Securities and Exchange Board of India ('SEBI') has come out with a Circular dated April 17, 2014 with regard to amendment in the Clause 49 of the Listing Agreement relating to 'Corporate Governance Section' to bring in additional Corporate Governance norms for Listed Entities. The amended norms, as provided for in the Circular dated April 17, 2014 are applicable with effect from October 1, 2014. The amended norms are aimed to encourage Companies to adopt best practices on Corporate Governance *inter alia* by making detailed and transparent disclosures at various stages of business operations.

We believe that an active, well informed and Independent Board is necessary to ensure the highest standards of Corporate Governance. At Dish TV, the Board of Directors ('the Board') is at the core of our Corporate Governance practice and oversees how the management serves and protects the long term interest of our Stakeholders. Your Company's Board consists of a balanced mix of professionals with eminence and integrity from within and outside the business. We firmly believe that Board's Independence is essential to bring objectivity and transparency in Management and in dealings of the Company. As on March 31, 2014, 4 (Four) out of 8 (Eight) Board Members are Independent Directors.

Corporate Governance primarily involves the establishment of structures and processes, with appropriate checks and balances that enable the Board, as collegian, to discharge their responsibilities in a manner which is beneficial to all Stakeholders. Being a value driven Organization, your Company envisages attainment of highest level of transparency, accountability and equity in all facets of its operations. Your Company strongly believes that Corporate Governance goes beyond the practices enshrined in the laws and is imbibed in the basic business ethics and values that needs to be adhered to in letter and spirit.

Your Company is fully compliant with the mandatory requirements of Clause 49 of the Listing Agreement formulated by the Securities and Exchange Board of India ('SEBI'). The Compliance Report on Corporate Governance of your Company is detailed hereunder:

BOARD OF DIRECTORS

The Board of Directors ('the Board') of the Company are responsible for and committed to sound principles of Corporate Governance. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of Shareholders and other Stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and Independent Board. The day to day management of the Company is entrusted to the Key / Senior Management Personnel led by the Managing Director who operates under the superintendence, direction and control of the Board.

a) Composition and Category of Directors

Your Company has an appropriate mix of Executive and Non-Executive Directors to ensure Independent functioning and separate its functions of Governance and Management.

The Composition of Board as on March 31, 2014 is in conformity with the Clause 49 of the Listing Agreement, laying down an optimal combination of Executive and Non-Executive Directors, with not less than 50 per cent of the Board comprising of Non-Executive Directors and at least one-half comprising of Independent Directors, for a Board chaired by Non-Executive Promoter Director. 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 on March 31, 2014

Category of Directors	No. of Directors	% to Total No. of Directors
Executive Director(s)	1	12.5
Non-Executive Independent Directors	4	50.0
Other Non-Executive Directors	3	37.5
Total	8	100

b) Board Meetings and Procedures

During the Financial Year 2013-14 under review, 6 (Six) meetings of the Board were held on May 23, 2013, July 26, 2013, October 23, 2013, January 23, 2014, February 14, 2014 and March 25, 2014. The intervening period between any two Board Meetings were within the maximum time gap of 4 (Four) months 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 Financial Year. The Board meets at least once a quarter to review the quarterly performance and Financial Results of the Company.

Particulars of Directors, their attendance at the Annual General Meetings and Board Meetings held during the Financial Year 2013-14 and also their other Directorships / Chairmanships held in other Public Limited Companies calculated as per the applicable provisions of the Companies Act, 1956 and Membership of other Board Committees as at March 31, 2014 are as under.

Name of Director	Attendance at:		No. of Directorships in other Public Limited Companies*	No. of Memberships of Board Committees**	
	Board Meetings (Total 6 Meetings)	25 th AGM held on August 23, 2013		As Member	As Chairman
Promoter Non-Executive Director					
Subhash Chandra	3	No	5	-	-
Ashok Kurien	4	Yes	1	2	2
Promoter Executive Director					
Jawahar Lal Goel	6	Yes	4	1	-
Independent Director					
Bhagwan Dass Narang	4	Yes	6	5	3
Arun Duggal	5	No	6	2	2
Eric Louis Zinterhofer	-	No	-	-	-
Lakshmi Chand	6	Yes	-	1	-
Non-Executive Nominee Director					
Mintoo Bhandari	2	No	1	3	-
Utsav Bajjal (Alternate Director to Mintoo Bhandari)	2	N.A	3	-	-

* Directorships in Other Public Limited Companies does not include Alternate Directorships and Directorships in Unlimited Companies, Foreign Companies and Companies registered under Section 25 of the Companies Act, 1956.

** In accordance with Clause 49 of the Listing Agreement, Chairmanships / Memberships of only Audit Committee and Share Transfer and Investors Grievance Committee in all Public Limited Companies have been considered.

In Compliance with the Listing Agreement, none of the Directors on the Board of the Company are Members of more than 10 (ten) Committees or Chairman of more than 5 (five) Committees across all the Public Limited Companies in which they are Directors.

The Board meets at regular intervals *inter alia* to discuss and decide on business strategies / policy and review the financial performance 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 to enable them to take informed decisions and to facilitate meaningful and focused discussions at the meetings. 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. Upon the advice of 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. Regular presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. All information required to be placed before the Board of Directors and Committees thereof, as per Clause 49 of the Listing Agreement, are considered and taken on record / approved by the Board / Committee. The Board regularly reviews Compliance status in respect of laws and regulations relevant to the Company.

c) Board Independence

In compliance with Section 149 and other applicable provisions, if any, of the Companies Act, 2013 and Circular No. 14/2014 issued by the Ministry of Corporate Affairs, Government of India, dated June 9, 2014, your Company proposes to appoint the Independent Directors of the Company for a term of 3 (three) consecutive years with effect from the conclusion of the 26th Annual General Meeting upto the conclusion of the 29th Annual General Meeting of the Company to be held in the calendar year 2017, as detailed in the Notice of the Annual General Meeting on obtaining the approval of the Members of the Company.

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

- 1. Dr. Subhash Chandra (DIN-00031458)**, Non-Executive Chairman of your Company and Promoter of Essel Group of Companies is among the leading lights of the Indian Industry. A self-made man, Dr. Chandra has consistently demonstrated his ability to identify new businesses and lead them on the path to success.

Dr. 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 730 million viewers in 169 countries offering a rich bouquet of channels in general entertainment, sports, lifestyle, movies, english and regional genres and alternative lifestyles having both, local and international presence. His bouquet of businesses includes television networks (ZEE & ZMCL), a newspaper chain (DNA), cable systems (Siti Cable), 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) and Family Entertainment Centres (Fun Cinemas). Credited with tremendous business astuteness, Dr. Chandra has charted a course of growth and success, unparalleled in business history. All of Dr. 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).

Dr. 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). Dr. Chandra became the first Indian ever to receive a Directorate Award recognizing excellence in television programming outside the United States. He has also been awarded the Honorary Doctorate of Business Administration by the University of East London.

Dr. Chandra has made his mark as an influential philanthropist in India. He 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 Ekal Vidyalaya Foundation of India – a movement to eradicate illiteracy from rural and tribal India. The Foundation provides free education to nearly 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, as on March 31, 2014, Dr. Chandra holds Directorship in 5 (five) other Indian Public Companies viz., Zee Entertainment Enterprises Limited, Zee Media Corporation Limited, Essel Propack Limited, Essel Infraprojects Limited and Siti Cable Network Limited.

As on March 31, 2014, Dr. Chandra does not hold any equity shares of the Company in his name.

- 2. Mr. Jawahar Lal Goel (DIN-00076462)**, was appointed as the Managing Director of your Company on January 6, 2007 for an initial term of 3 (three) years, subsequent to which Mr. Goel has been re-appointed

as the Managing Director of your Company for two terms of 3 (three) years, the latest re-appointment being on effect from January 6, 2013, for a period of 3 (three) years. He has been actively involved in the creation and expansion of the Essel Group of Companies. 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 4 (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 which has revolutionized the distribution of various entertainment and electronic media products in India in the ensuing months and years and would enormously benefit the consumers (TV viewers).

Apart from the Company, as on March 31, 2014, Mr. Goel holds Directorship in 4 (Four) other Indian Public Limited Companies viz., Essel Infraprojects Ltd., Rankay Investment and Trading Company Ltd, Chirpal Industries Ltd. and Zee-Turner Limited.

As on March 31, 2014, Mr. Goel holds 176,800 equity shares comprising of 0.02% of the paid up share capital of the Company.

3. **Mr. Bhagwan Dass Narang (DIN-00038052)**, is an Independent Non-Executive Director on the Board of your Company. 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 Chairmanship of the Committee on Banking procedures set up by Indian Banks Association (IBA) for the year 1997-98, Chaired a panel on serious financial frauds appointed by Reserve Bank of India (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, as on March 31, 2014, Mr. Narang holds Directorship in 6 (Six) other Indian Public Limited Companies viz., Revathi Equipments Limited, Shivam Autotech Limited, VA Tech Wabag Limited, Karvy Stock Broking Limited, Lakshmi Precision Screws Limited and Karvy Financial Services Limited.

As on March 31, 2014, Mr. Narang holds 7,500 equity shares comprising of 0.00% of the paid up share capital of the Company.

4. **Mr. Ashok Kurien (DIN-00034035)**, is a Non-Executive Director on the Board of your Company. Mr. Kurien has been in the business of building brands for over 35 years, particularly in the fields of media and communications. An early bird, Ashok Kurien has the keen eye of driving start-ups in emerging businesses and guiding them to size and scale, such as TV, DTH, PR (Public Relations) and Dot coms, where he invested and mentored, which have been resounding success stories. Mr. Kurien, a well-known personality in the Advertising world, founded Ambience Advertising, one of most formidable creative powerhouse in its first decade. Ambience Advertising 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 assists their mergers and acquisitions for India. He is Founder and Promoter of various business ventures including Hanmer & Partners, one of India's top-three Public Relations agencies; Livinguard Technologies Pvt. Ltd., the world's first self-disinfecting textiles technology, as well as a few other internet ventures.

Despite the great heights he's achieved in this 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, as on March 31, 2014, Mr. Kurien holds Directorship in 1 (one) other Indian Public Limited Company viz., Zee Entertainment Enterprises Ltd.

As on March 31, 2014, Mr. Kurien holds 1,174,150 equity shares comprising of 0.11% of paid up share capital of the Company.

5. **Mr. Arun Duggal (DIN-00024262)**, is an Independent Non-Executive Director on the Board of your Company. Mr. Duggal is a Mechanical Engineer from Indian Institute of Technology (IIT), Delhi, and holds an MBA from the Indian Institute of Management (IIM), Ahmedabad (recipient of distinguished Alumnus Award).

Mr. Duggal is the Chairman of Federation of Indian Chambers of Commerce and Industry (FICCI) centre for Corporate Governance focused on enhancing Corporate Governance in India through multiple programs including a Mentorship initiative to get more women on Corporate Boards. He is also a visiting Professor at the Indian Institute of Management (IIM), Ahmedabad, where he teaches a course on Venture Capital, Private Equity and Business Ethics. He is an experienced International Banker and has advised Companies and financial institutions on Financial Strategy, Mergers & Acquisition (M&A) and Capital Raising.

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 1981-90, 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 2001-03, he was Chief Financial Officer of HCL Technologies, India.

Mr. Duggal is involved in several initiatives in social and education sectors. He is Senior Advisor, Asia Pacific for Transparency International, Berlin devoted to create change towards a World free of corruption. 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.

Apart from the Company, as on March 31, 2014, Mr. Duggal holds Directorship in 6 (Six) other Indian Public Limited Companies viz. Shriram Transport Finance Co. Ltd., Info Edge (India) Ltd., Shriram City Union Finance Ltd., Adani Ports and Special Economic Zone Limited, Shriram Capital Ltd and Zuari Agro Chemicals Limited.

As on March 31, 2014, Mr. Duggal holds 7,500 equity shares comprising of 0.00% in the paid up share capital of the Company.

6. **Mr. Eric Louis Zinterhofer (DIN-01929446)**, is an Independent Non-Executive Director on the Board of your Company. He co-founded Searchlight Capital Partners, a global private equity firm with offices in New York, London and Toronto. He is currently Chairman of the Board of Charter Communications, Inc. and on the Board of Directors of Dish TV India Ltd., Hunter Boot Ltd., Integra Telecom Inc, and Leo Cable LLC. Prior to co-founding Searchlight in 2010, Mr. Zinterhofer was a senior partner at Apollo Management, L.P. ("Apollo") which he joined in 1998. He was a leader of Apollo's private equity / distressed debt-for-control efforts, including initiating / leading investments in Companies such as Spectrasite, IESY and ISH, Telecolumbus and Arena (which formed part of Unity Media), Primacom, Cablecom, IPCS, Alltel, Charter and Dish TV India Limited, as well as a series of more recent initiatives. Mr. Zinterhofer served on the Board of Directors of Affinion Group, Inc., IPCS Inc. and Unity Media GmbH. From 1994-96, he was a member of the Corporate Finance Department at Morgan Stanley Dean Witter & Co., from 1993-94, he was a member of the Structured Equity Group at J.P. Morgan Investment Management. Mr. Zinterhofer graduated Cum Laude from the University of Pennsylvania with BA degrees in Honors Economics and European History, and received his MBA from Harvard Business School.

Apart from the Company, as on March 31, 2014, Mr. Zinterhofer does not hold Directorship in any other Indian Public Limited Companies.

As on March 31, 2014, Mr. Zinterhofer holds 1,500 equity shares comprising of 0.00% in the paid up share capital of the Company.

7. **Mr. Lakshmi Chand, (DIN-00558169)**, is an Independent Non-Executive Director on the Board of your 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 Indian Administrative Service, the Country's Premier Civil Service, in 1969 and was assigned Uttar Pradesh Cadre. Mr. Chand held various important positions in the Government of Uttar Pradesh and in Government of India. 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 (DIPP). 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 2½ years. He holds Directorship in Echelon Institute of Technology, Faridabad (Haryana).

Apart from the Company, as on March 31, 2014, Mr. Chand does not hold Directorship in any other Indian Public Limited Companies.

As on March 31, 2014, Mr. Chand does not hold any equity shares in the Company.

8. **Mr. Mintoo Bhandari, (DIN-00054831)**, is a Non-Executive Nominee Director of Apollo India Private Equity II (Mauritius) Limited on the Board of your Company with effect from October 27, 2010. Prior to that he was on the Board of your Company as an Alternate Director to Mr. Eric Louis 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.

Apart from the Company, as on March 31, 2014, Mr. Bhandari holds Directorship as Nominee Director in 1 (One) other Indian Public Limited Company viz., Welspun Corp Limited.

As on March 31, 2014, Mr. Bhandari does not hold any equity shares in the Company.

9. **Mr. Utsav Bajjal, (DIN-02592194)**, is an Alternate Director to Mr. Mintoo Bhandari on the Board of your Company with effect from October 18, 2012. He is a Principal at Apollo Management International, having joined the firm in 2008. Mr. Bajjal joined Apollo in its New York office and worked actively on distressed investments before moving to India in 2009. Prior to Apollo, Mr. Bajjal was with the private equity group at Bain Capital in Boston, where he was focused on investments in the consumer and retail segments. Mr. Bajjal spent five years with McKinsey & Company and was the founding member of that firm's corporate finance practice in India. He worked extensively on Corporate Mergers and Acquisition (M&A) assignments in India, Hong Kong and China. Mr. Bajjal graduated summa cum laude from St. Stephen's College / University of Delhi with a BA in Economics. He also completed his MBA from Indian Institute of Management (IIM), Ahmedabad, where he was an Industry Scholar.

Apart from the Company, as on March 31, 2014, Mr. Baijal holds Directorship in 3 (three) other Indian Public Limited Companies viz., Welspun Infratech Limited, Welspun Corp Limited and Welspun Tradings Limited.

As on March 31, 2014, Mr. Baijal does not hold any equity shares in the Company.

e) Code of Conduct

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

All the members of the Board and the Senior Management Personnel have affirmed compliance to the said Code of Conduct during the Financial Year ended March 31, 2014. A declaration signed by the Managing Director of the Company, 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, 2014.

Jawahar Lal Goel
Managing Director
 DIN-00076462

Noida, August 26, 2014

BOARD COMMITTEES

Your Board has constituted various Board and Executive Committees for smooth and efficient operation of day-to-day business of your Company. These Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. Each Committee of the Board is guided by its terms of reference, which is in compliance with applicable laws and which defines the scope, powers and composition of the Committee. All recommendations of the Committees are placed before the Board either for information or for review and approval. The minutes of the meetings of all the Committees are placed before the Board. The Board Committees can request special invitees to join the meeting, as appropriate.

a) Audit Committee

Composition

In compliance with Section 177 of the Companies Act, 2013 read with rules made thereto and Clause 49 of the Listing Agreement, the Audit Committee has been re-constituted by the Board at its meeting held on May 27, 2014. Currently, it consists of 4 (Four) members, 3 (Three) of whom are Independent Directors, with Mr. B.D. Narang, Non-Executive Independent Director, as its Chairman.

The details of current composition of the Audit Committee, are as detailed under:

Name of the Director	Designation	Category	Date of Appointment
B.D. Narang	Chairman	Non-Executive Independent	January 6, 2007
Arun Duggal	Member	Non-Executive Independent	January 6, 2007
Mintoo Bhandari	Member	Non-Executive Nominee	October 27, 2010
Lakshmi Chand	Member	Non-Executive Independent	October 1, 2012

Scope and Terms of Reference of Audit Committee

The role and powers of the Audit Committee is as set out in the Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 read with rules made thereto. The terms of reference of the Audit Committee are detailed below-

- Monitoring the end use of funds raised through public offers and related matters.
- The Audit Committee may call for the comments of the Auditors about internal control systems, the scope of audit, including the observations of the Auditors and review of Financial Statement before their submission to the Board and may also discuss any related issues with the Internal and Statutory Auditors and the Management of the Company.
- The Audit Committee shall have authority to investigate into any matter within its scope / terms of reference or any matter referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.
- The Auditors of a Company and the Key Managerial Personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the Auditor's Report but shall not have the right to vote.
- To oversee the Vigil Mechanism. The Vigil Mechanism shall provide for adequate safeguards against victimization of Employees and Directors who avail of the Vigil Mechanism and also provide for direct access to the Chairperson of the Audit Committee, in exceptional cases. In case of repeated frivolous complaints being filed by a Director or an Employee, the Audit Committee may take suitable action against the concerned Director or Employee including reprimand. If any of the Members of the Committee have a conflict of interest in a given case, they should recuse themselves and the other Members of the committee would deal with the matter on hand.
- To review the Financial Statements, in particular, the investments made by the Unlisted Subsidiary Company.

Audit Committee Meetings

In addition to the Audit Committee members, the Audit Committee meetings are generally attended by the Managing Director, Company Secretary, Chief Executive Officer, Chief Financial Officer and the Statutory Auditors of the Company. The Representative of Internal Auditors and Cost Auditors of the Company are invited to attend and participate in the Audit Committee Meetings. The Company Secretary acts as the Secretary of the Audit Committee.

During the year under review, the Audit Committee met at least once in each quarter and the maximum time gap between two Audit Committee meetings did not exceed the limit prescribed in Clause 49 of the Listing Agreement.

The Audit Committee met 5 (five) times during the year under review i.e. on May 23, 2013, July 26, 2013, October 23, 2013, January 23, 2014 and March 25, 2014. The necessary quorum was present for all the meeting held during the year.

Names of the Committee Members	Meeting Details			Whether attended last AGM (Y/N)
	Held during the tenure of Director	Attended	% of Total	
B.D. Narang	5	3	60	Y
Arun Duggal	5	5	100	N
Ashok Kurien*	5	4	80	Y
Mintoo Bhandari	5	2	40	N
Lakshmi Chand	5	5	100	Y
Utsav Baijal	5	2	40	N

* Ceased to be a member of the Committee w.e.f. May 27, 2014

Mr. B. D. Narang, Chairman of the Audit Committee was present at the 25th Annual General Meeting of the Company held on August 23, 2013 to answer the Shareholder's queries.

Internal Audit

Your Company appointed Protiviti Consulting Pvt. Ltd., as its Internal Auditor for the Financial Year 2013-14, at its Board Meeting held on July 26, 2013. The Company's system of internal controls covering financial, operational, compliance, IT, HR, Service, etc., are reviewed by the Internal Auditors from time to time and presentations are made by them before the Audit Committee on quarterly basis.

Upon recommendation of the Audit Committee, the Board at its meeting held on August 26, 2014 has appointed Pro Advisory India LLP (Firm Registration No. AAC-4990), as the Internal Auditors of the Company for the Financial Year 2014-15.

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

Change in Accounting treatment

Your Company has been recognizing the initial activation fee received from the subscribers over a period ranging from 3 years to 5 years based on the time period and nature of scheme under which the connection of the subscriber was activated. However, the cost incurred in procurement, installation and activation of the Consumer Premises Equipment (CPE) is higher than the amount realized from the subscribers. To this extent, there was a mismatch in the total cost incurred upto the time of activation of the connection at the customers end and the initial revenue realized by the Company. In order to give a fair representation of the transaction & matching the cost leading upto installation, a change in revenue recognition policy was adopted by the management. This will result in a true and fair view of the underlying business transaction.

Cost Audit

In compliance with Circular No. 15/2011 issued by the Ministry of Corporate Affairs, Government of India, regarding Appointment of Cost Auditors of the Company. The Companies (Cost Audit Report) Rules, 2011 and Cost Accounting Records (Telecommunication Industry) Rules, 2011 issued by the Central Government, the Board of your Company, at its meeting held on May 23, 2013 based on the recommendations of the Audit Committee, had re-appointed Chandra Wadhwa & Co., Cost Accountants (Membership Number – 6797), as the Cost Auditor of your Company for carrying out the Audit of Cost Accounts, Cost Records & Cost Statements and submission of Cost Audit Report and Compliance Report for the Financial Year 2013-14. The due date for submission of the Cost Audit Report and Compliance Report for the Financial Year 2013-14 is September 30, 2014.

Pursuant to Companies (Cost Records and Audit) Rules, 2014 dated June 30, 2014 issued by the Ministry of Corporate Affairs, Government of India, there is no further requirement of appointment of Cost Auditors for Company providing Broadcasting Services and accordingly your Company is from now onwards exempt from appointing Cost Auditors.

b) Nomination & Remuneration Committee

Composition

In compliance with Section 178 of the Companies Act, 2013 read with rules made thereto, 'Nomination and Remuneration Committee' was constituted by the Board at its meeting held on May 27, 2014 and the 'Nomination Committee' and 'Remuneration Committee' of the Board was dissolved.

The Nomination and Remuneration Committee of the Board comprises of 4 (Four) members, 3 (Three) of whom are Independent Directors with Mr. B. D. Narang, Non-Executive Independent Director as its Chairman. The Company Secretary acts as the Secretary of the Committee.

The details of current composition of the Nomination and Remuneration Committee, are as detailed under:

Name of the Director	Designation	Category	Date of the Appointment
B. D. Narang	Chairman	Non-Executive Independent	May 27, 2014
Arun Duggal	Member	Non-Executive Independent	May 27, 2014
Lakshmi Chand	Member	Non-Executive Independent	May 27, 2014
Ashok Kurien	Member	Non-Executive	May 27, 2014

Terms of Reference

The broad terms of reference of the Committee as revised by the Board at its meeting held on May 27, 2014 *inter alia* includes-

- 1) To identify persons who are qualified to become Directors and who may be appointed in Key Managerial Personnel (KMP) and Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance;
- 2) To formulate the criteria for determining qualifications, positive attributes, evaluation of Independent Directors & the Board and Independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees;
- 3) To devise a policy on Board diversity;
- 4) To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- 5) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 6) To decide on the elements Remuneration package of Directors, Key Managerial Personnel, Senior Management and Senior Employees (employees one level below KMP) and to ensure that their remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- 7) To approve Remuneration of Directors, Key Managerial Personnel, Senior Management and Senior Employees (employees one level below KMP) and to approve promotion / increments / rewards / incentives for the said Employees;
- 8) To note the information on appointment and removal of Key Managerial Personnel (KMP) and Senior Officers;
- 9) To formulate and implement Employee Stock Option and/or other incentive programmes;
- 10) To formulate Policy on housing / other loans to staff and Management, if required;
- 11) Formulation of guidelines for evaluation of candidature of individuals for nominating and / or appointing as a Director on the Board including but not limited to recommendation on the optimum size of the Board, age / gender / functional profile, qualification / experience, retirement age, number of terms one individual can serve as Director, suggested focus areas of involvement in the Company, process of determination for evaluation of skill sets, etc;
- 12) Engagement of consultants / agencies for searching and/or evaluating individuals who would be suited to be nominated or appointed to the Board or for advising the Committee in its role;
- 13) Recommend nominations / appointments to the Board, including Executive Directors / Independent Directors and/or Members of Board Committees, and suggest the terms of such appointments and
- 14) To approve policy on training and training needs of Key Managerial Personnel, Senior Management and Senior Employees (employees one level below KMP).

Attendance at Remuneration Committee Meetings

During the year under review, the Remuneration Committee met 2 (two) times viz May 23, 2013 and July 26, 2013.

Names of the Committee Members	Meeting Details		
	Held during the tenure of Director	Attended	% of Total
B. D. Narang	2	1	50
Arun Duggal	2	2	100
Lakshmi Chand	2	2	100

In addition to the Nomination & Remuneration Committee members, the Meetings of the Committee are generally attended by the Managing Director, Chief Executive Officer and Chief Financial Officer of the Company.

Remuneration paid to the Managing Director during the year under review:

Name	Position	Remuneration Salary and Allowances (₹)	Employer's Contribution to Provident Fund (₹)
Jawahar Lal Goel	Managing Director	84,88,080	511,920

Mr. Jawahar Lal Goel, Managing Director of your Company has been re-appointed with effect from January 6, 2013 for period of 3 years in terms of Special Resolution passed by the Shareholders through the Postal Ballot mechanism with requisite majority of votes on October 17, 2012 and upon the approval of the Ministry of Corporate Affairs ('MCA'), Government of India, as per applicable provisions of the Companies Act, 1956. The Company had duly applied to the MCA for obtaining their approval for re-appointment of Mr. Jawahar Goel as Managing Director of the Company. The MCA, vide its approval letter no. B56516156 / 2 / 2012 – CL – VII dated December 5, 2012, has approved the re – appointment of Mr. Goel for a period of three years with effect from January 6, 2013, at a remuneration of ₹ 90,00,000/- per annum.

Remuneration to Non-Executive Directors

During the Financial Year 2013-14, the Non-Executive Directors were paid sitting fee of ₹ 20,000/- for attending each meeting of the Board of Directors and ₹15,000/- for attending each Committee meeting.

Particulars of Sitting Fee paid to Non-Executive Directors of the Company for Financial Year 2013-14 are as under:

S. No.	Name of Director	Sitting Fees (₹)*
1	Subhash Chandra	60,000
2	B. D. Narang	140,000
3	Ashok Kurien	200,000
4	Arun Duggal	205,000
5	Eric Louis Zinterhofer	Nil
6	Lakshmi Chand	270,000
7	Mintoo Bhandari	85,000
8	Utsav Bajjal	70,000

* In view of the amendment brought about by the Finance Bill 2012-13 in the Section 194J of the Income Tax Act, 1961, sitting fees payable to Non-Executive Directors of your Company was subjected to TDS of 10%.

At the Board Meeting held on August 28, 2008, the below mentioned 4 (four) Non-Executive Independent Directors were granted 7,500 Stock Options each (convertible into equivalent number of Equity Shares of ₹ 1 each of the Company) at an exercise price equivalent to Market Price as on the date of grant of Option i.e. ₹ 37.55 per Stock Option, in terms of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time.

Particulars of Stock Options Granted to the Non-Executive Directors and exercised as on March 31, 2014 is as under:

Name of the Director	Category	No. of options granted	Options Vested	Options Exercised
B. D. Narang	Non-Executive Independent	7500	7500	7500
Arun Duggal	Non-Executive Independent	7500	7500	7500
Eric Louis Zinterhofer	Non-Executive Independent	7500	7500	1500

During the year under review, no new Stock Options have been granted to the Non-Executive Independent Directors under ESOP - 2007 Scheme of the Company.

The Non-Executive Independent Directors of your 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.

As on March 31, 2014, the Non-Executive Directors of your Company held the following shares in the Company:

Name of the Non – Executive Directors	No. of Shares held
Subhash Chandra	Nil
B. D. Narang	7,500
Arun Duggal	7,500
Ashok Kurien	1,174,150
Eric Louis Zinterhofer	1,500
Mintoo Bhandari	Nil
Lakshmi Chand	Nil

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 outside expert as member of the Committee. The Company Secretary acts as the Secretary 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.

d) Stakeholders Relationship Committee (earlier known as Share Transfer and Investors Grievance Committee)

Composition

In compliance with Section 178 of the Companies Act, 2013 read with rules made thereto and Revised Clause 49 of the Listing Agreement the Share Transfer and Investors Grievance Committee of the Board was re-named as the "Stakeholders Relationship Committee" by the Board of your Company at its meeting held on May 27, 2014.

The current composition of the Committee comprises of Mr. Ashok Kurien, Non-Executive Director as the Chairman and Mr. Jawahar Lal Goel, Managing Director as its Member. The Company Secretary acts as the Secretary of the Committee.

Terms of Reference

The broad terms of reference of the Committee as revised by the Board at its meeting held on May 27, 2014 *inter alia* includes-

- To approve transfer of shares;
- To specifically look into the redressal of grievances of Shareholders, Investors, Debenture Holders and other Security Holders;
- To provide adequate and timely information to Shareholders;
- To consider and resolve the grievances of Security Holders of the Company, including complaints related to transfer of shares, issue of Duplicate Share Certificates, non-receipt of Balance Sheet, non-receipt of declared Dividends and other shares related matters.

Meeting and Attendance during the Year

During the year under review, Share Transfer and Investors Grievance Committee met 3 (Three) times i.e. on May 23, 2013, October 23, 2013 and January 23, 2014. The meetings were attended by all the Members of the Committee.

Details of number of Complaints and resolved / replied during the year ended March 31, 2014, are as under:

Nature of Correspondence	Received	Replied/ Resolved	Pending
Non-Receipt of Shares	0	0	-
Non-Receipt of Annual Report	4	4	-
Non-Receipt of Dividend Payment	6	6	-
Non-Receipt of Fractional Payment	0	0	-
Non-Receipt of Call payment confirm	0	0	-
Complaint lodged with SEBI	0	0	-
Complaint lodged with ROC	0	0	-
Complaint lodged with NSE / BSE	3	3	-
Total	13	13	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. Mintoo 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 Business Plan, and recommend the same to the Board of Directors and to review, ratify and approve variation(s) in any particular revenue budgeted line item from the approved budget for that particular item.

In addition to the Budget Committee members, the Meetings of the Committee are generally attended by the Chief Executive Officer and Chief Financial Officer of the Company. The Company Secretary acts as Secretary to the Committee.

Meeting and Attendance during the year

During the period under review, the Budget Committee met once on March 25, 2014. The meeting was attended by all the Members of the Committee.

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 – 2007 of your Company.

Mr. Rajeev K. Dalmia, Chief Financial Officer is a permanent invitee to the Committee. The Company Secretary acts as Secretary to the Committee.

During the year 3 (Three) ESOP Allotment Committee Meetings were held on June 18, 2013, August 27, 2013 and December 17, 2013

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	3	3	100
Lakshmi Chand	3	3	100
Ashok Kurien	3	0	0

In addition to the above Committees, 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. The Company Secretary acts as Secretary to the Committee.
2. **Corporate Management Committee** comprising of Key Executives including the Managing Director and Chief Executive Officer 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. The Company Secretary acts as Secretary to the Committee.
3. **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.
4. **Corporate Social Responsibility Committee** to formulate and recommend to the Board, a CSR policy indicating the activity or activities to be undertaken by the Company as per applicable provisions of the Companies Act, 2013 and the rules made thereto.

The 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 are circulated to the Board Members along with agenda papers and are placed for record by the Board at its subsequent Meeting.

SUBSIDIARY COMPANIES' MONITORING FRAMEWORK

Both the Subsidiary Companies viz., Dish T V Lanka (Private) Limited and Xingmedia Distribution Private Limited are Board managed Companies with their Boards having the rights and obligations to manage such Companies in the best interest of their Stakeholders. The Company does not have any material Unlisted Subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any Subsidiary. The Company monitors the performance of Subsidiary Companies, *inter alia*, by the following means:

- a) Financial Statements, in particular investments made by the Unlisted Subsidiary Company(ies), are reviewed quarterly by the Company's Audit Committee.
- b) Minutes of Board Meeting of Unlisted Subsidiary Company(ies) are placed before the Company's Board regularly.
- c) A statement containing all significant transactions and arrangements entered into by the Unlisted Subsidiary Company(ies) is placed before the Company's Board.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

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

In line with the newly enacted the Companies Act, 2013, the Independent Directors of your Company need to be appointed afresh for a term of 3 (three) consecutive years with effect from the conclusion of the 26th Annual General Meeting upto the conclusion of the 29th Annual General Meeting of the Company to be held in the calendar year 2017. The detailed profile of the Independent Directors have been provided above.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

CEO / CFO CERTIFICATION

In terms of the provisions of Clause 49(V) of the Listing Agreement entered by the Company with the Stock Exchanges, the CEO / CFO certification as certified by the Managing Director and the Chief Financial Officer of your Company is annexed in this Annual Report.

GENERAL MEETINGS

The 26th Annual General Meeting of your Company for the Financial Year 2013-14 will be held at 11:30 A.M on Monday, the 29th day of September, 2014 at Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, A. P. S. Colony, Delhi Cantt, New Delhi – 110 010



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

Financial year Ended	Day, Date & Time	Venue	Special Resolution Passed
March 31, 2013	Friday, August 23, 2013, 1100 Hrs	Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, A.P.S. Colony Delhi Cantt – 110 010	None
March 31, 2012	Thursday, August 9, 2012, 1100 Hrs	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi – 110 016	None
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 Dr. Subhash Chandra, Chairman, to hold an office or place of profit as 'Zonal Head – Delhi Zone' of the Company.

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 110 of the Companies Act, 2013 read with rules made thereto.

POSTAL BALLOT

During the year under review, your Company sought the approval of the Shareholders through the Postal Ballot Mechanism for the below mentioned resolutions proposed by the Company vide Postal Ballot Notice dated February 14, 2014. The Postal Ballot was conducted in terms of the procedure provided under Section 192A of Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, as amended from time to time. The results on the voting conducted through Postal Ballot process were declared on March 24, 2014. The Resolutions passed through Postal Ballot and the voting pattern of each such resolution is mentioned hereunder:

Resolutions passed on March 24, 2014 and Voting Pattern thereof -

S. No.	Particulars of Resolution	% of Votes	
		In favour	Against
1.	Special Resolution under Section 372A of the Companies Act, 1956 to approve making loans / investments or giving guarantee or providing any security, for an additional amount of Indian Rupees 30 Crores, the aggregate amount of loans / investments / guarantees not exceeding Indian Rupees 100 Crores, in Dish T V Lanka (Private) Limited over and above the limits prescribed under the said Section.	98.61	1.39
2.	Special Resolution under Section 372A of the Companies Act, 1956 to approve making an initial investment of upto Indian Rupees 1 lakh for acquiring / investing through purchase / transfer, the entire share capital of Xingmedia Distribution Private Limited over and above the limits prescribed under the said Section.	99.98	0.02

The result of the Postal Ballot was declared on March 24, 2014, and published in "Business Standard" (English all edition) and "Business Standard" (Hindi Delhi edition) on March 25, 2014.

Procedure followed for Postal Ballot

The procedure prescribed under Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2011, was adopted for the Postal Ballot.

In compliance with aforesaid provisions, your Company offered E-Voting facility as an alternate / option, for voting by the Shareholders, in addition to the option of physical voting, to enable them to cast their votes Electronically instead of dispatching Postal Ballot Form. Each Shareholder / Member had to opt for exercising only one mode for voting i.e. either by Physical Ballot or by E-Voting. In case of Shareholder(s) / Member(s) who casted their vote via both modes i.e. Physical Ballot as well as E-Voting, voting done through a valid Physical Postal Ballot Form was treated as prevailing over the E-Voting of that Shareholder. Mr. Jayant Gupta, Jayant Gupta & Associates, Practicing Company Secretary was appointed as the Scrutinizer to conduct the Postal Ballot process.

DISCLOSURES:

(a) Basis of Related Party Transactions

In terms of the applicable laws and regulations, 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, if any, 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.

During the Financial year 2013-14, there were 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 or any transaction which was not on arm's length and / or in ordinary course of business. The Company places all the relevant details before the Audit Committee and the Board on Quarterly and Annual Basis.

(b) Risk Management

Your Company has put in place procedures and guidelines to inform the Board Members about the risk assessment and minimization procedures. Such procedures are periodically reviewed in light of Industry dynamics to ensure that Executive Management controls risk through means of a properly defined framework.

The Company has in place a 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, if a Company raises any Capital during the year through an issue (Public Issues, Rights Issues, Preferential Issues etc.), then it shall 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 required under clause 49 IV (D) of the Listing Agreement, the utilization of Rights Issue proceeds is placed before the Board and Audit Committee on quarterly and annual basis. The utilization of Right issue proceeds is duly certified by the Statutory Auditors on half yearly basis and Annual basis. The 10th Monitoring Report issued by the Monitoring Agency for the period July 2013 to December 2013 containing the report on the revised manner of utilization of Right Issue proceeds, as approved by the Board, was placed before the Audit Committee and the Board and the same was recorded by the 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. Your Company has laid down a Whistle Blower Policy and the Employees aware of any alleged wrongful conduct are encouraged to make a disclosure to the Audit Committee. In terms of the said policy, no personnel has been denied access to the Audit Committee of the Board.

(f) Audit Observations

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

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT

The Company 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 comprising of 3 (three) Non-Executive Directors, to recommend / review overall compensation policy, service agreements and other employment conditions of Senior Management and Executive Director(s). Further Mr. B. D. Narang, Chairman of the Remuneration Committee is present at the Annual General Meeting to answer the Shareholder's queries.
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 unethical behavior, fraud / malpractice whether actual or suspected, violation of the Company's code of conduct, 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. The policy seeks to provide necessary safeguards for protection of employees from reprisals or victimization, for whistle blowing in good faith. This mechanism has been appropriately communicated within the Organization.
3. **Code for Prevention of Insider Trading Practices** - The Company has instituted a comprehensive code of conduct for Prevention of Insider Trading for its Directors / Officers and Employees in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time. The code lays down guidelines which advise them on the procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of violations.
4. **Reconciliation of Share Capital Audit** - As a measure of good Corporate Governance practice, your Company appointed a qualified Practicing Company Secretary to conduct Share Capital Audit. The said audit was carried out to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital as per Clause 55A(1) of SEBI (Depositories and Participants) Regulations, 1996. The Share Capital Audit Report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The same is submitted by the Company to the Stock Exchanges within 30 days of the end of each quarter.
5. **Compliance with the Corporate Governance Voluntary Guidelines 2009**

With an objective of encouraging the voluntary adoption of better practices in achieving the highest standard of Corporate Governance, the Ministry of Corporate Affairs (MCA), Government of India, published the Corporate Governance Voluntary Guidelines, 2009. The guidelines broadly focus on the areas such as Board of Directors, responsibilities of the Board, Audit Committee functions, roles and responsibilities, appointment of Auditors, compliance with Secretarial Standards and a mechanism for whistle blower support. Notwithstanding the guidelines being only voluntary in nature, your Company has ensured substantial compliance with the said guidelines.

MEANS OF COMMUNICATION

Quarterly and Annual Financial Results: Pursuant to Clause 41(l)(f) of the Listing Agreement, the Company has regularly furnished, both by way of post, fax (within 15 minutes of closure of the Board Meeting) as well as by online filings, the quarterly Un-Audited as well as Annual Audited Financial Results to both the Stock exchanges i.e. BSE Limited (BSE) & National Stock Exchange of India Ltd. (NSE). Such information has also been simultaneously displayed in the 'Investor Info' section on the Company's corporate website i.e. www.dishtv.in.

Quarterly and Annual Financial Results including other statutory information are also published in an English daily viz. 'Business Standard' and in a vernacular language newspaper viz. 'Business Standard'.

Presentations to Institutional Investors / Analysts: Official press releases and presentations made to institutional investors or to the analysts are displayed on Company's corporate website i.e. www.dishtv.in.

Website: Pursuant to Clause 54 of the Listing Agreement the Company's website www.dishtv.in contains a dedicated functional segment called 'INVESTOR INFO' where all the information needed by Shareholders is available including Press Releases, Shareholding Pattern and Annual Reports.

Annual Report: Annual Report is circulated to Members and other concerned including Auditors, Equity Analyst etc. Further, the Management Discussion and Analysis (MDA) Report highlighting operations, business performance, financial and other important aspects of the Company's functioning, forms an integral part of the Annual Report.

NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre: Your Company has been regularly uploading information related to its Financial Results, periodical filings like Shareholding pattern, Corporate Governance Report and other communications on the online portal NEAPS (National Electronic Application Processing System), a web based filing system designed by the National Stock Exchange (NSE) and BSE Limited (BSE). BSE's Listing Centre, a web based application designated for Corporate by BSE Limited.

GENERAL SHAREHOLDER INFORMATION

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

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

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, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

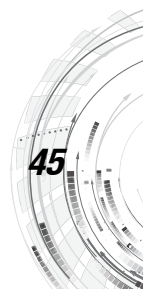
In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Kaushal Kishore
Partner
Membership No. 090075

Place: Gurgaon
Date: August 26, 2014



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	: Monday, September 29, 2014
Venue	: Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, A.P.S. Colony, Delhi Cantt – 110 010.
Time	: 11:30 AM
Last date of receipt of Proxy Form	: Saturday, September 27, 2014
Book Closure	: Saturday, September 20, 2014 to Friday, September 26, 2014 (both days inclusive)

B. Financial Year : 2013-14

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
Email: investor@dishtv.in, CIN: L51909DL1988PLC101836

D. Address for Correspondence:

FC – 19, Sector 16A, Noida – 201 301 U.P., India
Tel: + 91-120-2599555/391, Fax: +91-120-435 7082
Email: investor@dishtv.in, CIN: L51909DL1988PLC101836

Investor Relation Officer: Mr. Ranjit Srivastava - Dy. Company Secretary
Dish TV India Limited, FC-19, Sector 16A, Noida - 201 301, U.P., India
Tel: +91-120-2599555/391, Fax: +91-120-435 7078
Email: investor@dishtv.in, CIN: L51909DL1988PLC101836

Exclusive E-Mail ID for Investor Grievances: The Company has designated the following E-mail id 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, 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	DISHTV
BSE 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 (GDRs) have been listed on the Euro MTF market since December 1, 2009. As on March 31, 2014, 85,035 GDRs have remained outstanding, the underlying shares of which forms part of the existing paid up share capital of the Company.

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 - Depository 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 2013 has been paid by the Company

Market Data relating to GDRs Listed on Luxembourg Stock Exchange:

Luxembourg Stock Exchange (figures in USD)			
Month	Monthly Closing (Maximum)	Monthly Closing (Minimum)	Average
April 2013	1,295.30	1,232.15	1,266.99
May 2013	1,271.40	1,147.80	1,209.65
June 2013	1,167.20	972.50	1,074.77
July 2013	1,074.60	812.60	963.43
August 2013	816.10	614.80	723.22
September 2013	804.25	597.30	721.87
October 2013	884.15	809.05	846.88
November 2013	893.45	814.80	854.62
December 2013	1,009.45	893.60	971.52
January 2014	933.75	746.40	828.08
February 2014	817.15	731.30	766.54
March 2014	878.75	770.40	815.25

G. Corporate Identity Number (CIN) : L51909DL1988PLC101836

H. Registrar & Share Transfer Agent:

Shareholders may correspond with the Registrar & Share Transfer Agents at the following address for all matters related to transfer / dematerialization of shares and any other query relating to equity shares of your Company:

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:

Your Company has paid the Annual Listing fees for the Financial Year 2014-15 to the Stock Exchanges where the shares of the Company are listed (viz NSE & BSE). The Company had also paid the Listing fees for the Year 2014 to the Luxembourg Stock Exchange where the GDRs of the Company are listed.

J. Custodial Fees to Depositories:

Your Company has paid custodial fees for the Financial Year 2014-15 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories of the Company.

K. 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).

L. Service of Documents Through E-mail

In compliance with the newly enacted the Companies Act, 2013 your Company will be sending the Notice and Annual Report for the Financial Year 2013-14 in Electronic Form to the Members whose e-mail address have been made available to the Company / Registrar & Share Transfer Agent / Depository Participant(s). For Members who have not registered their e-mail addresses, physical copies of the Annual Report for the Financial Year 2013-14 are sent in the permitted mode.

Members holding shares in Electronic Form but who have not registered their e-mail address (including those who wish to change their already registered e-mail id) with their Depository Participant(s) yet and Members holding shares in physical form are requested to register their e-mail address with their Depository Participant(s) / Company, as the case may be.

Members who have registered their e-mail address with their Depository Participant(s) / Registrar & Share Transfer Agent / Company but wish to receive the said documents in physical form are requested to write to the Company at investor@dishtv.in duly quoting their DP ID and Client ID / Folio No., as the case may be, to enable the Company to record their decision.

M. E-Voting Facility

In compliance with Section 108 of the Companies Act, 2013 and SEBI Circular amending Clause 35B of the Listing Agreement dated April 17, 2014, your Company is providing E-Voting facility to all Members to enable them cast their votes electronically on all resolutions set forth in the Notice of Annual General Meeting. The instructions for E-Voting have been provided in the Notice of Annual General Meeting.

N. Shareholders' Correspondence / Complaint Resolution

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

SCORES' (SEBI Complaints Redress System): The Investors' complaints are also being resolved by your Company through the Centralized Web Base Complaint Redressal System 'SCORES' (SEBI Complaints Redress System) initiated by Securities and Exchange Board of India (SEBI). The salient features of SCORES are availability of centralized data base of the complaints, uploading online Action Taken Reports (ATRs) by the Company. Through SCORES the investors can view online, the actions taken and current status of the complaints.

O. Share Transfer System

Equity Shares sent for physical transfer or for dematerialisation are 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 2 (two) weeks.

The Stakeholders Relationship Committee (earlier Share Transfer Committee) has delegated the power for transfer etc, of the shares to Sharepro Services (India) Private Limited, the Company's Registrar and Transfer Agent and to Mr. Ranjit Singh, Company Secretary and Mr. Ranjit Srivastava, Dy. Company Secretary of the Company who consider the transfer proposals at least once in a fortnight received from the Shareholders of the Company in physical mode.

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 / Registrar and Transfer Agent for registration of such transfer of shares. The Company and its Registrar and Transfer Agent 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.

P. 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, 2013	126	69841
Fresh undelivered cases during the Financial Year 2013-14	NIL	NIL
Number of Shareholders who approached the Company for transfer of shares from Suspense Account till March 31, 2014	NIL	NIL
Number of Shareholders to whom shares were transferred from the Suspense Account till March 31, 2014	NIL	NIL
Aggregate number of Shareholders and the outstanding shares in the Suspense Account lying as on March 31, 2014	126	69841

The voting rights on the shares outstanding in the Suspense Account as on March 31, 2014, 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.

Q. 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. The trading of shares of the Company is permitted in dematerialized mode only.

- **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 SH-13. Member(s) holding shares in dematerialized form are requested to register their nominations directly with their respective Depository Participants (DPs).

- **Prevention of frauds**

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

- **Confidentiality of Security Details**

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

R. 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. The Shareholders can open account with any of the Depository Participant registered with any of these two Depositories.

As on March 31, 2014, 99.95% of the equity shares of the Company are in the dematerialized form. Entire Shareholding of the Promoter's in the Company are held in dematerialized form. The equity shares of the Company are frequently traded at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

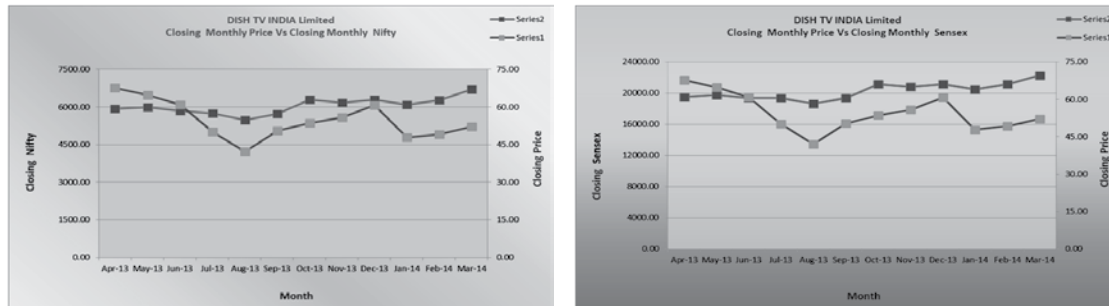
S. Stock Market Data Relating to Shares Listed in India

- a) The monthly high and low prices and volumes of Company's shares traded on BSE Limited (BSE) and National Stock Exchange Limited (NSE) for the period April 2013 to March 2014 are as under:

Fully Paid Shares

MONTH	NSE			BSE		
	High (In ₹)	Low (In ₹)	Volume of Shares Traded	High (In ₹)	Low (In ₹)	Volume of Shares Traded
April 2013	71.40	66.25	53,963,585	71.30	66.50	6,130,639
May 2013	71.40	63.60	55,909,358	71.45	63.70	7,055,058
June 2013	68.20	56.70	46,607,693	68.10	56.70	6,623,437
July 2013	64.20	44.80	89,347,855	64.35	45.00	11,402,217
August 2013	50.90	40.35	102,273,796	50.75	40.35	21,455,744
September 2013	51.60	39.50	135,474,027	51.60	39.75	15,276,360
October 2013	54.60	48.15	109,521,497	54.50	48.15	14,273,810
November 2013	56.25	50.35	55,579,989	56.25	50.45	7,845,376
December 2013	63.05	53.85	75,082,624	63.10	52.00	9,630,104
January 2014	61.35	46.00	77,516,268	61.40	46.10	7,128,983
February 2014	51.40	45.10	42,402,586	51.25	45.15	2,940,705
March 2014	53.90	46.40	66,484,299	53.85	46.45	5,879,888

- b) Relative performance of Dish TV India Limited Shares (fully paid) v/s BSE Sensex & Nifty Index



- c) Distribution of Shareholding as on March 31, 2014 – Consolidated

No. of Equity Shares	Shareholders		No. of Shares	
	Numbers	% of Holders	Number	% of Shares
Upto 5000	160,112	99.31	33,593,481	3.15
5001 – 10000	536	0.33	3,935,965	0.37
10001 – 20000	236	0.15	3,512,218	0.33
20001 – 30000	69	0.04	1,756,304	0.16
30001 – 40000	29	0.02	1,008,066	0.09
40001 – 50000	26	0.02	1,190,855	0.11
50001 – 100000	60	0.04	4,503,203	0.42
100001 and above	164	0.10	1,015,402,478	95.35
Total	161,232	100.00	1,064,902,570	100.00

- d) Top 10 Public Equity Shareholders as on March 31, 2014 – Consolidated

S. No.	Name of Shareholder	No. of Shares held	% of Shareholding
1	Deutsche Bank Trust Company Americas	85,035,000	7.99
2	Apollo India Private Equity II (Mauritius) Ltd	32,000,000	3.01
3	IDFC Premier Equity Fund	15,000,000	1.41
4	Morgan Sanley Asia (Singapore) PTE.	14,416,185	1.35
5	Briggs Trading Co. Private Limited	9,969,759	0.94
6	College Retirement Equities Fund - stock	8,405,838	0.79
7	FID Funds (Mauritius) Limited	8,339,112	0.78
8	Morgan Stanley Mauritius Company Limited	7,520,877	0.71
9	Sundaram Mutual Fund A/C Sundaram Select Midcap	6,400,000	0.60
10	M/s Napean Trading and Investment Co. Pvt. Ltd	5,766,196	0.54
	TOTAL	192,852,967	18.11

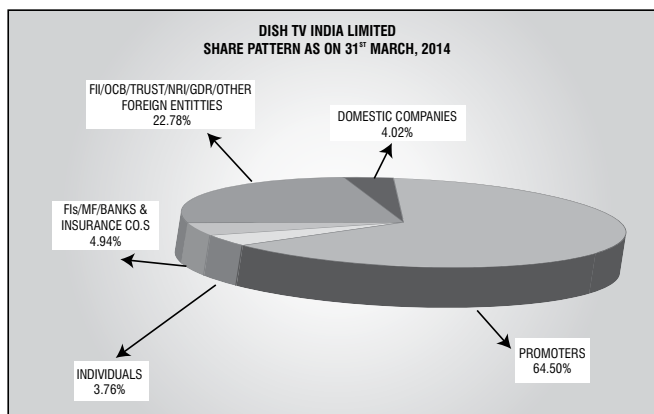
- e) Promoter Shareholding as on March 31, 2014

S. No.	Name of Shareholder	No of Shares held	% of Shareholding
1	Agrani Holding (Mauritius) Limited	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 Kuri	1,174,150	0.11
5	Essel Media Ventures Limited	460,000	0.04

S. No.	Name of Shareholder	No of Shares held	% of Shareholding
6	Direct Media Distribution Ventures Pvt. Ltd.	457,212,260	42.93
7	Direct Media Solutions Pvt. Ltd.	180,000,000	16.90
8	Jawahar Lal Goel	176,800	0.02
9	Jay Properties Private Limited	10,131,000	0.95
10	Nishi Goel	11,000	0.00
11	Priti Goel	11,000	0.00
12	Sprit Textiles Private Limited	300	0.00
13	Suryansh Goel	5,100	0.00
14	Sushila Devi	585,750	0.06
15	Tapes Goel	5,100	0.00
16	Veena Investments Pvt. Ltd.	100	0.00
	Total	686,878,060	64.50

f) Categories of Shareholders as on March 31, 2014

Category	No. of Shares held	% of Shareholding
Promoters	686,878,060	64.50
Individuals	40,088,916	3.76
Domestic Companies	42,834,465	4.02
FIs, Mutual Funds, Banks & Insurance Companies	52,591,782	4.94
FIIs, OCBs, Trusts, NRI, GDRs & Other Foreign Entities	242,561,542	22.78
Total	1,064,954,765	100



SHAREHOLDERS SERVICES

Ranjit Singh

Company Secretary and Compliance Officer

Membership No.-A15442

Dish TV India Limited

FC-19, Sector-16A, Noida – 201 301, U.P., India

Tel.: +91-120-2599555/391 Fax: +91-120-4357078

E-Mail: investor@dishtv.in , CIN: L51909DL1988PLC101836

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 the Financial Statements and the Cash Flow Statement of the Company for the year ended March 31, 2014 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, 2014 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 they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. During the year :-
 - there have not been any significant changes in internal control over financial reporting;
 - significant changes in accounting policies have been indicated to the Auditors and the Audit Committee and the same have been disclosed in the notes to the Financial statements;
 - 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
DIN: 00076462

Rajeev K Dalmia
Chief Financial Officer

Place: Noida
Date: August 26, 2014



MANAGEMENT DISCUSSION AND ANALYSIS

Statements in this Management Discussion and Analysis of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Thus the Company's actual performance/ results could differ from the projected estimates in the forward-looking statements.

The following discussions on our financial condition and result of operations should be read together with our Audited Consolidated Financial Statements and the notes to these statements included in the Annual Report.

Overview

Dish TV India Limited (BSE Code-532839, NSE Code - DISHTV) is India's largest Direct to Home (DTH) operator in terms of the registered subscriber numbers. Your Company continued to engage subscribers by providing wholesome entertainment experience through relevant content, on demand services and the door step service & support. The positive effect of Digitization, already initiated in the previous years, continued to show in parts of 38 cities and your Company created new service franchisees to cater to the increased requirements of newly digitized homes in the said 38 cities. This provided an edge over competition and the benefit of such service infrastructure will yield benefit in coming years. The Digital Cable System continued to aggressively engage into stiff competition however DTH continues to be a favoured choice of the customer.

The economy continued to experience sluggish growth and stagnant demand of consumer related products. Even the Indian Media and Entertainment Industry witnessed a moderate growth in FY 2013-14. However, despite the adverse economic situation, your Company was able to maintain its share of new activations in the overall market scenario and was also able to increase the prices of its offering resulting in improved ARPU (Average Revenue per User) and realization. The push for Dish Recorder and High Definition boxes also continued to bring on quality and sustainable subscribers with better yield.

Dishtv now offers consumer choice across a wide array of multi-brand and multi product portfolio, to

suit different consumer segments. Continuing the lead the category with largest bouquet of 40 HD channels, dishtruHD+, India's first HD set top box with unlimited recording, has built a hi-ARPU base of HD users that provide hi-ARPU and better retention too. Dish+, the standard definition recorder that allowed Indian consumers to taste the power of pause / play, recording features at SD prices, has become a 30% contributor to gross additions during the year and attracts quality subscribers into the fold.

During the year under review, your Company launched a new product under the brand name – ZING. The new product is aimed at providing regional driven content, covering small towns and rural markets which will provide your Company an opportunity to strengthen its presence in these areas.

The focus of the Company on cost management was reiterated in each and every cost item including the content cost, without compromising the offering, customer experience and quality. The year gone by continued to be volatile in terms of foreign exchange fluctuations. The volatile situation affected some of the cost items but the overall cost structure was maintained to eliminate the effect of adverse forex situation. The foreign exchange fluctuation also marginally affected the debt pay outs.

SWOT ANALYSIS

Strengths

Dish TV has pioneered the DTH distribution space and continues to hold the largest registered subscriber base till date. It has become synonymous with quality digital entertainment in the Country. Ever since inception dishtv has been a thought leader bringing new and innovative products and services into the category and setting benchmarks for others to follow. Dishtv has built and continues to sustain abundant capacity, beaming from 2 (two) different satellites, offering the largest bouquet of content with an unmatched 450+ channels and services. All this packaged at consumer friendly tiers that suit diverse consumer needs for content across different genres and languages.

Dish TV has built an aspirational brand image which is reflected in over 90% awareness for the brand, across all geographies. The brand positioning well-crafted in the statement "dish sawaar hai" echoes that the brand goes the whole way to ensure that passionate TV viewers can fully indulge in their love for TV programming and enjoy uninterrupted hi-quality television. The brand

is also widely accessible and visible throughout the length and breadth of the Country, as is evident from its formidable presence in over 100,000 shops across geographies.

The sustained efforts of your Company, towards strengthening its sales and service network has enabled consumer connectivity and door step availability of the product. This year there has been tremendous focus on expanding the service infrastructure (Dish Care Franchisees) across the length and width of the country. Further, from a recharge perspective, Dish TV has tied up with almost all recharge partners and has constructed the largest recharge avenues in the market and online space to cater to the consumer demand.

In addition, the launch of ZING, dishtv foray into a regionally customized DTH service now provides an opportunity to maximize its foothold as DAS rolls out further into phase III and IV, coveting small towns and rural markets. Thinking ahead of the curve, dishtv created an entirely new offering for consumers whose needs are largely regionally driven and shop for pocket friendly subscription alternates. This brand positioned comfortably between the free DD DTH offering on the one hand and expensive DTH brands (that start at ₹ 230 a month) on the other, offers customized regional programming at value for money prices.

In true spirit of a category leader, Dish TV has constantly pioneered new products that have set new benchmarks, throughout its journey. This year Dish TV forayed into the OTT (Over the Top) space with an online TV streaming product christened dishonline. Stemming from high penetration of smart phones and internet, the Indian consumer today, is spending increasing time on alternate screens like the laptop, tablet and smart phone, away from the conventional TV viewing. A large part of this consumption on smaller screens is dominated by viewership of content online. Understanding the new dynamics of evolving consumer trends of multi-screen behavior, this product provides live TV, on demand movies, catch up TV and video shows at the press of a button on an app. Hence dishtv viewers can now access their favorite TV shows on the go, on their mobile device and never miss a minute of their loved program. This innovative and engaging product was introduced at a small top up price of ₹ 60 a month, over and above the base subscription on TV, has seen over 4 lacs downloads in a short span of time. The dishonline product has a great VAS opportunity to build ARPU.

Weakness

Multiple taxation continues to be an area of concern for the entire DTH sector. This is especially considering the competition from unorganized cable industry, where under-declaration continues to prevail, despite regulation. Cable rates, have thus not been growing at the pace expected. This phenomenon is restrictive for the growth of ARPU for DTH users too.

Adding to the woes is the depreciation of the Indian rupee, which has led to an increase in the acquisition cost of hardware, during the last year. With high subsidies and lower ARPU infesting the entire DTH industry, there's an increasing pressure on the bottom line.

With most brands ramping up their products in both hardware and software offerings, product differentiation has become increasingly challenging, giving rise to a parity situation among all brands.

Opportunities

The successful completion of phase I and II of digitization led to a myriad of possibilities. DTH is likely to get a larger piece of the pie in the forthcoming phases. Any upward movement of ARPU in the cable space arising out of digitization will be positive for your Company as DTH already commands a premium over cable and therefore will be able to move prices more aggressively.

The changing consumer attitudes of today's discerning consumers and increase in spending patterns, specially towards embracing new technology products, presents an opportunity for adoption of new formats such as recorders and hi-definition. With the downturn in CRTV market and the tide shifting to flat panel technology showcases the consciousness of consumers with regard to quality of TV viewing. The panorama for DTH is brighter than ever before. Clubbed with reduction in prices of flat panel televisions, demand for quality television provides a very fertile ground for the category. Therefore, the company sees an upsurge in demand for Hi-Definition STB sales due to the expanding HD universe by consumers actively seeking quality content. Opportunities also lie in acquiring quality consumers who make a positive difference to the bottom line not only contributing to ARPU but also increase brand loyalty.

The incidence of Multiple TV sets in the same home is now a common phenomenon, close to more than 20% TV homes are now with two or more TV sets.



This expands the potential for market for multiple subscriptions per household and opportunity for stickiness for the same brand as well as upside in ARPU.

Moreover, the advent of a stable Government at the Center will have a positive impact on the category and will in turn facilitate adoption.

Threats

The DTH Industry has seen explosive growth in the last few years and thus attracted a mature level of competition both from within the category as well as alternate categories that fulfill the same consumer need.

Whilst DTH players compete at the shop floor, the digital cable operator reaches directly to the consumer's home. Moreover, cable operators scramble to acquire customers by reducing entry prices and/or undercutting monthly subscription prices, thus pose a threat. The result of such unreasonable competition can lead to price cuts and contraction in ARPU, as well as lead to higher incidence of churn, which can negatively impact the bottom-line.

The progression of IPTV in select geographies is another potential threat for the DTH category. Further, 4G is making an appearance in the near future, and the clubbed offering of voice, data and video holds the potential of competing in the DTH landscape.

High incidence of taxation and regulatory intervention will continue restricting the growth and profitability of the DTH sector, unless measures are taken by Stakeholders and policy makers to ease the taxation framework.

Strategy

The year under review continued to be a challenging one in terms of the volatile market situation, fluctuating foreign currency and intense competition from the DTH operators and the Digital Cable platforms. The digitization mandate opened a flood gate of opportunities for all the players. However, your Company, with its set out strategy and plan in place, continued to spearhead the market.

In keeping with its objective of being the leader in the DTH segment and to bring to market products which are in tune with the customers as well as which enhance its strategic goals your Company has planned strategy in place to segment the market and provide best in class products and services to various segments of the market based on their unique needs. The strategy will help us get a leading share of mind and market as well

as place us in a very strong position to capitalize on the emerging opportunity presented by digitization in DAS markets phase III and IV.

In tune with this strategy, your company has embarked on a strategy of regionalization of offering through a novel second brand offering - Zing. Zing will focus on markets with significant consumption of regional language channels and will focus on the smaller markets of DAS phase 3 & Phase 4. By providing a unique segmented offering to these customers, the main brand of Dish TV will be able to focus on the high value national consumption as well as High Definition customers in Phase I and II, while Zing will be the regional sub brand opening new markets and addressing the needs of vernacular consumers as well as first time entrants into digital TV consumption.

Through this strategy, your Company will be able to flank and cover all segments of the market and the initial response for the product has been overwhelmingly positive.

Your Company has strengthened its sales and service network all across the country to ensure effective and immediate support to the consumers. The efforts in this area continues to be the focus of the management.

Key Performance Indicators

During the year under review, your Company continued to grow in terms of revenue, EBITDA and ARPU. Despite the heavy competition prevailing in the sector which got further intensified by the aggressive approach of the digital cable operators, your Company's incremental share in the acquisition of new subscriber continued to be robust and healthy.

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

- Gross subscriber base stood at 16.40 Million on March 31, 2014;
- Operating Revenue for FY 14 stood at ₹ 2509 Cr;
- EBITDA for FY 14 stood at ₹ 626 Cr;
- Total Number of Channels & Services 443, being the highest in the category;
- Total number of HD channels & service stood at 46, once again the Highest in the category;
- ARPU for FY 14 stood at ₹ 170

Risk Management and Internal Control

With the rapid growth of your Company, the importance and necessity of effective risk management and internal control systems and processes has grown many folds. Your Company believes that internal control and risk management are necessary pre-requisite of the principle of governance and that freedom should be exercised within a framework of appropriate checks and balances. The Management is committed to ensuring an effective internal control environment, commensurate with the size and complexity of the business, which provides assurance on the efficiency of operations and security of assets.

Your Company has an effective internal control and risk mitigation system, which is constantly assessed and strengthened with new/revised standard operating procedures and which ensures that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized and recorded. The Company has laid down procedures to inform Audit Committee and Board about the risk assessment and mitigation procedures, to ensure that the Management controls risk through means of a properly defined framework.

The Company has entrusted the internal and operational audit to Pro Advisory India LLP, a reputed Limited Liability partnership of chartered accountants. The main thrust of internal audit process is test and review of controls, independent appraisal of risks, business processes and benchmarking internal controls with best practices.

The Audit Committee of Board actively reviews the adequacy and effectiveness of the internal control systems and risk mitigation systems and suggest improvements to strengthen them. The Company has the robust management information system, which is an integral part of the control mechanism. The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically appraised of the Internal Audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board.

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficiency of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company.

Talent Management

Your Company encourages a culture of open communication that empowers Employees to articulate their thoughts and feelings freely, exchange ideas and contribute to organizational growth. Regular HR connect session's helps the Company understand the pulse on the ground and take necessary steps to keep the workforce engaged and motivated. Your Company recognizes people as its most valuable asset and it has built an open and transparent processes to nurture this asset. Your Company has institutionalized the people philosophy framework SAMWAD to ensure that, as part of key objectives, people managers deliver on organization's expectations of managing outcome and developing people by being focused on their strengths.

The Company has young and vibrant team of highly qualified professionals at all levels. 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. The Company has paid focused attention on management of available resources by training, re-training, incentivizing and a fair policy of promotion, transfer and equal pay for equal work. The Company aims to continue to nurture the talent management process of the Company which is the quintessential to continue with the exponential growth of the Company.

FINANCIALS AND FINANCIAL POSITION

Standalone and Consolidated Financials as on March 31, 2014:

Table below presents Standalone & Consolidated Financials for the Current and Previous Financial Year.

(₹ In Lacs)

Statement of Profit and Loss Account for the year ended March 31, 2014	Standalone		Consolidated	
	2014	2013	2014	2013
Income				
Revenue from Operations	250,898	216,680	250,897	216,680
Other Income	6,602	5,120	6,489	5,114
Total Revenue	257,500	221,800	257,386	221,794
Expenses				
Purchase of stock in trade (Consumer Premises Equipment related accessories /spares)	635	920	635	920
Change in inventories of stock- in- trade	113	(173)	113	(173)
Operating expenses	132,830	110,806	132,830	110,807
Employee benefit expense	8,907	8,217	8,916	8,217
Selling & distribution expenses	33,209	30,364	33,209	30,364
Finance Cost	13,268	12,836	13,275	12,842
Depreciation & Amortization expense	59,731	62,755	59,736	62,758
Other expenses	12,591	8,594	12,791	8,603
Total Expenses	261,284	234,319	261,505	234,338
Loss before Exceptional Items, Prior period items and Tax	3,784	12,519	4,119	12,544
Exceptional items	-	5,944	-	5,944
Loss before, Prior period items and tax, after exceptional items	3,784	6,575	4,119	6,600
Prior period items	11,637	-	11,637	-
Loss before tax, after exceptional items & Prior period items	15,421	6,575	15,756	6,600
Tax expense	-	-	5	1
Loss after tax	15,421	6,575	15,761	6,601
Loss attributable to minority			-	(1)
Loss for the year	15,421	6,575	15,761	6,600

(₹ In Lacs)

Balance Sheet as at 31 March 2014	Standalone		Consolidated	
	2014	2013	2014	2013
EQUITY AND LIABILITIES				
Shareholders' Funds				
(a) Share Capital	10,650	10,648	10,650	10,648
(b) Reserves and Surplus	(41,541)	(26,177)	(41,910)	(26,206)
Sub-Total	(30,891)	(15,529)	(31,260)	(15,558)
Non-current Liabilities				
(a) Long Term Borrowings	77,911	84,602	77,911	84,602
(b) Other Long Term Liabilities	9,182	15,042	9,182	15,042
(c) Long Term Provisions	1,419	1,274	1,419	1,274
Sub-Total	88,512	100,918	88,512	100,918

(₹ In Lacs)

Balance Sheet as at 31 March 2014	Standalone		Consolidated	
	2014	2013	2014	2013
Current Liabilities				
(a) Short Term Borrowings	6,579	3,000	6,579	3,000
(b) Trade Payables	13,438	21,374	13,568	21,380
(c) Other Current Liabilities	116,055	140,264	116,007	140,266
(d) Short Term Provisions	83,609	65,469	83,612	65,470
Sub-Total	219,681	230,107	219,766	230,116
Total	277,302	315,496	277,018	315,476
ASSETS				
Non Current Assets				
(a) Fixed Assets				
(i) Tangible assets	134,897	142,734	134,951	142,734
(ii) Intangible assets	747	651	758	667
(iii) Capital work in progress	40,755	65,352	42,259	65,352
Sub-Total	176,399	208,737	177,968	208,753
(b) Non current Investment	26,804	3	15,000	-
(c) Long Term Loans and Advances	11,011	6,546	8,811	6,462
(d) Other Non Current Assets	733	970	733	970
Sub-Total	38,548	7,519	24,544	7,432
Current Assets				
(a) Current investment	5,000	27,818	5,000	27,818
(b) Inventories	748	861	748	861
(c) Trade Receivables	4,149	3,036	4,149	3,036
(d) Cash and Bank balances	33,989	36,210	34,263	36,449
(e) Short Term Loan and Advances	18,414	30,778	30,291	30,598
(f) Other Current Assets	55	537	55	529
Sub-Total	62,355	99,240	74,506	99,291
Total	277,302	3,15,496	277,018	315,476

(A) RESULTS OF OPERATIONS

We are pleased to share the Consolidated Financial information for the year ended March 31, 2014 compared to previous year ended March 31, 2013. At the close of FY14, Dish TV India Limited has two Subsidiaries Company i.e., Dish T V Lanka (Private) Limited (Dish Lanka) with 70% equity holding and Xingmedia Distribution Private Limited with 100% equity holding. Dish Lanka is in the process of obtaining the DTH License from the Government of Sri Lanka and is poised to commence the commercial operations as soon as the License is received.

Revenue from Operations

Revenue from Operations includes Subscription Revenue, Lease rentals, Teleport services, Bandwidth charges, Sale of CPE & accessories, Advertisement Income & Other operating income. Revenue from Operations increased by ₹ 34,217 lacs or 16% from ₹ 2,16,680 lacs in FY13 to ₹ 2,50,897 lacs in FY14.

Other Income

Interest & Other Income increased by ₹ 1,375 lacs or 27% from ₹ 5,114 lacs in FY13 to ₹ 6,489 lacs in FY14. The increase was mainly due to interest income.

Purchases of stock- in- trade

Purchases of stock –in- trade decreased by ₹ 285 lacs or 31 % from ₹ 920 lacs in FY13 to ₹ 635 lacs in FY 14.

Change in inventories of stock-in-trade

Change in inventories of stock in trade increase by ₹ 286 lacs or 165 % from ₹ (173 lacs) in FY 13 to ₹ 113 lacs in FY14.

Operating expenses

Operating expenses increased by ₹ 22,023 lacs or 20% from ₹ 1,10,807 lacs in FY13 to ₹ 1,32,830 lacs in FY14.

Employee benefit expenses

Overall employee benefit expenses increased by ₹ 699 lacs or 9% from ₹ 8,217 lacs in FY13 to ₹ 8,916 lacs in FY14.

Selling & distribution expenses

Selling & Distribution expenses increased by ₹ 2,845 lacs or 9% from ₹ 30,364 lacs in FY13 to ₹ 33,209 lacs in FY14.

Finance Cost

Finance cost increased by ₹ 433 lacs or 3% from ₹ 12,842 lacs in FY13 to ₹ 13,275 lacs in FY14.

Depreciation and amortization expenses

Depreciation decreased by ₹ 3,022 lacs or 5% from ₹ 62,758 lacs in FY13 to ₹ 59,736 lacs in FY14, during the year the addition in fixed assets is to the tune of ₹ 52,101 lacs, mainly for Consumer Premises Equipment (CPE).

Other Expenses

Other Expenses increased by ₹ 4,188 lacs or 49% from ₹ 8,603 lacs in FY13 to ₹ 12,791 lacs in FY14.

Loss before Exceptional Items, Prior period items and tax.

Loss before Exceptional Items, Prior period items and Tax decreased by ₹ 8,425 lacs or 67%, from ₹ 12,544 lacs in FY13 to ₹ 4,119 lacs in FY14.

Exceptional Items

Till the year ended March 31, 2012, the exchange differences arising from foreign currency borrowing to the extent that they were regarded as an adjustment to interest cost, were treated as borrowing cost in terms of AS-16, "Borrowing Costs". During the year ended March 31, 2013, pursuant to a clarification dated August 9, 2012 from the MCA, the Company has changed the

Accounting Policy w.e.f. from April 1, 2011, to treat the same as "foreign exchange fluctuation", to be accounted as per AS-11 "Effects of Changes in Foreign Exchange Rates", instead of AS-16 "Borrowing Costs". This change has resulted into reversal of finance cost of ₹ 7,068 lacs for the financial year 2011-12 and consequential increase in depreciation by ₹ 1,124 lacs for the financial year 2011-12. The aforesaid change, resulting in net gain of ₹ 5,944 lacs for the financial year 2011-12, has been shown as 'exceptional items' in the Financial Statements for the year ended March 31, 2013.

Prior Period Items

The life of CPE for the purpose of depreciation has been estimated by the management as five years. Upto March 31, 2012, in certain cases, the one-time advance contribution in the form of rental was being recognized over a period of three years from the activation date. However, such practice, with effect from April 1, 2012, was changed to five years in respect of CPEs activated on or after April 1, 2012. During the year, Company has amended its policy in respect of CPEs activated upto March 31, 2012 also in order to align the same with the CPEs installed thereafter. The correction in the policy has resulted in reversal of excess revenue of ₹ 12,930 lacs and excess provision of license fees of ₹ 1,293 lacs hence net result of ₹ 11,637 lacs is shown as prior period items in FY14.

Tax Expense

Tax Expense Increased by ₹ 4 lacs (400%), from ₹ 1 lac in FY13 to ₹ 5 lacs in FY14.

Loss for the year

Loss for the year is ₹ 15,761 lacs. Loss Increased by ₹ 9,161 lacs or 139%, this was mainly due to the net impact of prior period adjustment & exceptional items.

(B) FINANCIAL POSITION

(i) Equity and Liabilities

Share Capital

Share Capital increased by ₹ 2 lacs or 0.018%, from ₹ 10,648 lacs in FY 13 to ₹ 10,650 lacs in FY14.

Reserves and Surplus

Reserves and Surplus increased by ₹ (15,704) lacs or 60% from ₹ (26,206) lacs in FY 13 to ₹ (41,910) lacs in FY14.

Long Term Borrowings

Long Term Borrowings stood at ₹ 77,911 lacs as on March 31, 2014 as against ₹ 84,602 lacs as on March 31, 2013. The decrease of ₹ 6,691 lacs is due to repayment of loan.

Other Long Term Liabilities

Other Long Term Liabilities mainly comprises of Income received in advance. Other Long Term Liabilities stood at ₹ 9,182 lacs as on March 31, 2014 as against ₹ 15,042 lacs as on March 31, 2013. The decrease was due to reduction of long term advance revenue.

Long Term Provisions

Long Term Provisions increased by ₹ 145 lacs from ₹ 1,274 lacs as on March 31, 2013 to ₹ 1,419 lacs as on March 31, 2014.

Current Liabilities

Current Liabilities includes Short Term Borrowings, Trade Payables, Other Current Liabilities and Short Term Provisions. Current Liabilities stood at ₹ 2,19,766 lacs as on March 31, 2014 as against ₹ 2,30,116 lacs as on March 31, 2013.

(ii) Assets

Non-Current Assets

Fixed Assets

Fixed Assets stood at ₹ 1,77,968 lacs as on March 31, 2014 as against ₹ 2,08,753 lacs as on March 31, 2013. The decrease was due to the lower Capital Expenditure incurred for CPEs deployment.

Capital Work-in-Progress decreased by ₹ 23,093 lacs from ₹ 65,352 lacs as on March 31, 2013 to ₹ 42,259 lacs as on March 31, 2014.

Non-Current Investments

Non-Current Investments stood at ₹ 15,000 lacs as on March 31, 2014.

Long Term Loans and Advances

Long Term Loans and Advances increased by ₹ 2,349 lacs from ₹ 6,462 lacs as on March 31, 2013 to ₹ 8,811 lacs as on March 31, 2014. The increase was primarily due to payment made for Capital advances.

Other Non-Current Assets

Other Non-Current Assets stood at ₹ 733 lacs as on March 31, 2014, a decrease of just 24% over the last year figure of ₹ 970 lacs.

Current Assets

Current Investments

Current Investments stood at ₹ 5000 lacs as on March 31, 2014 as against ₹ 27,818 lacs as on March 31, 2013, registering a reduction of 82%.

Inventories

Inventories stood at ₹ 748 lacs as on March 31, 2014 as against ₹ 861 lacs as on March 31, 2013, registering a reduction of 13%.

Trade Receivables

Trade Receivables stood at ₹ 4,149 lacs as on March 31, 2014 as against ₹ 3,036 lacs as on March 31, 2013.

Cash and Bank Balances

Cash and Bank Balances stood at ₹ 34,263 lacs as on March 31, 2014 as against ₹ 36,449 lacs as on March 31, 2013.

Short Term Loans and Advances

Loans and Advances stood at ₹ 30,291 lacs as on March 31, 2014 as against ₹ 30,598 lacs as on March 31, 2013.

Other Current Assets

Other Current Assets stood at ₹ 55 lacs as on March 31, 2014, a decrease of 90% over the last year figure of ₹ 529 lacs.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimate, expectations may constitute a "forward-looking statement" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic markets in which the Company operates, changes in the Government Regulations, Tax Laws and other Statutes and other incidental factors.

INDEPENDENT AUDITORS' REPORT

To
The Members of
Dish TV India Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of Dish TV India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956, read with the General Circular 15/2003 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 (together referred to as the "Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate

in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (b) in the case of the Statement of Profit and Loss, of the losses for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Emphasis of matter

Without qualifying our opinion, attention is invited to:

- a) note 2(c) 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.
- b) note 50 of the financial statements regarding the life of the Consumer Premises Equipment (CPE) for the purposes of depreciation, which has been estimated by the management as five years. However, in certain cases of CPEs installed upto 31 March 2012, the one-time advance contributions towards the CPEs in

the form of rentals were recognized as revenue over a period of three years, which was not in line with the estimated life of such assets, in terms of Accounting Standard 19 'Leases'. During the year, the Company has ascertained its impact and has streamlined the above practice by recognizing the revenue over a period of five years in respect of such CPEs installed upto 31 March 2012. This has, during the year, resulted into a reversal of excess revenue of ₹ 12,930 lacs recognized upto the year ended 31 March 2013, recognition of additional revenue of ₹ 3,702 lacs and consequential impact on license fee pursuant to the above correction, with a net impact on the loss after tax for the year ended 31 March 2014 being higher by ₹ 8,305 lacs.

- c) note 51 of the financial statements regarding recognition of activation fees under the service model. Hitherto, upto the year ended 31 March 2013, the Company recognized a portion of the activation fees over the estimated period of subscription / the life of the CPE. During the year, the Company has reassessed its position of recognition of above activation fees, together with the level of service already rendered on activation, the corresponding cost incurred and separate consideration charged for the subsequent continuing services etc. Considering that the Company incurs significant upfront cost upto the stage of activation of CPE and charges separate consideration for subsequent continuing services, the Company has, in order to make better and appropriate presentation, amended its policy of revenue recognition of activation fee on an upfront basis.

The above change has resulted into additional activation / subscription revenue of ₹ 9,936 lacs for the year (including ₹ 4,614 lacs in relation to the previous year) with a corresponding increase in license fees of ₹ 994 lacs (including ₹ 461 lacs in relation to the previous year). As a consequence, the loss after tax for the year is lower by ₹ 8,942 lacs.

6. Report on Other Legal and Regulatory Requirements

- (i) 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

- (ii) As required by section 227(3) of the Act, we report that:
- 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;
 - 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;
 - the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
 - on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248 W

Kaushal Kishore

Partner

Membership No: 090075

Place : Gurgaon

Date : 27 May 2014

Annexure referred to in paragraph 6 of the Independent Auditors' Report to the Members of Dish TV India Limited on the financial statements for the year ended 31 March 2014.

- (i) (a) According to the information and explanations given to us, 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 the 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 inventories of stock in trade consisting of CPE related 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 specialized requirements and similarly certain goods/ services sold are for the specialized requirements of the buyers and suitable alternative sources are generally not available to obtain comparable prices, 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) In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (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) We have broadly reviewed the books of account maintained by the Company in respect of the activities where, 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 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.

- (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 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*

amounts 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, and other material statutory dues, as applicable, were in arrears as at 31 March 2014 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, Cess and Excise duty, 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	7	7	March 2010	Special Commissioner (Appeal), Department of Trade and Taxes, Delhi
		283	20	April 2007 to March 2008	VAT Tribunal, New Delhi
		169	-	2009-10	Special Commissioner (Appeal), Department of Trade and Taxes, Delhi
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	344**	18	March 2008 to September 2008	Andhra Pradesh High Court
		286	286	2006-08	State Tribunal Appellate Authority, Hyderabad
Bihar Value Added Tax Act, 2005	Value Added Tax	74	58	2007-08 and 2008-09	Commercial Tax Officer, Patna
		344	308	2009-10 to 2012-13	Joint Commissioner of Commercial Taxes (Appeal) Patna
Kerala Value Added Tax Act 2003	Value Added Tax	34	11	2009-10	Kerala High Court
		1	1	October 2013	Intelligence Inspector, Department of Commercial taxes, Thiruvananthapuram.

(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
UP Trade Tax Act, 1948	Value Added Tax	1	-	April 2005 to March 2006	Joint Commissioner (Appeal), Noida
		#	1	2006-07	Additional Commissioner Appeal, Noida
		4	4	2010-11 and Mar 2013	Deputy Commissioner, Noida
		51	7	April 2011 and 2008-09	Additional Commissioner Appeal, Commercial Tax, Noida
Haryana VAT Act-2003	Value Added Tax	##	##	Dec 2012	Joint Excise and tax Commissioner (Appeal); Haryana
Rajasthan Tax on Entry of Goods in to local areas Act, 1999	Entry Tax	173	-	2012-13	Rajasthan High Court, Jaipur and Deputy Commissioner Commercial Tax, Jaipur
MP VAT Act, 2002	Value Added Tax	###	####	2010-11	Deputy Commissioner of Commercial Tax (Appeal), Bhopal
Income-tax Act, 1961	Income tax and interest	225	225	Assessment year 2009-10	Income Tax-Appellate Tribunal, Delhi
		320	320	Assessment year 2010-11	Commissioner of Income Tax- Appeals, Noida
		9	-	Assessment year 2006-07	Asst. Commissioner of Income Tax-Appeal, Mumbai
		93	-	Assessment year 2011-12	Commissioner of Income Tax- Appeals, Noida
Indian Customs Act, 1962	Additional Duty Special	795	-	April 2008 to June 2009	Custom Excise and Service Tax Appellate Tribunal, Delhi
Finance Act, 1994 (Service tax)	Service tax	167	-	2006-07 to 2010-11	Custom Excise and Service Tax Appellate Tribunal
		2,921	-	2007-08 to 2011-12	Custom Excise and Service Tax Appellate Tribunal, Delhi
		2,633	-	2008-09 to 2010-11	Commissioner of Service tax
Wealth Tax Act, 1957	Wealth tax	2	-	2005-06	Commissioner of Wealth Tax (Appeals), Delhi

* Including interest/penalty, where identified.

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

₹ 41,000.

₹ 40,540.

₹ 24,860.

₹ 2,486.

- (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 ₹ 100,866 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 issues during the year. The Company has only received certain amounts against outstanding call money of the rights issue made in an earlier 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. LLP

Chartered Accountants

Firm Registration No: 101248 W

Kaushal Kishore

Partner

Membership No: 090075

Place : Gurgaon

Date : 27 May 2014

BALANCE SHEET AS AT 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

	Note no.	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	10,650	10,648
(b) Reserves and surplus	4	(41,541)	(26,177)
		(30,891)	(15,529)
Non-current liabilities			
(a) Long-term borrowings	5	77,911	84,602
(b) Other long term liabilities	6	9,182	15,042
(c) Long-term provisions	7	1,419	1,274
		88,512	100,918
Current liabilities			
(a) Short-term borrowings	8	6,579	3,000
(b) Trade payables	9	13,438	21,374
(c) Other current liabilities	10	116,055	140,264
(d) Short-term provisions	11	83,609	65,469
		219,681	230,107
Total		277,302	315,496
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12.1	134,897	142,734
(ii) Intangible assets	12.2	747	651
(iii) Capital work-in-progress [refer note 45 (a)]	12.3	40,755	65,352
		176,399	208,737
(b) Non-current investments	13	26,804	3
(c) Long-term loans and advances	14	11,011	6,546
(d) Other non-current assets	15	733	970
		38,548	7,519
Current assets			
(a) Current investments	16	5,000	27,818
(b) Inventories	17	748	861
(c) Trade receivables	18	4,149	3,036
(d) Cash and bank balances	19	33,989	36,210
(e) Short-term loans and advances	20	18,414	30,778
(f) Other current assets	21	55	537
		62,355	99,240
Total		277,302	315,496
Significant accounting policies			
	2		

The accompanying notes (1 to 55) form an integral part of the financial statements.
As per our report attached.

For B S R & Co. LLP

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

DIN: 00076462

Arun Duggal

Director

DIN: 00024262

Rajeev K. Dalmia

Chief Financial Officer

Ranjit Singh

Company Secretary

Membership No: A15442

Place: Gurgaon

Dated: 27 May 2014

Place: Noida

Dated: 27 May 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

	Note no.	For the year ended 31 March 2014	For the year ended 31 March 2013
Income			
Revenue from operations	22	250,898	216,680
Other income	23	6,602	5,120
Total revenue		257,500	221,800
Expenses			
Purchases of stock-in-trade (consumer premises equipments related accessories/ spares)		635	920
Changes in inventories of stock-in-trade	24	113	(173)
Operating expenses	25	132,830	110,806
Employee benefits expense	26	8,907	8,217
Selling and distribution expenses	27	33,209	30,364
Finance costs	28	13,268	12,836
Depreciation and amortization expense	12.1 and 12.2	59,731	62,755
Other expenses	29	12,591	8,594
Total expenses		261,284	234,319
Loss before exceptional items, prior period items and tax		3,784	12,519
Exceptional items (refer note 52)		-	5,944
Loss before prior period items and tax, after exceptional items		3,784	6,575
Prior period items	29 (a)	11,637	-
Loss before tax, after exceptional items and prior period items		15,421	6,575
Tax expense		-	-
Loss for the year		15,421	6,575
Basic and diluted loss per equity share (in ₹)		1.45	0.62
(Face value of ₹ 1 each)			

Significant accounting policies

2

The accompanying notes (1 to 55) form an integral part of the financial statements.
As per our report attached to the balance sheet.

For B S R & Co. LLP

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

DIN: 00076462

Arun Duggal

Director

DIN: 00024262

Rajeev K. Dalmia

Chief Financial Officer

Ranjit Singh

Company Secretary

Membership No: A15442

Place: Gurgaon

Dated: 27 May 2014

Place: Noida

Dated: 27 May 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

	For the year ended 31 March 2014	For the year ended 31 March 2013
A. Cash flows from operating activities		
Net loss before tax	(15,421)	(6,575)
Adjustments for :		
Depreciation and amortization expense	59,731	63,879
Loss on sale/ discard of fixed assets and capital work-in-progress	3,794	809
Profit on redemption of units of mutual funds (non trade, current)	(484)	(412)
Profit on sale of investment (trade) in a subsidiary	(5)	-
Provision for wealth taxes	(31)	-
Liabilities written back	(482)	-
Foreign exchange fluctuation (net)	(2,087)	(8,739)
Interest expense	11,157	11,018
Interest income	(4,504)	(3,459)
Operating profit before following adjustments	51,668	56,521
(Increase) / decrease in inventories	113	(173)
(Increase) in trade receivables	(1,113)	(175)
(Increase) / decrease in long-term loans and advances	755	(2,232)
(Increase) / decrease in short term loans and advances and other current assets	12,764	(12,500)
(Decrease) in other long-term liabilities and provisions	(5,686)	(2,467)
Increase in trade payables, other short-term liabilities	12,883	23,248
Cash generated from operations	71,384	62,222
Income taxes (paid)	(602)	(822)
Net cash flow from operating activities	70,782	61,400
B. Cash flows from investing activities		
Purchases of fixed assets (including capital work in progress and capital advances)	(28,335)	(69,803)
Proceeds from sale of fixed assets	30	21
Purchases of investments	(123,901)	(90,503)
Proceeds from sale of investments	120,407	78,094
Loans given to body corporates	(1,990)	-
Refund of loans given to body corporates	-	1,795
Movements in fixed deposits having maturity of more than 3 months	(861)	(1,695)
Interest received	4,376	3,430
Net cash flow used in investing activities	(30,274)	(78,661)
C. Cash flows from financing activities		
Interest paid	(6,253)	(6,909)
Proceeds from issue of capital / call money received	30	428
Advance call money on shares	-	(253)
Proceeds from long term borrowings (excluding vehicle loans)	43,110	50,712
Repayments of long term borrowings (excluding vehicle loans)	(86,626)	(15,257)
Repayments of vehicle loans	(2)	(6)
Proceeds / (repayments) from short term borrowings	3,579	(16,500)
Net cash flow from financing activities	(46,162)	12,215

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014 (CONTD.)

(All amounts in ₹ lacs, unless stated otherwise)

	For the year ended 31 March 2014	For the year ended 31 March 2013
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)	(5,654)	(5,046)
Cash and cash equivalents at the beginning of the year (refer to note 19)	11,194	16,240
Cash and cash equivalents at the end of the year (refer note 19) #	5,540	11,194
Cash and cash equivalents at the end of the year comprise of :		
Cash on hand	3	2
Balances with scheduled banks :		
- in current accounts #	4,656	11,037
- deposits with maturity of upto 3 months	755	52
Cheques, drafts on hand	126	103
Total cash and cash equivalents	5,540	11,194

include ₹ 0.47 lacs (previous year ₹ 29 lacs) in share call money accounts in respect of rights issue.

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

Significant accounting policies

2

The accompanying notes (1 to 55) form an integral part of the financial statements.

As per our report attached to the balance sheet.

For B S R & Co. LLP

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

DIN: 00076462

Arun Duggal

Director

DIN: 00024262

Rajeev K. Dalmia

Chief Financial Officer

Ranjit Singh

Company Secretary

Membership No: A15442

Place: Gurgaon

Dated: 27 May 2014

Place: Noida

Dated: 27 May 2014



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ 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 customers through Consumer Premise Equipment (CPE), used for receiving and broadcasting DTH signals to the subscriber.

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 applicable Accounting Standards ('AS') notified under the Companies Act, 1956, read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and presentational requirements of the Companies Act, 1956 and/or the Companies Act, 2013 as appropriate.

b) Current/Non-current classification

All assets and liabilities are classified as current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- i) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is expected to be realized within 12 months after the reporting date; or
- iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i) it is expected to be settled in the Company's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is due to be settled within 12 months after the reporting date; or
- iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company considers its operating cycle to be within a period of 12 months

c) Going concern

The management believes that it is appropriate to prepare these financial statements on a 'going concern' basis, for the following reasons:-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

- i) The Company's DTH license was valid upto 30 September 2013. The Company has, before the expiry of the license, approached the relevant authorities, who have extended the validity for an interim period till the time final policy with regard to the terms and conditions for renewal of DTH license are laid down by the Government. The Company has given an understanding that they shall comply with that policy during the interim period and any financial obligations arising from the change in policy shall be honoured by the Company, though no significant adverse financial adjustment is expected in this regard.
- 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 positive operating cash flows.

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

d) 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 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 the 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.

Consumer Premise Equipments (CPE) 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

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 50]. 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.

Aircraft is depreciated over the estimated useful life of ten years.

Assets individually costing upto ₹ 5,000 are fully depreciated in the year of purchase, wherever necessary in terms of Schedule XIV to the Companies Act, 1956.

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.

g) Impairment

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

Inventories of CPE related accessories and spares 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.
- Activation fee is recognised on an upfront basis considering the level of services rendered on activation, the corresponding cost incurred and separate consideration charged for the subsequent continuing services (refer to note 51).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

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 useful life of asset.
- iii) The premium or discount arising on entering into a forward exchange contract for hedging underlying assets and liabilities is measured by the difference between the exchange rate at the date of the inception of the forward exchange contract and the forward rate specified in the contract and is amortised as expense or income over the life of the contract. Exchange difference on a forward exchange contract is the difference between:
 - the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and;
 - the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date.

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

iv) Derivatives

Apart from forward exchange contracts taken to hedge existing assets or liabilities, the Company also uses derivatives to hedge its foreign currency risk exposure relating to firm commitments and highly probable transactions. In accordance with the relevant announcement of the Institute of Chartered Accountants of India, the company provides for losses in respect of such outstanding derivative contracts at the balance sheet date by marking them to market. Net gain, if any, is not recognised. The contracts are aggregated category-wise, to determine the net gain/loss.

k) Investments

Long-term investments, including their current portion, are carried at cost less diminution, other than temporary in value. Current investments are carried at the lower of cost and fair value which is computed category wise.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

l) Employee benefits

i) Short-term employee benefits

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

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 earning/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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

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.

In case of unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such amounts. In other cases, 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 that have arisen from past events in respect of which it is not probable 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 2014

(All amounts in ₹ lacs, unless stated otherwise)

3. Share capital

Authorised

1,500,000,000 (previous year 1,500,000,000) equity shares of ₹ 1 each

Issued, subscribed and fully paid-up

1,064,902,570 (previous year 1,064,662,247) equity shares of ₹ 1 each, fully paid up

Issued, subscribed, but not fully paid-up

52,195 (previous year 222,928) equity shares of ₹ 1 each, fully called up (Footnote b)

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

* ₹ 20,549 as on 31 March 2014

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

	As at 31 March 2014	As at 31 March 2013
	15,000	15,000
	10,649	10,647
	1	2
	(0)	(1)
	10,650	10,648
	Nos	Nos
	1,064,885,175	1,064,423,875
	69,590	461,300
	1,064,954,765	1,064,885,175

- b) 22,193 (previous year 22,314) equity shares of ₹ 1 each, ₹ 0.75 paid up
30,002 (previous year 200,614) 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) Details of shareholders holding more than 5% shares of the Company

Name	As at 31 March 2014		As at 31 March 2013	
	Number of shares	% holding in the Company	Number of shares	% holding in the Company
Direct Media Distribution Ventures Private Limited	457,212,260	42.93%	481,786,397	45.24%
Deutsche Bank Trust Company Americas [footnote e(ii)]	85,035,000	7.99%	85,035,000	7.99%
Direct Media Solutions Private Limited	180,000,000	16.90%	155,425,863	14.60%

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

- i) 1,547,370 (previous year 1,477,780) equity shares of ₹ 1 each, fully paid up, issued to the employees, under Employee Stock Option Plan, i.e., ESOP 2007.
- ii) 85,035,000 (previous year 85,035,000) equity shares of ₹ 1 each, fully paid up, for underlying 85,035 nos. (previous year 85,035 nos.) Global Depository Receipts (GDR). Each GDR represents 1,000 Equity Shares of ₹ 1 each.

- f) 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 34 for terms and amount etc.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

4. Reserves and surplus

Securities premium account

Opening balance

Add: received during the year

Closing balance

General reserves

Opening balance

Closing balance

Deficit in the Statement of Profit and Loss

Opening balance

Less: Loss for the year

Closing balance

As at 31 March 2014	As at 31 March 2013
153,778	153,362
57	416
153,835	153,778
1,849	1,849
1,849	1,849
(181,804)	(175,229)
(15,421)	(6,575)
(197,225)	(181,804)
(41,541)	(26,177)

5. Long-term borrowings

Secured loans:

From banks

- Term loans

- Buyers' credits

From other parties

- Vehicle loans

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

As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Non current		Current maturities	
18,930	11,590	17,088	7,102
58,981	73,012	39,372	68,591
-	-	-	2
77,911	84,602	56,460	75,695
-	-	56,460	75,695
77,911	84,602	-	-

Footnotes:

Nature of security

Terms of repayment

a) Term loans

- i) Term loans of ₹ 9,715 lacs (previous year ₹ 16,192 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 immoveable assets, present and future, a charge by way of hypothecation over (a) all the moveable assets, present and future; (b) the balances lying in and to the credit of certain accounts and the proceeds of any investments made out of the said balances; and (c) 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 37 (e)].
- a) Repayable in quarterly installments
- a) Loan amounting to ₹ 2,813 lacs as on reporting date is payable in six quarterly installments alongwith monthly interest at bank base rate plus 2.25% per annum.
- b) Loan amounting to ₹ 3,591 lacs as on reporting date is payable in six quarterly installments alongwith monthly interest at bank base rate plus 2.00 % per annum.
- c) Loan amounting to ₹ 1,875 lacs as on reporting date is payable in six quarterly installments alongwith monthly interest at bank base rate plus 2.30 % per annum.
- d) Loan amounting to ₹ 1,436 lacs as on reporting date is payable in six quarterly installments alongwith monthly interest at 12.25% per annum.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

Nature of security

- ii) Term loan of ₹ 1,875 lacs (previous year ₹ 2,500 lacs) is secured by (a) first pari-passu charges on consumer premises equipment (CPE), (both present and future), of the Company; (b) first pari-passu charges on all current assets including stock of raw materials, semi finished and finished goods, consumable stores and spares and such other movable including book debts, bills, outstanding monies receivables (both present and future); (c) first pari-passu charges on all movable and immovable fixed assets, (both present and future); (d) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets, of the Company. Further, a corporate guarantee is given by Direct Media Distribution Ventures Private Limited, a related party in respect of this loan [refer to note 37 (e)].
- iii) Term loan of ₹ 7,909 lacs (previous year ₹ nil) is secured by (a) first pari-passu charges on consumer premises equipment (CPE), (both present and future), of the Company; (b) first pari-passu charges on all current assets and fixed assets of the Company (both present and future); (c) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets of the Company; (d) DSRA to be created upfront for one Quarter interest; (e) Non Disposal Undertaking from Direct Media Distribution Ventures Private Limited to continue holding at least 51% shareholding, exercise management control and right to appoint majority of Board of Directors in Dish TV India Limited.
- iv) Term Loan of ₹ 10,019 lacs (previous year ₹ nil) is secured by (a) first pari-passu charges on moveable and immoveable fixed assets of the Company; (b) first pari-passu charges on the current assets; (c) DSRA to be created upfront for one Quarter interest; (d) Non Diposal Undertaking for shares of the Company to the extent of ₹ 60 Crores. Further, a corporate guarantee is given by M/s Direct Media Distribution Ventures Private Limited a related party in respect of this loan [refer to note 37 (e)].
- v) Term loan of ₹ 6,500 lacs (previous year ₹ nil) is secured by (a) first pari-passu charges on consumer premises equipment (CPE), (both present and future), of the Company; (b) first pari-passu charges on all current assets and fixed assets of the Company (both present and future).

Terms of repayment

- Loan amounting to ₹ 1,875 lacs as on reporting date is payable in six quarterly installments alongwith monthly interest at bank base rate plus 2.25 % per annum.
- Loan amounting to ₹ 7,909 lacs as on reporting date is payable in eight quarterly installments alongwith monthly interest at 12.75% to 13% per annum.
- Loan amounting to ₹ 10,019 lacs as on reporting date is payable in ten quarterly installments alongwith monthly interest at bank base rate plus 2.50% per annum.
- Loan amounting to ₹ 6,500 lacs as on reporting date is payable in fourteen quarterly installments after a moratorium period of 18 months alongwith monthly interest at bank base rate plus 3% per annum.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

b)	Nature of security	Terms of repayment
	Buyer's credits	
i)	Buyer's credit of ₹ 29,071 lacs (previous year ₹ 42,743 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 Direct Media Distribution Ventures Private Limited, a related party [refer to note 37 (e)].	Buyer's credit comprises of several loan transactions ranging between 1.5 to 3 years of maturities. Each transaction is repayable in full on maturity dates falling between January' 2016 (being the farthest) and April' 2014 (being the closest). Interest on all Buyer's Credit is payable in half yearly installments ranging from Libor plus 45 bps to Libor plus 240 bps.
ii)	Buyer's credit of ₹ 661 lacs (previous year ₹ 21,299 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.	Buyer's credit comprises of single loan transaction having 2.75 years of maturity. Transaction is repayable in full in April 2014. Interest on Buyer's Credit is payable in half yearly installments at Libor plus 200 bps.
iii)	Buyer's credit of ₹ 31,271 lacs (previous year ₹ 49,915 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. [refer to note 37 (e)].	Buyer's credit comprises of several loan transactions ranging between 1.5 to 3 years of maturities. Each transaction is repayable in full on maturity dates, falling between March' 2016 (being the farthest) and April' 2014 (being the closest). Interest on ₹ 27,038 lacs buyer's credit is payable in half yearly installments ranging from Libor plus 44 bps to Libor plus 350 bps. Interest on ₹ 4,233 lacs buyer's credit is payable in yearly installments at Libor plus 165 bps.
iv)	Buyer's credit of ₹ 20,027 lacs (previous year ₹ 16,316 lacs) is secured by (a) first pari passu charge on consumer premises equipment (CPE) (both present and future); (b) first pari passu charges by way of hypothecation on the Company's entire current assets which would include stocks of raw materials, semi finished and finished good, consumable stores and spares and such other movables, including books debts, bills, outstanding monies receivables (both present and future) in a form and manner satisfactory to the bank; (c) first pari passu charge on all movable fixed assets of the Company; (d) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets.	Buyer's credit comprises of several loan transactions ranging between 1.75 to 3 years of maturities. Each transaction is repayable in full on maturity dates falling between February' 2016 (being the farthest) and April' 2014 (being the closest). Interest on all buyer's credit is payable in half yearly installments ranging from Libor plus 90 bps to Libor plus 250 bps.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

Nature of security

- v) Buyer's credit of ₹ 15,706 lacs (previous year ₹ 11,330 lacs) secured by (a) first pari-passu charges on consumer premises equipment (CPE) (both present and future); (b) first pari-passu charges on all current assets including stock of raw materials, semi finished and finished goods, consumable stores and spares and such other movable including book debts, bills, outstanding monies receivables (both present and future); (c) first pari-passu charges on all movable and immovable fixed assets (both present and future); (d) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets. Further, a corporate guarantee is given by Direct Media Distribution Ventures Private Limited, a related party in respect of this loan [refer to note 37 (e)].
- vi) Buyer's credit of ₹ 1,617 lacs (previous year ₹ Nil) secured by (a) first pari-passu charges on consumer premises equipment (CPE) (both present and future); (b) first pari-passu charges on all current assets including stock of raw materials, semi finished and finished goods, consumable stores and spares and such other movable including book debts, bills, outstanding monies receivables (both present and future); (c) first pari-passu charges on all movable and immovable fixed assets (both present and future); (d) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets.

Terms of repayment

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 March' 2016 (being the farthest) and Jan' 2015 (being the closest).

Interest on ₹ 3,186 lacs buyer's credit is payable in half yearly installments at Libor plus 90 bps. Interest on ₹ 12,520 lacs buyer's credit is payable in yearly installments ranging from Libor plus 155 bps to Libor plus 165 bps.

Buyer's credit comprises of several loan transactions ranging between 2.5 to 2.75 years of maturities. Each transaction is repayable in full on maturity dates falling between Sept' 2016 (being the farthest) and Nov' 2014 (being the closest).

Interest on ₹ 1,464 lacs buyer's credit is payable in half yearly installments ranging from Libor plus 90 bps to Libor plus 125 bps.

Interest on ₹ 153 lacs buyer's credit is payable in yearly installments at Libor plus 150 bps.

c) Vehicle loans

Vehicle loans of ₹ nil (previous year ₹ 2 lacs) are secured by way of hypothecation of vehicles.

Vehicle loan has been repaid during the current year.

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

6. Other long-term liabilities

Others:

Income received in advance
Money received against partly paid up shares (refer to note 43)*

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

As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Non current		Current	
9,182	15,013	33,902	29,464
0	29	-	-
9,182	15,042	33,902	29,464
-	-	33,902	29,464
9,182	15,042	-	-

* ₹ 47,191 as on 31 March 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

7. Long-term provisions

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Non current		Current	
Provision for employee benefits				
- Gratuity (refer to note 35)	909	794	27	38
- Vacation pay	510	480	28	32
	1,419	1,274	55	70
Less: amount disclosed under the head "Short-term provisions" (refer to note 11)	-	-	55	70
	1,419	1,274	-	-

8. Short-term borrowings

Secured loans

Loans repayable on demand

- Cash credit from bank

Other loans

- Buyers' credits

	As at 31 March 2014	As at 31 March 2013
	4,000	3,000
	2,579	-
	6,579	3,000

Footnotes:

a) Nature of security

- Cash credit from bank is secured by first pari passu charge on the movable and immovable fixed assets and current assets of the Company.
- Buyer's credit of ₹. 1,874 lacs (previous year ₹ nil) secured by (a) first pari-passu charges on consumer premises equipment (CPE) (both present and future); (b) first pari-passu charges on all current assets including stock of raw materials, semi finished and finished goods, consumable stores and spares and such other movable including book debts, bills, outstanding monies receivables (both present and future); (c) first pari-passu charges on all movable and immovable fixed assets (both present and future); (d) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets.

Terms of repayments

Payable on demand

Repayable on maturity alongwith interest at the rate of Libor plus 59 bps.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

a) Nature of security

iii) Buyer's credit of ₹ 705 lacs (previous year ₹ Nil) secured by (a) first pari-passu charges on consumer premises equipment (CPE) (both present and future); (b) first pari-passu charges on all current assets including stock of raw materials, semi finished and finished goods, consumable stores and spares and such other movable including book debts, bills, outstanding monies receivables (both present and future); (c) first pari-passu charges on all movable and immovable fixed assets (both present and future); (d) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets. Further, a corporate guarantee is given by Direct Media Distribution Ventures Private Limited, a related party in respect of this loan [refer to note 37 (e)].

Terms of repayments

Repayable on maturity alongwith interest at Libor plus 55 bps to Libor plus 60 bps.

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

9. Trade payables

Sundry creditors

- Outstanding towards micro and small enterprises
- Others

Based on the information available, the Company does not have any outstanding dues towards micro and small enterprises.

As at 31 March 2014	As at 31 March 2013
-	-
13,438	21,374
13,438	21,374

10. Other current liabilities

- Current maturities of long-term borrowings (also refer to note 5)
- Interest accrued but not due on borrowings
- Income received in advance (also refer to note 6)
- Other payables
 - Statutory dues
 - Accrued loss on forward contracts
 - Advances/ deposits received
 - Book overdraft
 - Commission accrued
 - Employees' payables
 - Creditors for fixed assets

As at 31 March 2014	As at 31 March 2013
56,460	75,695
468	828
33,902	29,464
4,687	4,231
16	69
10,455	8,935
1,462	1,258
2,101	1,164
138	266
6,366	18,354
116,055	140,264

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

11. Short-term provisions

- Provision for employee benefits (refer to note 7)
- Gratuity (refer to note 35)
 - Vacation pay
 - Other provisions
 - Regulatory dues including interest (refer to note 39)
 - Wealth tax

As at 31 March 2014	As at 31 March 2013
27	38
28	32
83,553	65,366
1	33
83,609	65,469

12.1. Fixed Assets - Tangible assets

As at 31 March 2014

Particulars	Gross block				Depreciation				Net block
	As at 31 March 2013	Additions	Sales/ adjustments	As at 31 March 2014	Upto 31 March 2013	For the year	Sales/ adjustments	Upto 31 March 2014	As at 31 March 2014
Plant and machinery	14,283	661	14	14,930	8,411	1,307	7	9,711	5,219
Consumer premises equipment [Refer to note 38 b)]	329,947	50,752	-	380,699	197,266	57,604	-	254,870	125,829
Computers	1,150	200	54	1,296	644	163	27	780	516
Office equipment	254	44	4	294	57	16	1	72	222
Furniture and fixtures	217	4	9	212	66	15	5	76	136
Vehicles and aircraft	3,590	23	30	3,583	263	359	14	608	2,975
Leasehold improvements***	47	-	2	45	47	0	2	45	-
Total	349,488	51,684	113	401,059	206,754	59,464	56	266,162	134,897

As at 31 March 2013

Particulars	Gross block				Depreciation				Net block
	As at 31 March 2012	Additions	Sales/ adjustments	As at 31 March 2013	Upto 31 March 2012	For the year #	Sales/ adjustments	Upto 31 March 2013	As at 31 March 2013
Plant and machinery	13,927	356	-	14,283	6,921	1,490	-	8,411	5,872
Consumer premises equipment [Refer to note 38 b)]	269,175	60,772	-	329,947	135,502	61,764	-	197,266	132,681
Computers	940	223	13	1,150	489	157	2	644	506
Office equipments*	209	45	0	254	45	12	0	57	197
Furniture and fixtures	212	5	-	217	50	16	-	66	151
Vehicles and aircraft	250	3,376	36	3,590	105	172	14	263	3,327
Leasehold improvements**	47	-	-	47	46	1	-	47	0
Total	284,760	64,777	49	349,488	143,158	63,612	16	206,754	142,734

12.2. Fixed Assets - Intangible assets

As at 31 March 2014

Particulars	Gross block				Amortisation				Net block
	As at 31 March 2013	Additions	Sales/ adjustments	As at 31 March 2014	Upto 31 March 2013	For the year	Sales/ adjustments	Upto 31 March 2014	As at 31 March 2014
Goodwill	4,512	-	-	4,512	4,512	-	-	4,512	-
License fees	1,174	-	-	1,174	1,116	58	-	1,174	-
Software	2,705	363	-	3,068	2,112	209	-	2,321	747
Total	8,391	363	-	8,754	7,740	267	-	8,007	747

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

As at 31 March 2013

Particulars	Gross block				Amortisation				Net block
	As at 31 March 2012	Additions	Sales/ adjustments	As at 31 March 2013	Upto 31 March 2012	For the year	Sales/ adjustments	Upto 31 March 2013	As at 31 March 2013
Goodwill	4,512	-	-	4,512	4,512	-	-	4,512	-
License fees	1,174	-	-	1,174	981	135	-	1,116	58
Software	2,220	485	-	2,705	1,980	132	-	2,112	593
Total	7,906	485	-	8,391	7,473	267	-	7,740	651

Footnotes:

i) Additions/ adjustments to gross block of consumer premises equipment (CPE) and plant and machinery include loss on account of foreign exchange fluctuations amounting to ₹ 16,379 lacs (previous year ₹12,302 lacs), and ₹162 lacs (previous year ₹ 165 lacs) respectively [also refer to note 45 a)].

Depreciation for the previous year includes ₹ 1,124 lacs pertaining to foreign exchange fluctuations adjustment relating to year ended 31 March 2012 as referred in note 52.

* ₹ 20,450 in additions and ₹ 1,249 in sales/ adjustments for the year 2012-13.

** ₹ 44,851 is the net block as at 31 March 2013.

*** ₹ 44,772 is the depreciation for the year 2013-14.

12.3. Capital work in progress of ₹ 40,755 lacs (previous year ₹ 65,352 lacs) includes assets in transit of ₹ 3,818 lacs (previous year ₹ 1,936 lacs).

13. Non-current investments (Unquoted)

Long term investments (at cost, unless specified otherwise)

Trade investments

Investments in equity instruments

In subsidiary companies (fully paid up)

Dish T V Lanka (Private) Limited

70,000 (previous year 70,000) equity shares of LKR 10 each fully paid up [also refer to note 33 b)].

Xingmedia Distribution Private Limited

118,010,000 (previous year nil) equity shares of ₹ 10 each fully paid up [also refer to note 33 c)].

Others

Balance of unutilised monies raised by rights issue

- Certificate of deposit

Represents deposits with SICOM Limited (a financial institution). (refer to note 43)

	As at 31 March 2014	As at 31 March 2013
Dish T V Lanka (Private) Limited	3	3
Xingmedia Distribution Private Limited	11,801	-
Balance of unutilised monies raised by rights issue	15,000	-
Total	26,804	3
Aggregate book value of unquoted investments	26,804	3

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

14. Long-term loans and advances

(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2014	As at 31 March 2013
Capital advances		
- Related parties [refer to note 37(d)]	2,500	-
- Others	11	11
Security deposits	151	156
Loans and advances to related parties [refer to note 37(d)]		
- Prepaid expenses	-	1,065
- Others	2,207	89
Others:		
Prepaid expenses	760	840
Income tax [net of provision ₹ nil (previous year nil)]	3,684	3,082
Other taxes paid under protest	1,698	1,303
	11,011	6,546

15. Other non-current assets

	As at 31 March 2014	As at 31 March 2013
Deposits with banks with maturity period more than 12 months (refer to note 19)	733	970
	733	970

16. Current investments

	As at 31 March 2014	As at 31 March 2013
Investments in Mutual Funds # (unquoted) (refer to note 49)	-	7,818
# Net assets value ₹ nil (previous year ₹ 7,916 lacs) of mutual funds, though unquoted		
Trade investments		
- Current maturities of long-term investment		
In subsidiary company (fully paid up)		
Digital Network Distribution Pte Limited*	-	0
Nil (previous year 1) equity share of one SGD fully paid up [also refer to note 33 a].		
* previous year represent ₹ 41 (SGD 1).		
Others		
- Certificate of deposit	5,000	20,000
For previous year, out of ₹ 20,000 lacs, ₹15,000 lacs, being unutilised monies raised by rights issue, represents deposits with SICOM Limited (a financial institution). (refer to note 43)		
	5,000	27,818
	5,000	27,818
Aggregate book value of unquoted investments		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

17. Inventories

Stock-in-trade (at the lower of cost and net realisable value)

- Customer premises equipment related accessories and spares

As at 31 March 2014	As at 31 March 2013
748	861
748	861

18. Trade receivables

(Unsecured and considered good, unless otherwise stated)

Debts outstanding for a period exceeding six months

- Considered good

- Considered doubtful

Other debts

- Considered good

Provision for doubtful debts

As at 31 March 2014	As at 31 March 2013
843	761
76	76
3,306	2,275
4,225	3,112
(76)	(76)
4,149	3,036

19. Cash and bank balances

Cash and cash equivalents

Balances with banks :

- in current accounts #

- deposits with maturity of upto 3 months

Cheques, drafts on hand

Cash on hand

Other bank balances

- deposits with maturity of more than
3 months ##

Less: amount disclosed under the head
other non-current assets (refer to note 15)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Current		Non current	
	4,656	11,037	-	-
	755	52	-	-
	126	103	-	-
	3	2	-	-
	28,449	25,016	733	970
	33,989	36,210	733	970
	-	-	733	970
	33,989	36,210	-	-

include ₹ 0.47 lacs (previous year ₹ 29 lacs) in share call money accounts in respect of rights issue.

includes unutilised proceeds of GDR Issue amounting to ₹ 25,444 lacs (previous year ₹ 22,266 lacs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

20. Short-term loans and advances (Unsecured and considered good, unless otherwise stated)

Considered good

Loans and advances to related parties [refer to note 37(d)]

- Prepaid expenses

- Security deposits

- Others

Others

- Prepaid expenses

- Advances to vendors, distributors, etc.

- Customs duty, service tax and sales tax, etc

- Security deposits

As at 31 March 2014	As at 31 March 2013
1,065	3,193
54	-
5,631	10,437
1,770	2,039
5,490	5,193
3,831	9,212
573	704
18,414	30,778

21. Other current assets

Income accrued but not due on fixed deposits

Insurance claim receivable

Unamortised premium on forward contracts

As at 31 March 2014	As at 31 March 2013
54	57
-	396
1	84
55	537

22. Revenue from operations

Income from Direct to Home (DTH) subscribers (refer note 50 and 51) :

- 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 2014	For the year ended 31 March 2013
226,814	192,281
11,694	15,965
2,100	1,975
4,963	3,196
732	502
3,602	2,528
993	233
250,898	216,680

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

23. Other income

	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest income from		
- long-term investments	1,623	1,612
- current investments	593	259
- fixed deposits/ margin accounts	1,165	1,338
- others	1,123	250
Foreign exchange fluctuation (net)	967	686
Profit on redemption of units of mutual funds (non trade, current)	484	412
Profit on sale of investment (trade) in a subsidiary [refer note 33(a)]	5	-
Liabilities written back	482	56
Miscellaneous income	160	507
	6,602	5,120

24. Changes in inventories of stock-in-trade (consumer premises equipments related accessories/ spares)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Opening stock	861	688
Less: Closing stock	748	861
	113	(173)

25. Operating expenses

	For the year ended 31 March 2014	For the year ended 31 March 2013
Transponder lease	14,815	11,669
License fees (refer note 39 and 51)	26,138	22,570
Uplinking charges	788	708
Programming and other costs (refer note 53 and 54)	77,844	65,247
Entertainment tax	13,245	10,612
	132,830	110,806

26. Employee benefits expenses

	For the year ended 31 March 2014	For the year ended 31 March 2013
Salary, bonus and allowance	8,196	7,546
Contribution to provident and other funds	525	477
Staff welfare	80	99
Recruitment and training expenses	106	95
	8,907	8,217

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

27. Selling and distribution expenses

Advertisement and publicity expenses
Business promotion expenses
Commission
Customer support services

For the year ended 31 March 2014	For the year ended 31 March 2013
6,656	7,609
638	426
18,367	15,587
7,548	6,742
33,209	30,364

28. Finance costs

Interest on:
- Term loans from banks
- Buyer's credits from banks
- Others
Other borrowing costs

For the year ended 31 March 2014	For the year ended 31 March 2013
2,290	2,759
3,460	3,261
5,407	4,998
2,111	1,818
13,268	12,836

29. Other expenses

Electricity charges
Rent
Repairs and maintenance
- Plant and machinery
- Consumer premises equipments
- Building
- Others
Insurance
Rates and taxes
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
Loss on sale/ discard of fixed assets
Loss on sale/ discard of capital work-in-progress
Miscellaneous expenses

For the year ended 31 March 2014	For the year ended 31 March 2013
669	503
965	892
303	178
849	251
23	35
350	158
86	88
109	89
1,916	1,791
10	13
161	572
1,034	854
1,155	1,147
955	890
2	2
-	209
27	12
3,767	797
210	113
12,591	8,594

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

29(a) Prior period items

(Refer to note 50)

Reversal of revenue relating to previous years
Less: License fees on revenue relating to previous years

For the year ended 31 March 2014	For the year ended 31 March 2013
12,930	-
1,293	-
11,637	-

30. CIF value of imports

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Capital equipment	7,819	62,382
CPE related accessories and spares	207	358
Total	8,026	62,740

31. Expenditure in foreign currency (accrual basis)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Programming and other cost	9,035	7,540
Professional and consultancy charges	285	504
Travelling expenses	22	11
Finance expenses	3,460	3,261
Others	93	44

32. Earnings in foreign currency (accrual basis)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest income	962	1,089
Bandwidth charges	800	601
Subscription income*	12,346	9,469
Others	97	5

* represents collection in foreign currency with regard to services rendered in India.

33. a) On 1 April 2013, shareholding in Digital Network Distribution Pte Limited, Company's wholly owned subsidiary in Singapore, was transferred to another party at an agreed price of Singapore Dollar 12,000 pursuant to Share Purchase Agreement dated 19 March 2013 and accordingly, as at 31 March 2013, the investment was shown under current maturities of long term investment.
- b) Dish T V Lanka (Private) Limited, a Joint Venture ('JV') Company, was incorporated on 25 April 2012 under the laws of Sri Lanka. Dish TV India Ltd holds 70% share capital (and, thus, considered as a subsidiary company) in the JV Company with Satnet (Private) Limited, a company duly incorporated and having a DTH License in Sri Lanka, holding 30% of the share capital. The said JV Company shall engage in providing DTH related services in Sri Lanka.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

- c) Xingmedia Distribution Private Limited (Xingmedia) was incorporated on 13 February 2014 under the Companies Act, 1956. Consequent upon the approval of the Board of Directors and Shareholders of the Company, the entire share capital of Xingmedia, comprising of 10,000 equity shares having face value of ₹ 10 each, was acquired by the Company at ₹ 100,000. Accordingly, Xingmedia became the wholly owned subsidiary of the Company on 24 March 2014. Subsequently, upon the approval of the Board of Directors, the Company has subscribed to additional 118,000,000 equity shares of Xingmedia at ₹ 10 per equity share. Xingmedia shall undertake activities which would include providing support services for satellite based communication services, broadcasting content services, management of hard assets like CPEs and their installation, value added services, etc. to achieve its objectives.

34. Employee stock option plan (ESOP) 2007

At the Annual General Meeting held on 3 August 2007, the shareholders of the Company had approved Employee Stock Option Plan, i.e., ESOP 2007 ("the Scheme"). The Scheme provided for issuance of 4,282,228 stock options (underlying fully paid equity share of Re.1 each) to the employees of the Company as well as that of its subsidiaries and also to 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 outstanding 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.

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

Particulars	For the year ended 31 March 2014 (Nos.)	For the year ended 31 March 2013 (Nos.)
Options outstanding at the beginning of the year	12,84,290	1,779,180
Add: Options granted	380,650	141,450
Less: Exercised	69,590	461,300
Less: Lapsed	271,410	175,040
Options outstanding at the end of the year	1,323,940	1,284,290

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

The following table summarizes information on the share options outstanding as of 31 March 2014:

Particulars	Date of grant	Number of shares remaining out of options	Remaining contractual life	Exercise price
Lot 1	21 August 2007	66,620	2.52	37.55*
Lot 2	24 April 2008	-	-	-
Lot 3	28 August 2008	6,000	1.81	37.55*
Lot 4	28 May 2009	141,270	4.16	47.65
Lot 5	27 October 2009	31,760	5.08	41.45
Lot 6	26 October 2010	112,440	5.09	57.90
Lot 7	21 January 2011	640,200	4.81	58.95
Lot 8	20 July 2011	40,000	5.31	93.20
Lot 9	19 July 2012	-	-	-
Lot 10	23 May 2013	193,550	7.15	68.00
Lot 11	26 July 2013	92,100	7.32	57.10
Options outstanding at the end of the year		1,323,940	5.17#	58.29 #

The following table summarizes information on the share options outstanding as of 31 March 2013:

Particulars	Date of grant	Number of shares remaining out of options	Remaining contractual life	Exercise price
Lot 1	21 August 2007	80,300	3.66	37.55*
Lot 2	24 April 2008	-	-	-
Lot 3	28 August 2008	10,500	3.98	37.55*
Lot 4	28 May 2009	195,040	5.13	47.65
Lot 5	27 October 2009	64,360	6.08	41.45
Lot 6	26 October 2010	112,440	6.09	57.90
Lot 7	21 January 2011	640,200	5.81	58.95
Lot 8	20 July 2011	40,000	6.31	93.20
Lot 9	19 July 2012	141,450	7.30	68.10
Options outstanding at the end of the year		1,284,290	5.78#	56.83#

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

on a weighted average basis.

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

Defined contribution plans

An amount of ₹ 475 lacs (previous year ₹ 430 lacs) and ₹ 4 lacs (previous year ₹ 5 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 "Employee benefits expenses".

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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Changes in present value of obligation		
Present value of obligation as at the beginning of the year	832	660
Interest cost	67	53
Current service cost	220	207
Benefits paid	(78)	(19)
Actuarial (gain)/loss on obligation	(105)	(69)
Present value of obligation as at the end of the year	936	832
Short term	27	38
Long term	909	794
	936	832
Expenses recognized in the Statement of Profit and Loss		
Current service cost	220	207
Interest cost on benefit obligation	67	53
Net actuarial (gain)/loss recognised in the year	(105)	(69)
Expenses recognised in the Statement of Profit and Loss	182	191

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

Particulars	As at 31 March 2014	As at 31 March 2013
Discount rate	8.00	8.00
Salary escalation rate (per annum)	10.00	10.00
Withdrawal rates		
Age- Upto 30 years	13%	13%
31-44 years	2%	2%
Above 44 years	1%	1%
Mortality rate	IALM (2006-08)	IALM (1994 - 96)

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.

Experience adjustment:-

Particulars	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014
Defined benefit obligation (DBO)	310	426	660	832	936
Plan assets	-	-	-	-	-
Net liability	(310)	(426)	(660)	(832)	(936)
Experience adjustment on DBO-Gain (Loss)	7	35	16	73	105

36. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

37. Related party disclosures-

- a) Related parties where control exists: Holding company:
Direct Media Distribution Ventures Private Limited (formerly known as Dhaka Warriors Sports Private Limited) (with effect from 26 December 2011 upto 30 March 2013)
Subsidiary companies:
Digital Network Distribution PTE Limited (upto 1 April 2013)
Dish TV Lanka (Private) Limited (with effect from 25 April 2012)
Xingmedia Distribution Private Limited (with effect from 24 March 2014)
- b) Other related parties with whom the Company had transactions:

Key management personnel	Mr. Jawahar Lal Goel
Relative of key management personnel	Mr. Gaurav Goel
Enterprises over which key management personnel/ their relatives have significant influence	<p>Agrani Convergence Limited</p> <p>ASC Telecommunication Private Limited</p> <p>Asia Today Limited</p> <p>Cyquator Media Services Private Limited (referred to as Cyquator)</p> <p>Diligent Media Corporation Limited /Dakshin Media Gaming Solutions Private Limited (Dakshin Media Gaming Solutions Private Limited merged with Diligent Media Corporation Limited pursuant to a scheme of amalgamation)</p> <p>E-City Property Management & Services Private Limited</p> <p>E-City Bioscope Entertainment Private Limited</p> <p>Essel Agro Private Limited</p> <p>Essel Corporate Resources Private Limited</p> <p>Essel International Limited</p> <p>ITZ Cash Card Limited</p> <p>Interactive Finance & Trading Services Private Limited</p> <p>Media Pro Enterprise India Private Limited</p> <p>PAN India Network Infravest Private Limited</p> <p>PAN India Network Limited</p> <p>PAN India Paryatan Private Limited</p> <p>Procall Private Limited</p> <p>Rama Associates Limited</p> <p>Siti Cable Network Limited</p> <p>Taj Television India Private Limited</p> <p>Zee Aakash News Private Limited</p> <p>Zee Entertainment Enterprises Limited</p> <p>ZEE Media Corporation Limited (formerly known as Zee News Limited)</p> <p>ZEE Telefilms Middle East Fz LLC</p>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

c) Transactions with related parties:

Particulars	For the year ended 31 March 2014		For the year ended 31 March 2013	
	Total amount	Amount for major parties	Total amount	Amount for major parties
(i) With key management personnel	90		82	
Managerial remuneration#		90		82
(ii) Relative of key management personnel	37		34	
Remuneration#		37		34
(iii) With subsidiary companies				
Purchase of goods and services:	-		33	
Digital Network Distribution PTE Limited		-		33
Interest received	119		8	
Dish TV Lanka (Private) Limited		119		8
Revenue from operation and other income (net of Taxes)	4		-	
Dish TV Lanka (Private) Limited		4		-
Sale of fixed assets	5		-	
Dish TV Lanka (Private) Limited		5		-
Long term loans and advances	2,054		89	
Dish TV Lanka (Private) Limited		2,054		89
Short term deposit received	55		-	
Dish TV Lanka (Private) Limited		55		-
Investments	11,800		3	
Xingmedia Distribution Private Limited		11,800		-
Dish TV Lanka (Private) Limited		-		3
Collections on behalf of company	-		9,395	
Digital Network Distribution PTE Limited		-		9,395
Remittance received out of collections on behalf of company	-		9,851	
Digital Network Distribution PTE Limited		-		9,851
(iv) With other related parties:				
Revenue from operation and other income (net of taxes)	2,988		2,562	
Zee Entertainment Enterprises Limited		1,811		1,419
ZEE Media Corporation Limited		702		572
Zee Aakash News Private Limited		242		212
Asia Today Limited		137		147
Other related parties		96		212
Purchase of goods and services	46,177		36,195	
Zee Entertainment Enterprises Limited		1,080		1,933
ITZ Cash Card Limited		1,662		1,575
Taj Television India Private Limited		4,700		4,500
Cyquator		7,595		6,871
Media Pro Enterprise India Private Limited		30,270		20,457
Other related parties		870		859

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2014		For the year ended 31 March 2013	
	Total amount	Amount for major parties	Total amount	Amount for major parties
Rent paid	339		326	
Zee Entertainment Enterprises Limited		288		288
Rama Associates Limited		48		32
Other related parties		3		6
Interest paid	-		9	
Essel International Limited		-		9
Interest received	4		118	
Essel Agro Private Limited		4		4
ASC Telecommunication Private Limited		-		113
Agrani Convergence Limited		-		1
Reimbursement of expenses paid	782		581	
Zee Entertainment Enterprises Limited		636		479
E-City Bioscope Entertainment Pvt. Ltd.		144		95
Other related parties		2		8
Reimbursement of expenses received	-		2	
Siti Cable Network Limited		-		@
Zee Entertainment Enterprises Limited		-		1
ZEE Media Corporation Limited		-		1
Other related parties		-		*
Prepaid expenses	-		4,258	
Media Pro Enterprise India Private Limited		-		4,258
Repayment of Short-term borrowings	-		12,500	
Essel International Limited		-		12,500
Long-term loans and advances made	2,500		-	
Cyquator		2,500		-
Short-term loans and advances made	1,074		4,557	
ITZ Cash Card Limited		660		362
Cyquator		349		4,120
Essel Agro Private Limited		-		29
Other related parties		65		46
Refunds received against short- term loans and advances	5,613		1,048	
ITZ Cash Card Limited		502		559
Cyquator		5,000		443
Essel Agro Private Limited		101		-
Other related parties		10		46

@ ₹ 20,439

* ₹15,897

Since an actuarial valuation is done for gratuity and leave encashment for the Company as a whole, details of contribution in respect of each individual are not available for the computation of remuneration.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

d) Balances at the year end:

Particulars	As at 31 March 2014		As at 31 March 2013	
	Total amount	Amount for major parties	Total amount	Amount for major parties
With subsidiary companies:				
Investments	11,804		3	
Digital Network Distribution PTE Limited		-		#
Dish T V Lanka (Private) Limited		3		3
Xingmedia Distribution Private Limited		11,801		-
Interest receivable	-		8	
Dish T V Lanka (Private) Limited		-		8
Short Term Deposit Received	53		-	
Dish T V Lanka (Private) Limited		53		-
Long-term loans and advances	2,207		89	
Dish T V Lanka (Private) Limited		2,207		89
Short-term loans and advances	-		217	
Digital Network Distribution PTE Limited		-		217
With other related parties:				
Short-term loans and advances	6,750		13,413	
Essel Agro Private Limited		2,236		2,333
ITZ Cash Card Limited		485		327
Cyquator		2,909		7,560
Media Pro Enterprise India Private Limited		1,065		3,193
Other related parties		55		!
Long-term loans and advances	2,500		1,065	
Media Pro Enterprise India Private Limited		-		1,065
Cyquator		2,500		-
Trade payables	3,000		13,292	
Zee Entertainment Enterprises Limited		137		502
Media Pro Enterprise India Private Limited		2,354		12,697
Taj Television India Private Limited		433		-
Other related parties		76		93
Trade receivables	1,334		1,371	
Asia Today Limited		98		145
ZEE Media Corporation Limited		603		314
Zee Entertainment Enterprises Limited		440		569
Diligent Media Corporation Limited		138		148
Siti Cable Network Limited		-		142
Zee Aakash News Private Limited		55		53
Other related parties		-		*

₹ 41 (Singapore Dollar 1)

! ₹ 18,206

* ₹ 15,695

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

- e) Guarantees etc. given by related parties in respect of secured loans:
- As at 31 March 2014, personal guarantees by key managerial personal 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 2014, corporate guarantee by Direct Media Distribution Ventures Private Limited amounting to ₹ 60,000 lacs (previous year ₹ 60,000 lacs) are outstanding at the year end.
 - As at 31 March 2014, corporate guarantee by Zee Entertainment Enterprises Limited amounting to ₹ 4,174 lacs (previous year ₹ 4,370 lacs) is outstanding as at the year end.

38. Leases

a) Obligation on operating lease:-

The Company's significant leasing arrangements are in respect of operating leases taken for offices, residential premises, transponder, etc. These leases are cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessee and the lessor. The initial tenure of the lease generally is for 11 months to 69 months. The details of assets taken on operating leases during the year are as under:

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Lease rental charges during the year (net of shared cost)	16,185	12,904
Sub-lease payment received (being shared cost)	946	749

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, their accumulated depreciation and depreciation for the year are as given below:

Particulars	As at 31 March 2014*	As at 31 March 2013
Gross value of assets	287,724	329,947
Accumulated depreciation	232,564	197,266
Net block	55,160	132,681
Depreciation for the year	44,431	61,764

* Based on a reassessment of the leasing and service model, the Company has excluded ₹ 44,937 lacs and accumulated depreciation of ₹ 6,133 lacs thereon, which during the previous year were considered as operating leases. The corresponding disclosures of lease rental income are as under:

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 agreements are as follows:

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Lease rental income recognised during the year	11,694	15,965

Particulars	Total future minimum lease rentals receivable as at 31 March 2014	Total future minimum lease rentals receivable as at 31 March 2013
Within one year	6,904	8,144
Later than one year and not later than five years	5,946	8,328

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

39. a) 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	As at 31 March 2014	As at 31 March 2013
Opening provision	65,366	48,917
Add: Created during the year	30,707	26,023
Less: Utilised during the year	11,227	9,574
Less: Impact of prior period item (refer note 50)	1,293	-
Closing provision	83,553	65,366

The outflow of economic benefits with regard to the disputed portion would be dependent on the final decision by the Regulatory Authority. Presently, it has been considered under the 'Short-term provisions'.

- b) During the year 2013-14, the Company received a demand notice from the Ministry of Information and Broadcasting ('MIB') whereunder a demand of ₹ 62,420 lacs (including interest) has been raised towards the DTH License Fee. The Company has challenged the demand before the Hon'ble Telecom Dispute Settlement Appellate Tribunal ('TDSAT') and the Hon'ble TDSAT has directed the MIB not to enforce the demand till the next order.

40. Auditors' remuneration

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
As auditors		
- Statutory audit	37	25
- Limited review of quarterly results	15	15
- Certifications	10	12
In other capacity		
- Others	20	21
Reimbursement of expenses	5	5
Total	87	78

41. Earnings per share

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

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Loss for the year attributable to equity shareholders (in ₹ lacs)	15,421	6,575
Number of shares considered as weighted average shares outstanding for computing basic earnings per share	1,064,886,254	1,064,067,536
Nominal value per share (in ₹)	1	1
Basic and diluted loss per share (in ₹)	1.45	0.62

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

42. Deferred tax assets

Components of deferred tax asset:

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Deferred tax assets on account of:		
- Depreciation	29,692	21,921
- Unabsorbed depreciation and tax losses	27,170	31,044
- Provision for vacation pay and retirement benefit provision	501	457
- Demerger expenses as per section 35DD	4	6
- Provision for doubtful debts and advances	26	26
- Unrealised foreign exchange loss (gain)	(839)	(878)
Deferred tax assets	56,554	52,576
Recognised in the financial statements	-	-

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

43. Rights issue

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

Particulars	Total amount due (per share)	Towards face value (per share)	Towards securities premium (per share)	Total amount	Due on (from the date of allotment, at the option of the Company)	Date of making the Call
	(₹)	(₹)	(₹)	(in ₹ lacs)		
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 2014, 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; ₹ 41,450 lacs (previous year ₹ 41,436 lacs) towards the first call money on 518,119,590

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

(previous year 517,948,978) equity shares; and ₹ 41,448 lacs (previous years ₹ 41,434 lacs) towards the second and final call money on 518,097,397 (previous year 517,926,664) equity shares.

The Company has also received ₹ 0.47 lacs (previous year ₹ 29 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 usage aggregating to ₹ 98,986 lacs (previous year ₹ 98,959 lacs) is as under. The monitoring agency, IDBI Bank Limited, has issued its report dated January 18, 2014 on utilization of the Rights Issue proceeds upto 31 December 2013.

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

Particulars	Upto 31 March 2014	Upto 31 March 2013
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	19,720	19,693
Acquisition of Consumer Premises Equipment (CPE)	26,000	26,000
Right issue expenses	545	545
Total money utilised (A)	98,986	98,959
Unutilised amount:-		
Deposits with SICOM Limited	15,000	15,000
Balance in current accounts	-	-
Total unutilised money (B)	15,000	15,000
Total (A+B)	113,986	113,959

44. 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 1,000 lacs (approx) was fully subscribed and the Company received USD 1,000 lacs (approx), 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.

During the previous year ended 31 March 2013, 32,000 GDR's were cancelled and converted into 32,000,000 equity shares of Re. 1 each by the holder and accordingly, the GDRs outstanding thereafter are 85,035, each GDR representing 1,000 fully paid equity shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

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

Particulars	Upto 31 March 2014	Upto 31 March 2013
Amount utilised		
Acquisition of fixed assets including CPEs	7,670	7,670
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	21,819	21,819
Total	30,645	30,645
Less: interest earned	(440)	(440)
Total (A)	30,205	30,205
Unutilised amount lying with:		
Balance with bank in fixed deposit in foreign currency	25,444	22,266
Total (B)	25,444	22,266
Total (A+B)	55,649	52,471

45. Foreign currency transactions-

- a) In accordance with the Accounting Standard 11 (AS-11) and related notifications, the foreign currency exchange loss of ₹ 16,541 lacs has been adjusted (previous year foreign currency exchange loss of ₹ 12,467 lacs) in the value of fixed assets and the foreign currency exchange loss of ₹ 684 lacs (previous year foreign currency exchange gain of ₹ 51 lacs) in the capital work in progress.
- b)
 - i) The Company has outstanding forward contracts of US Dollars 11 lacs (previous year US Dollar 70 lacs) at fixed amount of ₹ 677 lacs (previous year ₹ 3,879 lacs) which will be settled at a future date. These derivative contracts are for the repayment of Buyers' credit loans.
 - ii) Foreign currency transactions outstanding as on the balance sheet date that are not hedged by derivative instruments or otherwise are as under.

(Amount in lacs)

Particulars	As at 31 March 2014		As at 31 March 2013	
	Amount in USD	Amount in ₹	Amount in USD	Amount in ₹
Balances with bank	423	25,444	409	22,266
Loans and advances given#	37	2,224	2	97
Receivables	16	988	4	217
Loans and borrowings#	1,676	100,735	2,548	138,591
Advances/ deposits received	1	53	-	-
Trade Payable	54	3,257	277	15,078

includes interest accrued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

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

Name of the enterprise	Balance as at 31 March 2014	Maximum Outstanding during the year 2013-14	Balance as at 31 March 2013	Maximum Outstanding during the year 2012-13
Loans and advances (including advance against share application money) to subsidiaries				
Dish T V Lanka (Private) Limited	2,207	2,207	89	89
Loans and advances, where there is no repayment schedule*				
Cyquator Media Services Private Limited ("Cyquator")	2,909	10,409	-	-

* the Company had repayment schedule with Cyquator and, accordingly, disclosure requirements were not applicable as at 31 March 2013.

47. Contingent liabilities and commitments

a) Contingent liabilities

Particulars	As at 31 March 2014	As at 31 March 2013
Claims against the Company not acknowledged as debt	483	483
Income-tax (refer note 47b)	102	2,652
Sales tax and Value Added tax	1,772	1,046
Customs duty	795	795
Service tax	5,721	5,721
Wealth tax	2	2
Entertainment tax (refer note 47c)	1,339	1,279
Legal cases including from customers against the Company	Unascertained	Unascertained

- b) During the year ended 31 March 2011, the Company received a demand notice for income tax and interest thereon aggregating ₹ 4,056 lacs in relation to assessment year 2009-10. During the year ended 31 March 2012, the assessing authority had reduced the demand to ₹ 2,642 lacs on the basis of application for rectification filed by the Company. The Company deposited ₹ 730 lacs during the previous years. The matter pertains to alleged short deduction of tax at source on certain payments and interest thereon for delayed period. The Company had disputed the issue and has filed an appeal against the above said demand with the tax authorities. The Company had also submitted with the tax authorities the requisite supporting documents/clarification from vendors during the previous year.

During the year, the appeal is partly allowed in favour of the Company and demand has been reduced to ₹ 225 lacs. The Company has further filed an appeal before Income Tax Appellate Tribunal (ITAT) on same matter of short deduction of tax at source. The Company, supported by legal view in the matter, is of the view that outcome of the litigation will not have significant impact on the financial statements.

- c) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

d) Commitments

Particulars	As at 31 March 2014	As at 31 March 2013
Estimated amount of contracts remaining to be executed on capital account	17,810	48,133

48. Bank balances include:-

Particulars	As at 31 March 2014	As at 31 March 2013
Provided as security to Government authorities	15	8
Held as margin money for bank guarantees	1,588	217

49. The details of current investments in Mutual funds as on 31 March 2014:

Particulars	As at 31 March 2014	As at 31 March 2013
Unquoted at cost		
Nil units of IDBI Liquid Fund growth (previous year 216,621 units)	-	2,707
Nil units of DSP BlackRock Liquidity Fund-Growth (previous year 309,388 units)	-	5,111
Total	-	7,818

50. The life of the Consumer Premises Equipment (CPE) for the purposes of depreciation has been estimated by the management as five years. Upto 31 March 2012, in certain cases, the one-time advance contribution towards the CPEs in the form of rental was being recognized over a period of three years from the activation date.

However, such practice, with effect from 1 April 2012, was changed to five years in respect of CPEs activated on or after 1 April 2012. During the year, Company has amended its policy in respect of CPEs activated upto 31 March 2012 also in order to align the same with the CPEs installed thereafter. The correction in the policy has resulted in reversal of excess revenue of ₹ 12,930 lacs and excess provisions of license fee of ₹ 1,293 lacs recognised upto 31 March 2013 during the year. This has also resulted in revenue for the year being higher by ₹ 3,702 lacs and license fee being higher by ₹ 370 lacs. The above correction has resulted into the net loss for the year ended 31 March 2014 being higher by ₹ 8,305 lacs.

51. Hitherto, upto the year ended 31 March 2013, the Company recognized a portion of the activation fees over the estimated period of subscription/ the life of the CPE. During the year, the Company has reassessed its position of recognition of above activation fees, together with the level of service already rendered on activation, the corresponding cost incurred and separate consideration charged for the subsequent continuing services etc. Considering that the Company incurs significant upfront cost upto the stage of activation of CPE and charges separate consideration for subsequent continuing services, the Company has, in order to make better and appropriate presentation, amended its policy of revenue recognition of activation fee on an upfront basis.

The above change has resulted into additional activation / subscription revenue of ₹ 9,936 lacs for the year (including ₹ 4,614 lacs in relation to the previous year) with a corresponding increase in license fees of ₹ 994 lacs (including ₹ 461 lacs in relation to the previous year). As a consequence, the loss after tax for the year is lower by ₹ 8,942 lacs.

52. Till the year ended 31 March 2012, the exchange differences arising from foreign currency borrowing to the extent that they were regarded as an adjustment to interest cost, were treated as borrowing cost in terms of AS – 16, "Borrowing Costs". During the year ended 31 March 2013, pursuant to a clarification dated 9 August 2012 from the MCA, the Company has changed the accounting policy w.e.f. from 1 April 2011, to treat the same as "foreign exchange fluctuation", to be accounted as per AS – 11 "Effects of Changes in Foreign Exchange Rates", instead of AS – 16 "Borrowing Costs". This change has resulted into reversal of finance cost of ₹ 7,068 lacs for the financial year 2011-12 and consequential increase in depreciation by ₹

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

1,124 lacs for the financial year 2011-12. The aforesaid change, resulting in net gain of ₹ 5,944 lacs for the financial year 2011-12, has been shown as 'exceptional items' in the financial statements for the year ended 31 March 2013. In this regard, if the Company had followed the same accounting policy as during the year ended 31 March 2012, finance costs for the year ended 31 March 2013 would have been higher by ₹ 5,841 lacs, depreciation expense would have been lower by ₹ 1,415 lacs and the loss for the year ended 31 March 2013 would have been higher by ₹ 4,426 lacs.

53. Dish TV filed a petition before the Hon'ble Telecom Dispute Settlement Appellate Tribunal (TDSAT) against the public notices issued by IndiaCast UTV Media Distribution Private Limited ('IndiaCast') for discontinuation of its channels. IndiaCast has also filed a petition against Dish TV inter alia challenging the manner of distribution of channels by Dish TV. Hon'ble TDSAT vide its order dated 15 April 2014 clubbed both the petitions and vide order dated 25 April 2014, stayed the public notice of IndiaCast and has also directed an audit of manner of distribution of IndiaCast channels, to be done by Broadcast Engineering Consultants India Limited (BECIL) and listed the matter for final hearing on 17 July 2014.

54. During the financial year 2011-12, the Company migrated from the fixed fee agreement with ESPN Software India Private Limited (ESPN) to the Reference Interconnect Offer (RIO) based agreement for its content fees. Upon refusal by the ESPN to the said migration, the Company approached the Telecom Dispute Settlement Appellate Tribunal (TDSAT). The TDSAT, vide its judgment dated 10 April 2012, allowed the Company to pay the content fees to ESPN w.e.f. 1 September 2011 on the basis of RIO rates published by ESPN 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. ESPN filed a Special Leave Petition before the Hon'ble Supreme Court. The Hon'ble Supreme Court, vide its order dated 17 July 2012 refused to grant interim stay on the order of the Hon'ble TDSAT. The Company in view of the order of the TDSAT has exercised its right to claim the above refund amount and adjusted the same from the monthly content fee payable to ESPN.

Further, during the previous year, a petition was filed by the Company against ESPN in TDSAT against the public notices dated 5 November 2012 and 12 November 2012 issued by them for disconnection of their channels from Dish TV DTH platform. TDSAT vide its order dated 23 November 2012 granted an interim stay on the operation of the said notices and subsequently, vide judgment dated 25 April 2014 has held that the manner of distribution of channels by Dish TV was as per the regulations. It has directed the parties to conduct a reconciliation in terms of the said judgment. ESPN filed an appeal before the Hon'ble Supreme Court. Vide order dated 09 May 2014, no stay against Dish TV was granted by the Hon'ble Supreme Court.

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

- 'Repair and maintenance - plant and machinery' amounting to ₹ 251 lacs have been reclassified under 'repair and maintenance - consumer premises equipments'.
- 'Amounts/taxes paid under protest' amounting to ₹ 730 lacs have been reclassified under 'Advance tax'.

As per our report attached to the balance sheet

For B S R & Co. LLP

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

DIN: 00076462

Rajeev K. Dalmia

Chief Financial Officer

Arun Duggal

Director

DIN: 00024262

Ranjit Singh

Company Secretary

Membership No: A15442

Place: Gurgaon

Dated: 27 May 2014

Place: Noida

Dated: 27 May 2014

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors of
Dish TV India Limited

1. Report on the Consolidated financial statements

We have audited the accompanying consolidated financial statements of Dish TV India Limited ("the Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated Balance Sheet as at 31 March 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Managements' Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards notified under the Companies Act, 1956, read with the General Circular 15/2003 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 (together referred to as the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures

in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the losses for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

5. Emphasis of matter

Without qualifying our opinion, attention is invited to:

- a) note 2(c) of the financial statements. The Group'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 Group 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.

- b) note 30 of the financial statements, regarding the life of the Consumer Premises Equipment (CPE) for the purposes of depreciation, which has been estimated by the management as five years. However, in certain cases of CPEs installed upto 31 March 2012, the one-time advance contributions towards the CPEs in the form of rentals were recognized as revenue over a period of three years, which was not in line with the estimated life of such assets, in terms of Accounting Standard 19 'Leases'. During the year, the Group has ascertained its impact and has streamlined the above practice by recognizing the revenue over a period of five years in respect of such CPEs installed upto 31 March 2012. This has, during the year, resulted into a reversal of excess revenue of ₹ 12,930 lacs recognized upto the year ended 31 March 2013, recognition of additional revenue of ₹ 3,702 lacs, and consequential impact on license fee pursuant to the above correction, with a net impact on the loss after tax for the year ended 31 March 2014 being higher by ₹ 8,305 lacs.
- c) note 45 of the financial statements, regarding recognition of activation fees under service model. Hitherto, upto the year ended 31 March 2013, the Group recognized a portion of the activation fees over the estimated period of subscription / the life of the CPE. During the year, the Group has reassessed its position of recognition of above activation fees, together with the level of service already rendered on activation, the corresponding cost incurred, and separate consideration charged for the subsequent continuing services etc. Considering that the Group incurs significant upfront cost upto the stage of activation of CPE and charges separate consideration for subsequent continuing services, the Group

has, in order to make better and appropriate presentation, amended its policy of revenue recognition of activation fee on an upfront basis.

The above change has resulted into additional activation / subscription revenue of ₹ 9,936 lacs for the year (including ₹ 4,614 lacs in relation to the previous year) with a corresponding increase in license fees of ₹ 994 lacs (including ₹ 461 lacs in relation to the previous year). As a consequence, the loss after tax for the year is lower by ₹ 8,942 lacs.

6. Other matters

We did not audit the financial statements of Dish TV Lanka (Private) Limited and Xingmedia Distribution Private Limited, (the 'subsidiaries'). The financial statements of these subsidiaries have been audited by other auditors.

The financial statements of Dish TV Lanka (Private) Limited, incorporated outside India, reflect (before eliminating intercompany transactions) total assets amounting to ₹ 1,965 lacs as at 31 March 2014 and total revenues of ₹ Nil for the year ended 31 March 2014. The financial statements of Xingmedia distribution Private Limited, reflect (before eliminating intercompany transactions) total assets amounting to ₹ 11,816 lacs as at 31 March 2014 and total revenues of ₹ 17 lacs for the period ended 31 March 2014. 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.

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248 W

Kaushal Kishore

Partner

Membership No: 090075

Place : Gurgaon

Date : 27 May 2014

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

	Note no.	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	10,650	10,648
(b) Reserves and surplus	4	(41,910)	(26,206)
		(31,260)	(15,558)
Non-current liabilities			
(a) Long-term borrowings	5	77,911	84,602
(b) Other long term liabilities	6	9,182	15,042
(c) Long-term provisions	7	1,419	1,274
		88,512	100,918
Current liabilities			
(a) Short-term borrowings	8	6,579	3,000
(b) Trade payables	9	13,568	21,380
(c) Other current liabilities	10	116,007	140,266
(d) Short-term provisions	11	83,612	65,470
		219,766	230,116
Total		277,018	315,476
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12.1	134,951	142,734
(ii) Intangible assets	12.2	758	667
(iii) Capital work-in-progress [refer note 39(a)]	12.3	42,259	65,352
		177,968	208,753
(b) Non-current investments	13	15,000	-
(c) Long-term loans and advances	14	8,811	6,462
(d) Other non-current assets	15	733	970
		24,544	7,432
Current assets			
(a) Current investments	16	5,000	27,818
(b) Inventories	17	748	861
(c) Trade receivables	18	4,149	3,036
(d) Cash and bank balances	19	34,263	36,449
(e) Short-term loans and advances	20	30,291	30,598
(f) Other current assets	21	55	529
		74,506	99,291
Total		277,018	315,476
Significant accounting policies			
	2		

The accompanying notes (1 to 47) form an integral part of the financial statements.

As per our report attached to the consolidated balance sheet.

For B S R & Co. LLP

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

DIN: 00076462

Arun Duggal

Director

DIN: 00024262

Rajeev K. Dalmia

Chief Financial Officer

Ranjit Singh

Company Secretary

Membership No: A15442

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

	Note no.	For the year ended 31 March 2014	For the year ended 31 March 2013
Income			
Revenue from operations	22	250,897	216,680
Other income	23	6,489	5,114
Total revenue		257,386	221,794
Expenses			
Purchases of stock-in-trade (consumer premises equipments related accessories/ spares)		635	920
Changes in inventories of stock-in-trade	24	113	(173)
Operating expenses	25	132,830	110,807
Employee benefits expense	26	8,916	8,217
Selling and distribution expenses	27	33,209	30,364
Finance costs	28	13,275	12,842
Depreciation and amortization expense	12.1 and 12.2	59,736	62,758
Other expenses	29	12,791	8,603
Total expenses		261,505	234,338
Loss before exceptional items, prior period items and tax		4,119	12,544
Exceptional items (refer to note 44)		-	5,944
Loss before prior period items and tax, after exceptional items		4,119	6,600
Prior period items	29 (a)	11,637	-
Loss before tax, after exceptional items and prior period items		15,756	6,600
Tax expense		5	1
Loss after tax		15,761	6,601
Less: loss attributable to minority		-	(1)
Loss for the year		15,761	6,600
Basic and diluted loss per equity share (in ₹)		1.48	0.62
(Face value of ₹ 1 each)			

Significant accounting policies

2

The accompanying notes (1 to 47) form an integral part of the financial statements.

As per our report attached to the consolidated balance sheet.

For B S R & Co. LLP

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

DIN: 00076462

Arun Duggal

Director

DIN: 00024262

Rajeev K. Dalmia

Chief Financial Officer

Ranjit Singh

Company Secretary

Membership No: A15442

Place: Gurgaon

Dated: 27 May 2014

Place: Noida

Dated: 27 May 2014



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

	For the year ended 31 March 2014	For the year ended 31 March 2013
A. Cash flows from operating activities		
Net loss before tax	(15,756)	(6,600)
Adjustments for :		
Depreciation and amortization expense	59,736	63,882
Loss on sale/ discard of fixed assets and capital work-in-progress	3,794	809
Profit on redemption of units of mutual funds (non trade, current)	(484)	(412)
Profit on sale of investment (trade) in a subsidiary	3	-
Provision for wealth taxes	(31)	-
Liabilities written back	(482)	-
Foreign exchange fluctuation (net)	(2,156)	(8,739)
Interest expense	11,157	11,018
Interest income	(4,401)	(3,451)
Operating profit before following adjustments	51,380	56,507
(Increase) / decrease in inventories	113	(173)
(Increase) in trade receivables	(1,113)	(175)
(Increase) / decrease in long-term loans and advances	729	(2,151)
(Increase) / decrease in short term loans and advances and other current assets	12,764	(12,316)
(Decrease) in other long-term liabilities and provisions	(5,676)	(2,467)
Increase in trade payables, other short-term liabilities	12,951	22,542
Cash generated from operations	71,148	61,767
Income taxes paid	(602)	(822)
Net cash flow from operating activities	70,546	60,945
B. Cash flows from investing activities		
Purchases of fixed assets (including capital work in progress and capital advances)	(29,889)	(69,825)
Proceeds from sale of fixed assets	30	21
Purchases of investments	(112,100)	(90,500)
Proceeds from sale of investments	120,407	78,094
Loans given to body corporates	(11,800)	-
Refund of loans given to body corporates	-	1,795
Movements in fixed deposits having maturity of more than 3 months	(861)	(1,695)
Interest received	4,376	3,422
Net cash flow used in investing activities	(29,837)	(78,688)
C. Cash flows from financing activities		
Interest paid	(6,253)	(6,909)
Proceeds from issue of capital / call money received	30	428
Advance call money on shares	-	(253)
Proceeds from long term borrowings (excluding vehicle loans)	43,174	50,712
Repayments of long term borrowings (excluding vehicle loans)	(86,626)	(15,257)
Repayments of vehicle loans	(2)	(6)
Proceeds/ (repayments) from short term borrowings	3,579	(16,500)
Net cash flow from financing activities	(46,098)	12,215

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014 (CONTD.)

(All amounts in ₹ lacs, unless stated otherwise)

	For the year ended 31 March 2014	For the year ended 31 March 2013
D. Effect of exchange difference on translation of foreign currency cash and cash equivalents	-	45
Net cash flows [increase/(decrease)] during the year (A+B+C+D)	(5,389)	(5,483)
Decrease in cash and cash equivalents on disposal of subsidiary	(230)	-
Cash and cash equivalents at the beginning of the year (refer to note 19)	11,433	16,916
Cash and cash equivalents at the end of the year (refer to note 19) #	5,814	11,433
Cash and cash equivalents at the end of the year comprise of :		
Cash on hand	7	2
Balances with scheduled banks :		
- in current accounts #	4,926	11,276
- deposits with maturity of upto 3 months	755	52
Cheques, drafts on hand	126	103
Total cash and cash equivalents	5,814	11,433

include ₹ 0.47 lacs (previous year ₹ 29 lacs) in share call money accounts in respect of rights issue.

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

Significant accounting policies

2

The accompanying notes (1 to 47) form an integral part of the financial statements.

As per our report attached to the consolidated balance sheet.

For B S R & Co. LLP

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

DIN: 00076462

Arun Duggal

Director

DIN: 00024262

Rajeev K. Dalmia

Chief Financial Officer

Ranjit Singh

Company Secretary

Membership No: A15442

Place: Gurgaon

Dated: 27 May 2014

Place: Noida

Dated: 27 May 2014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(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(d) (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.

2. Significant accounting policies

a) Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared under the historical cost convention, on accrual basis of accounting, in accordance with the applicable Accounting Standards ('AS') notified under the Companies Act, 1956, read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and presentational requirements of the Companies Act, 1956 and/or the Companies Act, 2013 as appropriate.

b) Current/ Non-current classification

All assets and liabilities are classified as current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- i) it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is expected to be realized within 12 months after the reporting date; or
- iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i) it is expected to be settled in the Group's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is due to be settled within 12 months after the reporting date; or
- iv) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company considers its operating cycle to be within a period of 12 months.

c) Going concern

The management believes that it is appropriate to prepare these financial statements on a 'going concern' basis, for the following reasons:-

- i) The Company's DTH license was valid upto 30 September 2013. The Company has, before the expiry of the license, approached the relevant authorities, who have extended the validity for an interim period till the time final policy with regard to the terms and conditions for renewal of DTH license are laid down by the Government. The Group has given an understanding that they shall comply with that policy during the interim period and any financial obligations arising from the change in policy shall be honoured by the Group, though no significant adverse financial adjustment is expected in this regard.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

- 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 positive operating cash flows.

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

d) Principles of consolidation

- i) The consolidated financial statements relate to the parent company and its subsidiaries. The consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation as laid down under Accounting Standard 21 on "Consolidated Financial Statements" as specified in the Companies (Accounting Standards) Rules, 2006.
- ii) The consolidated financial statements have been prepared on the following basis:
 - a. The consolidated financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating inter-company transactions in accordance with the Accounting Standard 21 on "Consolidated Financial Statements".
 - b. The consolidated financial statements have been prepared by using uniform accounting policies for significant transactions.
 - c. The excess/ shortfall of cost to the parent company, on the date of acquisition of its investment in subsidiaries over its portion of equity, as the case may be, is recognised in the consolidated financial statements as goodwill / capital reserve.
- iii) The companies considered in the consolidated financial statements are:

Name of the company	Country of incorporation	% shareholding as at 31 March 2014	% shareholding as at 31 March 2013
Digital Network Distribution Pte Limited \$	Singapore	-	100
Dish T V Lanka (Private) Limited ¹	Sri Lanka	70	70
Xingmedia Distribution Private Limited #	India	100	-

During the current year:

Xingmedia Distribution Private Limited (Xingmedia) was incorporated on 13 February 2014 under the Companies Act, 1956. Consequent upon the approval of the Board of Directors and Shareholders of the Company, the entire share capital of Xingmedia, comprising of 10,000 equity shares having face value of ₹ 10 each, was acquired by the Company at ₹ 100,000. Accordingly, Xingmedia became the wholly owned subsidiary of the Company on 24 March 2014. Subsequently, upon the approval of the Board of Directors, the Company has subscribed to additional 118,000,000 equity shares of Xingmedia at ₹ 10 per equity share. Xingmedia shall undertake activities which would include providing support services for satellite based communication services, broadcasting content services, management of hard assets like CPEs and their installation, value added services, etc. to achieve its objectives.

\$ On 1 April 2013, shareholding in Digital Network Distribution Pte Limited, Company's wholly owned subsidiary in Singapore, was transferred to another party at an agreed price of Singapore Dollar 12,000 pursuant to Share Purchase Agreement dated 19 March 2013 and accordingly,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

as at 31 March 2014, consolidated financial statements does not include the financials of the subsidiary. However, the consolidated financial statements as at 31 March 2013 included the financials of the subsidiary.

During the previous year:

1 Dish T V Lanka (Private) Limited, a Joint Venture ('JV') Company, was incorporated on 25 April 2012 under the laws of Sri Lanka. Dish TV India Ltd holds 70% share capital (and, thus, considered as a subsidiary company) in the JV company with Satnet (Private) Limited, a company duly incorporated and having a DTH License in Sri Lanka, holding 30% of the share capital. The said JV Company shall engage in providing DTH related services in Sri Lanka.

e) 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, classification of assets/liabilities as current or non-current in certain circumstances, 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 the current and future periods.

f) 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.

Consumer Premise Equipments (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.

g) 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 33].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.

Aircraft is depreciated over the estimated useful life of ten years.

Assets individually costing upto ₹ 5,000 are fully depreciated in the year of purchase, wherever necessary in terms of Schedule XIV to the Companies Act, 1956.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

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.

h) Impairment

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

i) Inventories

Inventories of CPE related accessories and spares 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.
- Activation fee is recognised on an upfront basis considering the level of services rendered on activation, the corresponding cost incurred and separate consideration charged for the subsequent continuing services (refer to note 45).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

- 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 useful life of asset.
- iii) The premium or discount arising on entering into a forward exchange contract for hedging underlying assets and liabilities is measured by the difference between the exchange rate at the date of the inception of the forward exchange contract and the forward rate specified in the contract and is amortised as expense or income over the life of the contract. Exchange difference on a forward exchange contract is the difference between:
 - the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and;
 - the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date.

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

iv) **Derivatives**

Apart from forward exchange contracts taken to hedge existing assets or liabilities, the Group also uses derivatives to hedge its foreign currency risk exposure relating to firm commitments and highly probable transactions. In accordance with the relevant announcement of the Institute of Chartered Accountants of India, the company provides for losses in respect of such outstanding derivative contracts at the balance sheet date by marking them to market. Net gain, if any, is not recognised. The contracts are aggregated category-wise, to determine the net gain/loss.

l) Investments

Long-term investments, including their current portion, are carried at cost less diminution, other than temporary in value. Current investments are carried at the lower of cost and fair value which is computed category wise.

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

iii) Other long term employee benefits

Benefits under the Group'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 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 earning/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.

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.

In case of unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such amounts. In other cases, 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 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 that have arisen from past events in respect of which it is not probable 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 2014

(All amounts in ₹ lacs, unless stated otherwise)

3. Share capital

Authorised

1,500,000,000 (previous year 1,500,000,000) equity shares of ₹ 1 each

Issued, subscribed and fully paid-up

1,064,902,570 (previous year 1,064,662,247) equity shares of ₹ 1 each, fully paid up

Issued, subscribed, but not fully paid-up

52,195 (previous year 222,928) equity shares of ₹ 1 each, fully called up (Footnote b)

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

* ₹ 20,549 as on 31 March 2014

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) 22,193 (previous year 22,314) equity shares of ₹ 1 each, ₹ 0.75 paid up
30,002 (previous year 200,614) 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) Details of shareholders holding more than 5% shares of the Company

Name

Direct Media Distribution Ventures Private Limited

Deutsche Bank Trust Company Americas [footnote e(ii)]

Direct Media Solutions Private Limited

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

- i) 1,547,370 (previous year 1,477,780) equity shares of ₹ 1 each, fully paid up, issued to the employees, under Employee Stock Option Plan, i.e., ESOP 2007.

- ii) 85,035,000 (previous year 85,035,000) equity shares of ₹ 1 each, fully paid up, for underlying 85,035 nos. (previous year 85,035 nos.) Global Depository Receipts (GDR). Each GDR represents 1,000 Equity Shares of ₹ 1 each.

- f) 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 31 for terms and amount etc.)

As at 31 March 2014	As at 31 March 2013
15,000	15,000
10,649	10,647
1	2
(0)	(1)
10,650	10,648
Nos	Nos
1,064,885,175	1,064,423,875
69,590	461,300
1,064,954,765	1,064,885,175

Name	As at 31 March 2014		As at 31 March 2013	
	Number of shares	% holding in the Company	Number of shares	% holding in the Company
Direct Media Distribution Ventures Private Limited	457,212,260	42.93%	481,786,397	45.24%
Deutsche Bank Trust Company Americas [footnote e(ii)]	85,035,000	7.99%	85,035,000	7.99%
Direct Media Solutions Private Limited	180,000,000	16.90%	155,425,863	14.60%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

4. Reserves and surplus

Securities premium account

Opening balance

Add: received during the year

Closing balance

General reserves

Opening balance

Closing balance

Deficit in the Statement of Profit and Loss

Opening balance

Less: Loss for the year

Closing balance

As at 31 March 2014	As at 31 March 2013
153,778	153,362
57	416
<u>153,835</u>	<u>153,778</u>
1,849	1,849
<u>1,849</u>	<u>1,849</u>
(181,833)	(175,233)
<u>(15,761)</u>	<u>(6,600)</u>
<u>(197,594)</u>	<u>(181,833)</u>
<u>(41,910)</u>	<u>(26,206)</u>

5. Long-term borrowings

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Non current		Current maturities	
Secured loans:				
From banks				
Term loans	18,930	11,590	17,088	7,102
Buyers' credits	58,981	73,012	39,372	68,591
From other parties				
Vehicle loans	-	-	-	2
	<u>77,911</u>	<u>84,602</u>	<u>56,460</u>	<u>75,695</u>
Less: amount disclosed under the head "Other current liabilities" (refer to note 10)	-	-	56,460	75,695
	<u>77,911</u>	<u>84,602</u>	<u>-</u>	<u>-</u>

Footnotes:

Nature of security

Terms of repayment

a) Term loans

- i) Term loans of ₹ 9,715 lacs (previous year ₹ 16,192 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 immoveable assets, present and future, a charge by way of hypothecation over (a) all the moveable assets, present and future; (b) the balances lying in and to the credit of certain accounts and the proceeds of any investments made out of the said balances; and (c) 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 34(e)].
- a) Repayable in quarterly installments
- a) Loan amounting to ₹ 2,813 lacs as on reporting date is payable in six quarterly installments alongwith monthly interest at bank base rate plus 2.25 % per annum.
- b) Loan amounting to ₹ 3,591 lacs as on reporting date is payable in six quarterly installments alongwith monthly interest at bank base rate plus 2.00 % per annum.
- c) Loan amounting to ₹ 1,875 lacs as on reporting date is payable in six quarterly installments alongwith monthly interest at bank base rate plus 2.30 % per annum.
- d) Loan amounting to ₹ 1,436 lacs as on reporting date is payable in six quarterly installments alongwith monthly interest at 12.25% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

Nature of security	Terms of repayment
<p>ii) Term loan of ₹ 1,875 lacs (previous year ₹ 2,500 lacs) is secured by (a) first pari-passu charges on consumer premises equipment (CPE), (both present and future), of the Company; (b) first pari-passu charges on all current assets including stock of raw materials, semi finished and finished goods, consumable stores and spares and such other movable including book debts, bills, outstanding monies receivables (both present and future); (c) first pari-passu charges on all movable and immovable fixed assets, (both present and future); (d) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets, of the Company. Further, a corporate guarantee is given by Direct Media Distribution Ventures Private Limited, a related party in respect of this loan [refer to note 34(e)].</p>	<p>Loan amounting to ₹ 1,875 lacs as on reporting date is payable in six quarterly installments alongwith monthly interest at bank base rate plus 2.25 % per annum.</p>
<p>iii) Term loan of ₹ 7,909 lacs (previous year ₹ nil) is secured by (a) first pari-passu charges on consumer premises equipment (CPE), (both present and future), of the Company; (b) first pari-passu charges on all current assets and fixed assets of the Company (both present and future); (c) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets of the Company; (d) DSRA to be created upfront for one Quarter interest; (e) Non Disposal Undertaking from Direct Media Distribution Ventures Private Limited to continue holding at least 51% shareholding , exercise management control and right to appoint majority of Board of Directors in Dish TV India Limited.</p>	<p>Loan amounting to ₹ 7,909 lacs as on reporting date is payable in eight quarterly installments alongwith monthly interest at 12.75% to 13% per annum.</p>
<p>iv) Term Loan of ₹ 10,019 lacs (previous year ₹ nil) is secured by (a) first pari-passu charges on moveable and immoveable fixed assets of the Company; (b) first pari-passu charges on the current assets; (c) DSRA to be created upfront for one Quarter interest; (d) Non Diposal Undertaking for shares of the Company to the extent of ₹ 60 Crores. Further, a corporate guarantee is given by M/s Direct Media Distribution Ventures Private Limited a related party in respect of this loan [refer to note 34(e)].</p>	<p>Loan amounting to ₹ 10,019 lacs as on reporting date is payable in ten quarterly installments alongwith monthly interest at bank base rate plus 2.50% per annum.</p>
<p>v) Term loan of ₹ 6,500 lacs (previous year ₹ nil) is secured by (a) first pari-passu charges on consumer premises equipment (CPE), (both present and future), of the Company; (b) first pari-passu charges on all current assets and fixed assets of the Company (both present and future).</p>	<p>Loan amounting to ₹ 6,500 lacs as on reporting date is payable in fourteen quarterly installments after a moratorium period of 18 months alongwith monthly interest at bank base rate plus 3% per annum.</p>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

	Nature of security	Terms of repayment
b)	Buyer's credits	
i)	Buyer's credit of ₹ 29,071 lacs (previous year ₹ 42,743 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 Direct Media Distribution Ventures Private Limited, a related party [refer to note 34(e)].	Buyer's credit comprises of several loan transactions ranging between 1.5 to 3 years of maturities. Each transaction is repayable in full on maturity dates falling between January' 2016 (being the farthest) and April' 2014 (being the closest). Interest on all Buyer's Credit is payable in half yearly installments ranging from Libor plus 45 bps to Libor plus 240 bps.
ii)	Buyer's credit of ₹ 661 lacs (previous year ₹ 21,299 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.	Buyer's credit comprises of single loan transaction having 2.75 years of maturity. Transaction is repayable in full in April 2014. Interest on Buyer's Credit is payable in half yearly installments at Libor plus 200 bps.
iii)	Buyer's credit of ₹ 31,271 lacs (previous year ₹ 49,915 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. [refer to note 34(e)].	Buyer's credit comprises of several loan transactions ranging between 1.5 to 3 years of maturities. Each transaction is repayable in full on maturity dates, falling between March' 2016 (being the farthest) and April' 2014 (being the closest). Interest on ₹ 27,038 lacs buyer's credit is payable in half yearly installments ranging from Libor plus 44 bps to Libor plus 350 bps. Interest on ₹ 4,233 lacs buyer's credit is payable in yearly installments at Libor plus 165 bps.
iv)	Buyer's credit of ₹ 20,027 lacs (previous year ₹ 16,316 lacs) is secured by (a) first pari passu charge on consumer premises equipment (CPE) (both present and future); (b) first pari passu charges by way of hypothecation on the Company's entire current assets which would include stocks of raw materials, semi finished and finished good, consumable stores and spares and such other movables, including books debts, bills, outstanding monies receivables (both present and future) in a form and manner satisfactory to the bank; (c) first pari passu charge on all movable fixed assets of the Company; (d) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets.	Buyer's credit comprises of several loan transactions ranging between 1.75 to 3 years of maturities. Each transaction is repayable in full on maturity dates falling between February' 2016 (being the farthest) and April' 2014 (being the closest). Interest on all buyer's credit is payable in half yearly installments ranging from Libor plus 90 bps to Libor plus 250 bps.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

Nature of security

Terms of repayment

- v) Buyer's credit of ₹ 15,706 lacs (previous year ₹ 11,330 lacs) secured by (a) first pari-passu charges on consumer premises equipment (CPE) (both present and future); (b) first pari-passu charges on all current assets including stock of raw materials, semi finished and finished goods, consumable stores and spares and such other movable including book debts, bills, outstanding monies receivables (both present and future); (c) first pari-passu charges on all movable and immovable fixed assets (both present and future); (d) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets. Further, a corporate guarantee is given by Direct Media Distribution Ventures Private Limited, a related party in respect of this loan [refer to note 34(e)].
- vi) Buyer's credit of ₹ 1,617 lacs (previous year ₹ Nil) secured by (a) first pari-passu charges on consumer premises equipment (CPE) (both present and future); (b) first pari-passu charges on all current assets including stock of raw materials, semi finished and finished goods, consumable stores and spares and such other movable including book debts, bills, outstanding monies receivables (both present and future); (c) first pari-passu charges on all movable and immovable fixed assets (both present and future); (d) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets.
- c) **Vehicle loans**
Vehicle loans of ₹ nil (previous year ₹ 2 lacs) 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.
6. **Other long-term liabilities**

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 March' 2016 (being the farthest) and Jan' 2015 (being the closest).

Interest on ₹ 3,186 lacs buyer's credit is payable in half yearly installments at Libor plus 90 bps.

Interest on ₹ 12,520 lacs buyer's credit is payable in yearly installments ranging from Libor plus 155 bps to Libor plus 165 bps.

Buyer's credit comprises of several loan transactions ranging between 2.5 to 2.75 years of maturities. Each transaction is repayable in full on maturity dates falling between Sept' 2016 (being the farthest) and Nov' 2014 (being the closest).

Interest on ₹ 1,464 lacs buyer's credit is payable in half yearly installments ranging from Libor plus 90 bps to Libor plus 125 bps.

Interest on ₹ 153 lacs buyer's credit is payable in yearly installments at Libor plus 150 bps.

Vehicle loan has been repaid during the current year.

Others:

Income received in advance
Money received against partly paid up shares*

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

As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Non current		Current	
9,182	15,013	33,902	29,464
0	29	-	-
9,182	15,042	33,902	29,464
-	-	33,902	29,464
9,182	15,042	-	-

* ₹ 47,191 as on 31 March 2014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

7. Long-term provisions

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Non current		Current	
Provision for employee benefits				
- Gratuity (refer to note 32)	909	794	27	38
- Vacation pay	510	480	28	32
	1,419	1,274	55	70
Less: amount disclosed under the head "Short-term provisions" (refer to note 11)	-	-	55	70
	1,419	1,274	-	-

8. Short-term borrowings

Secured loans

Loans repayable on demand

- Cash credit from bank

Other loans

- Buyers' credits

	As at 31 March 2014	As at 31 March 2013
	4,000	3,000
	2,579	-
	6,579	3,000

Footnotes:

a) Nature of security

- Cash credit from bank is secured by first pari passu charge on the movable and immovable fixed assets and current assets of the Company.
- Buyer's credit of ₹ 1,874 lacs (previous year ₹ nil) secured by (a) first pari-passu charges on consumer premises equipment (CPE) (both present and future); (b) first pari-passu charges on all current assets including stock of raw materials, semi finished and finished goods, consumable stores and spares and such other movable including book debts, bills, outstanding monies receivables (both present and future); (c) first pari-passu charges on all movable and immovable fixed assets (both present and future); (d) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets.

Terms of repayments

Payable on demand

Repayable on maturity alongwith interest at the rate of Libor plus 59 bps.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

Nature of security

- iii) Buyer's credit of ₹ 705 lacs (previous year ₹ Nil) secured by (a) first pari-passu charges on consumer premises equipment (CPE) (both present and future); (b) first pari-passu charges on all current assets including stock of raw materials, semi finished and finished goods, consumable stores and spares and such other movable including book debts, bills, outstanding monies receivables (both present and future); (c) first pari-passu charges on all movable and immovable fixed assets (both present and future); (d) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets. Further, a corporate guarantee is given by Direct Media Distribution Ventures Private Limited, a related party in respect of this loan [refer to note 34(e)].

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

9. Trade payables

Sundry creditors

- Outstanding towards micro and small enterprises
- Others

As at 31 March 2014	As at 31 March 2013
-	-
13,568	21,380
13,568	21,380

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

10. Other current liabilities

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

Interest accrued but not due on borrowings

Income received in advance (also refer to note 6)

Other payables

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

As at 31 March 2014	As at 31 March 2013
56,460	75,695
468	828
33,902	29,464
4,689	4,231
16	69
10,402	8,937
1,462	1,258
2,101	1,164
141	266
6,366	18,354
116,007	140,266

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

11. Short-term provisions

Provision for employee benefits (refer to note 7)

- Gratuity (refer to note 32)

- Vacation pay

Provision for income tax

Other provisions

-Regulatory dues (refer to note 36)

-Wealth tax

As at 31 March 2014	As at 31 March 2013
27	38
28	32
3	1
83,553	65,366
1	33
83,612	65,470

12.1. Fixed Assets - Tangible assets

As at 31 March 2014

Particulars	Gross block				Depreciation				Net block
	As at 31 March 2013	Additions	Sales/ adjustments	As at 31 March 2014	Upto 31 March 2013	For the year	Sales/ adjustments	Upto 31 March 2014	As at 31 March 2014
Plant and machinery	14,283	661	14	14,930	8,411	1,307	7	9,711	5,219
Consumer premises equipment (Refer to note 35 b)	329,947	50,752	-	380,699	197,266	57,604	-	254,870	125,829
Computers	1,150	206	54	1,302	644	163	27	780	522
Office equipments	254	60	4	310	57	16	1	72	238
Furniture and fixtures	217	20	9	228	66	15	5	76	152
Vehicles and aircraft	3,590	39	30	3,599	263	359	14	608	2,991
Leasehold improvements **	47	-	2	45	47	0	2	45	-
Total	349,488	51,738	113	401,113	206,754	59,464	56	266,162	134,951

As at 31 March 2013

Particulars	Gross block				Depreciation				Net block
	As at 31 March 2012	Additions	Sales/ adjustments	As at 31 March 2013	Upto 31 March 2012	For the year #	Sales/ adjustments	Upto 31 March 2013	As at 31 March 2013
Plant and machinery	13,927	356	-	14,283	6,921	1,490	-	8,411	5,872
Consumer premises equipment (Refer to note 35 b)	269,176	60,772	1	329,947	135,503	61,764	1	197,266	132,681
Computers	941	223	14	1,150	489	157	2	644	506
Office equipments	210	45	1	254	44	12	(1)	57	197
Furniture and fixtures	211	5	(1)	217	50	16	-	66	151
Vehicles and aircraft	250	3,376	36	3,590	106	172	15	263	3,327
Leasehold improvements*	47	-	-	47	46	1	-	47	0
Total	284,762	64,777	51	349,488	143,159	63,612	17	206,754	142,734

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

12.2. Fixed Assets - Intangible assets

As at 31 March 2014

Particulars	Gross block				Amortisation				Net block
	As at 31 March 2013	Additions	Sales/ adjustments	As at 31 March 2014	Upto 31 March 2013	For the year	Sales/ adjustments	Upto 31 March 2014	As at 31 March 2014
Goodwill	4,512	-	-	4,512	4,512	-	-	4,512	-
License fees	1,192	-	-	1,192	1,118	63	-	1,181	11
Software	2,705	363	-	3,068	2,112	209	-	2,321	747
Total	8,409	363	-	8,772	7,742	272	-	8,014	758

As at 31 March 2013

Particulars	Gross block				Amortisation				Net block
	As at 31 March 2012	Additions	Sales/ adjustments	As at 31 March 2013	Upto 31 March 2012	For the year	Sales/ adjustments	Upto 31 March 2013	As at 31 March 2013
Goodwill	4,512	-	-	4,512	4,512	-	-	4,512	-
License fees	1,174	18	-	1,192	980	138	-	1,118	74
Software*	2,219	485	(1)	2,705	1,979	132	(1)	2,112	593
Total	7,905	503	(1)	8,409	7,471	270	(1)	7,742	667

Footnotes:

i) Additions/ adjustments to gross block of consumer premises equipment (CPE) and plant and machinery include loss on account of foreign exchange fluctuations amounting to ₹ 16,379 lacs (previous year ₹ 12,302 lacs), and ₹ 162 lacs (previous year ₹ 165 lacs) respectively [also refer to note 39(a)].

Depreciation for the previous year includes ₹ 1,124 lacs pertaining to foreign exchange fluctuations adjustment relating to year ended 31 March 2012 as referred in note 44.

* ₹ 44,851 is the net block as at 31 March 2013.

** ₹ 44,772 is the depreciation for the year 2013-14.

12.3. Capital work in progress of ₹ 42,259 lacs (previous year ₹ 65,352 lacs) includes assets in transit of ₹ 3,818 lacs (previous year ₹ 1,936 lacs).

13. Non-current investments (Unquoted)

Non trade investments

Balance of unutilised monies raised by rights issue

- Certificate of deposit

Represents deposits with SICOM Limited (a financial institution).

Aggregate book value of unquoted investments

As at 31 March 2014	As at 31 March 2013
15,000	-
15,000	-
15,000	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

14. Long-term loans and advances

(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2014	As at 31 March 2013
Capital advances		
Related parties [refer to note 34(d)]	2,500	-
Others	11	11
Security deposits	158	156
Loans and advances to related parties [refer to note 34(d)]		
Prepaid expenses	-	1,065
Others:		
Prepaid expenses	760	845
Income tax [net of provision ₹ nil (previous year nil)]	3,684	3,082
Other taxes paid under protest	1,698	1,303
	<u>8,811</u>	<u>6,462</u>

15. Other non-current assets

	As at 31 March 2014	As at 31 March 2013
Deposits with banks with maturity period more than 12 months (Refer to note 19)	733	970
	<u>733</u>	<u>970</u>

16. Current investments

	As at 31 March 2014	As at 31 March 2013
Investments in Mutual Funds # (unquoted) (refer to note 42)	-	7,818
# Net assets value ₹ nil (previous year ₹ 7,916 lacs) of mutual funds, though unquoted		
Balance of unutilised monies raised by issue		
- Certificate of deposit	5,000	20,000
For previous year, out of ₹ 20,000 lacs, ₹ 15,000 lacs, being unutilised monies raised by rights issue, represents deposits with SICOM Limited (a financial institution).		
	<u>5,000</u>	<u>27,818</u>
Aggregate book value of unquoted investments	<u>5,000</u>	<u>27,818</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

17. Inventories

Stock-in-trade (at the lower of cost and net realisable value)

- Customer premises equipment related accessories and spares

As at 31 March 2014	As at 31 March 2013
748	861
748	861

18. Trade receivables

(Unsecured and considered good, unless otherwise stated)

Debts outstanding for a period exceeding six months

- Considered good

- Considered doubtful

Other debts

- Considered good

Provision for doubtful debts

As at 31 March 2014	As at 31 March 2013
843	761
76	76
3,306	2,275
4,225	3,112
(76)	(76)
4,149	3,036

19. Cash and bank balances

Cash and cash equivalents

Balances with banks :

- in current accounts

- deposits with maturity of upto 3 months

Cheques, drafts on hand

Cash on hand

Other bank balances

- deposits with maturity of more than 3 months

Less: amount disclosed under the head other non-current assets (Refer to note 15)

As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Current		Non current	
4,926	11,276	-	-
755	52	-	-
126	103	-	-
7	2	-	-
28,449	25,016	733	970
34,263	36,449	733	970
-	-	733	970
34,263	36,449	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

20. Short-term loans and advances

(Unsecured and considered good, unless otherwise stated)

Considered good

Loans and advances to related parties [refer to note 34(d)]

- Prepaid expenses

- Security deposits

- Others

Others

- Prepaid expenses

- Advances to vendors, distributors etc.

- Customs duty, service tax and sales tax

- Security deposits

As at 31 March 2014	As at 31 March 2013
1,065	3,193
54	-
17,446	10,220
1,770	2,048
5,552	5,221
3,831	9,212
573	704
<u>30,291</u>	<u>30,598</u>

21. Other current assets

Income accrued but not due on fixed deposits

Insurance claim receivable

Unamortised premium on forward contracts

As at 31 March 2014	As at 31 March 2013
54	49
-	396
1	84
<u>55</u>	<u>529</u>

22. Revenue from operations

Income from Direct to Home (DTH) subscribers (refer note 30 and 45):

- 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 2014	For the year ended 31 March 2013
226,814	192,281
11,694	15,965
2,100	1,975
4,963	3,196
731	502
3,602	2,528
993	233
<u>250,897</u>	<u>216,680</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

23. Other income

Interest income from:

- long-term investments
- current investments
- fixed deposits/ margin accounts
- others

Foreign exchange fluctuation (net)

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

Liabilities written back

Miscellaneous income

For the year ended 31 March 2014	For the year ended 31 March 2013
1,623	1,612
593	259
1,165	1,338
1,020	242
962	688
484	412
482	56
160	507
6,489	5,114

24. Changes in inventories of stock-in-trade (consumer premises equipments related accessories / spares)

Opening stock

Less: Closing stock

For the year ended 31 March 2014	For the year ended 31 March 2013
861	688
748	861
113	(173)

25. Operating expenses

Transponder lease

License fees

Uplinking charges

Programming and other costs (refer to note 43 and 46)

Entertainment tax

For the year ended 31 March 2014	For the year ended 31 March 2013
14,815	11,669
26,138	22,570
788	708
77,844	65,247
13,245	10,613
132,830	110,807

26. Employee benefits expenses

Salary, bonus and allowance

Contribution to provident and other funds

Staff welfare

Recruitment and training expenses

For the year ended 31 March 2014	For the year ended 31 March 2013
8,204	7,546
525	477
81	99
106	95
8,916	8,217

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

27. Selling and distribution expenses

	For the year ended 31 March 2014	For the year ended 31 March 2013
Advertisement and publicity expenses	6,656	7,609
Business promotion expenses	638	426
Commission	18,367	15,587
Customer support services	7,548	6,742
	<u>33,209</u>	<u>30,364</u>

28. Finance costs

	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest on:		
- Term loans from banks	2,290	2,759
- Buyer's credits from banks	3,460	3,261
- Others	5,407	4,998
Other borrowing costs	2,118	1,824
	<u>13,275</u>	<u>12,842</u>

29. Other expenses

	For the year ended 31 March 2014	For the year ended 31 March 2013
Electricity charges	669	503
Rent	974	894
Repairs and maintenance		
- Plant and machinery	303	178
- Consumer premises equipments	849	251
- Building	23	35
- Others	350	158
Insurance	86	88
Rates and taxes	232	90
Legal and professional fees	1,955	1,821
Director's sitting fees	10	13
Printing and stationary	161	572
Communication expenses	1,034	854
Travelling and conveyance	1,156	1,149
Service and hire charges	955	890
Freight, cartage and demurrage	3	2
Bad debts and balances written off	-	209
Loss on sale / discard of fixed assets	27	12
Loss on sale / discard of capital work-in-progress	3,767	797
Loss on sale of subsidiary [refer to note 2(d) (iii)]	3	-
Miscellaneous expenses	234	87
	<u>12,791</u>	<u>8,603</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

29(a) Prior period items

(Refer to note 30)

Reversal of revenue relating to previous years
Less: License fees on revenue relating to previous years

For the year ended 31 March 2014	For the year ended 31 March 2013
12,930	-
1,293	-
11,637	-

30. The life of the Consumer Premises Equipment (CPE) for the purposes of depreciation has been estimated by the management as five years. Upto 31 March 2012, in certain cases, the one-time advance contribution towards the CPEs in the form of rental was being recognized over a period of three years from the activation date.

However, such practice, with effect from 1 April 2012, was changed to five years in respect of CPEs activated on or after 1 April 2012. During the year, Group has amended its policy in respect of CPEs activated upto 31 March 2012 also in order to align the same with the CPEs installed thereafter. The correction in the policy has resulted in reversal of excess revenue of ₹ 12,930 lacs and excess provisions of license fee of ₹ 1,293 lacs recognised upto 31 March 2013 during the year. This has also resulted in revenue for the year being higher by ₹ 3,702 lacs and license fee being higher by ₹ 370 lacs. The above correction has resulted into the net loss for the year ended 31 March 2014 being higher by ₹ 8,305 lacs.

31. Employee stock option plan (ESOP) 2007

At the Annual General Meeting held on 3 August 2007, the shareholders of the Company had approved Employee Stock Option Plan, i.e., ESOP 2007 ("the Scheme"). The Scheme provided for issuance of 4,282,228 stock options (underlying fully paid equity share of Re.1 each) to the employees of the Group and also to 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 outstanding options were re-priced at ₹ 37.55 per option, determined as per SEBI (ESOP) Guidelines, 1999.

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

As stated above, the options are granted to the employees at an exercise price, being the latest market price as per SEBI (ESOP) Guidelines, 1999. Further, since the Group follows intrinsic value method for accounting of the above options, there is no charge in the Consolidated 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 2014 (Nos.)	For the year ended 31 March 2013 (Nos.)
Options outstanding at the beginning of the year	12,84,290	1,779,180
Add: Options granted	380,650	141,450
Less: Exercised	69,590	461,300
Less: Lapsed	271,410	175,040
Options outstanding at the end of the year	1,323,940	1,284,290

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

The following table summarizes information on the share options outstanding as of 31 March 2014:

Particulars	Date of grant	Number of shares remaining out of options	Remaining contractual life	Exercise price
Lot 1	21 August 2007	66,620	2.52	37.55*
Lot 2	24 April 2008	-	-	-
Lot 3	28 August 2008	6,000	1.81	37.55*
Lot 4	28 May 2009	141,270	4.16	47.65
Lot 5	27 October 2009	31,760	5.08	41.45
Lot 6	26 October 2010	112,440	5.09	57.90
Lot 7	21 January 2011	640,200	4.81	58.95
Lot 8	20 July 2011	40,000	5.31	93.20
Lot 9	19 July 2012	-	-	-
Lot 10	23 May 2013	193,550	7.15	68.00
Lot 11	26 July 2013	92,100	7.32	57.10
Options outstanding at the end of the year		1,323,940	5.17#	58.29#

The following table summarizes information on the share options outstanding as of 31 March 2013:

Particulars	Date of grant	Number of shares remaining out of options	Remaining contractual life	Exercise price
Lot 1	21 August 2007	80,300	3.66	37.55*
Lot 2	24 April 2008	-	-	-
Lot 3	28 August 2008	10,500	3.98	37.55*
Lot 4	28 May 2009	195,040	5.13	47.65
Lot 5	27 October 2009	64,360	6.08	41.45
Lot 6	26 October 2010	112,440	6.09	57.90
Lot 7	21 January 2011	640,200	5.81	58.95
Lot 8	20 July 2011	40,000	6.31	93.20
Lot 9	19 July 2012	141,450	7.30	68.10
Options outstanding at the end of the year		1,284,290	5.78#	56.83#

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

on a weighted average basis.

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

Defined contribution plans

An amount of ₹ 475 lacs (previous year ₹ 430 lacs) and ₹ 4 lacs (previous year ₹ 5 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 "Employee benefits expenses" 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Changes in present value of obligation		
Present value of obligation as at the beginning of the year	832	660
Interest cost	67	53
Current service cost	220	207
Benefits paid	(78)	(19)
Actuarial (gain)/loss on obligation	(105)	(69)
Present value of obligation as at end of the year	936	832
Short term	27	38
Long term	909	794
	936	832

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Expenses recognized in the Consolidated Statement of Profit and Loss		
Current service cost	220	207
Interest cost on benefit obligation	67	53
Net actuarial (gain)/loss recognised in the year	(105)	(69)
Expenses recognised in the Consolidated Statement of Profit and Loss	182	191

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

Particulars	As at 31 March 2014	As at 31 March 2013
Discount rate	8.00	8.00
Salary escalation rate (per annum)	10.00	10.00
Withdrawal rates		
Age- Upto 30 years	13%	13%
31-44 years	2%	2%
Above 44 years	1%	1%
Mortality rate	IALM (2006-08)	IALM (1994 - 96)

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.

Experience adjustment:-

Particulars	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014
Defined benefit obligation (DBO)	350	506	660	832	936
Plan assets	-	-	-	-	-
Net liability	(350)	(506)	(660)	(832)	(936)
Experience adjustment on DBO-Gain (Loss)	54	42	16	73	105

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

33. 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.

34. Related party disclosures

- a) Related parties where control exists: Holding company;
Direct Media Distribution Ventures Private Limited. (formerly known as Dhaka Warriors Sports Private Limited) (with effect from 26 December 2011 upto 30 March 2013)
- b) Related parties with whom the Group had transactions:

Key management personnel	Mr. Jawahar Lal Goel
Relative of key management personnel	Mr. Gaurav Goel
Enterprises over which key management personnel / their relatives have significant influence	Agrani Convergence Limited ASC Telecommunication Private Limited Asia Today Limited Cyquator Media Services Private Limited (referred to as Cyquator) Diligent Media Corporation Limited/ Dakshin Media Gaming Solutions Private Limited (Dakshin Media Gaming Solutions Private Limited merged with Diligent Media Corporation Limited pursuant to a scheme of amalgamation) E-City Property Management & Services Private Limited E-City Bioscope Entertainment Private Limited Essel Agro Private Limited Essel Corporate Resources Private Limited Essel International 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 PAN India Paryatan Private Limited Procall Private Limited Rama Associates Limited Siti Cable Network Limited Satnet Private Limited Taj Television India Private Limited Zee Aakash News Private Limited Zee Entertainment Enterprises Limited ZEE Media Corporation Limited (formerly known as Zee News Limited) ZEE Telefilms Middle East Fz LLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

c) Transactions with related parties:

Particulars	For the year ended 31 March 2014		For the year ended 31 March 2013	
	Total amount	Amount for major parties	Total amount	Amount for major parties
(i) With key management personnel	90		82	
Managerial remuneration#		90		82
(ii) Relative of key management personnel	37		34	
Remuneration#		37		34
(iii) With other related parties:				
Revenue from operation and other income (net of taxes)	2,988		2,562	
Zee Entertainment Enterprises Limited		1,811		1,419
ZEE Media Corporation Limited		702		572
Asia Today Limited		137		147
Zee Aakash News Private Limited		242		212
Other related parties		96		212
Purchase of goods and services	46,204		36,195	
Media Pro Enterprise India Private Limited		30,270		20,457
Zee Entertainment Enterprises Limited		1,080		1,933
ITZ Cash Card Limited		1,662		1,575
Taj Television India Private Limited		4,700		4,500
Cyquator		7,595		6,871
Satnet Private Limited		27		-
Other related parties		870		859
Rent paid	339		326	
Zee Entertainment Enterprises Limited		288		288
Rama Associates Limited		48		32
Other related parties		3		6
Interest paid	-		9	
Essel International Limited		-		9
Interest received	21		118	
ASC Telecommunication Private Limited		-		113
Cyquator		17		-
Essel Agro Private Limited		4		4
Agrani Convergence Limited		-		1
Reimbursement of expenses paid	782		582	
Zee Entertainment Enterprises Limited		636		479
E-City Bioscope Entertainment Pvt. Ltd.		144		95
Other related parties		2		8
Reimbursement of expenses received	-		2	
Siti Cable Network Limited		-		@
Zee Entertainment Enterprises Limited		-		1
ZEE Media Corporation Limited		-		1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2014		For the year ended 31 March 2013	
	Total amount	Amount for major parties	Total amount	Amount for major parties
Other related parties		-		\$
Prepaid expenses	-	-	4,258	
Media Pro Enterprise India Private Limited		-		4,258
Repayment of short-term borrowings	-	-	12,500	
Essel International Limited		-		12,500
Long-term loans and advances made	2,500	-	-	
Cyquator		2,500		-
Short-term loans and advances made	12,874	-	4,557	
ITZ Cash Card Limited		660		362
Cyquator		12,149		4,120
Essel Agro Private Limited		-		29
Other related parties		65		46
Refunds received against short-term loans and advances	5,613	-	1,048	
Cyquator		5,000		443
ITZ Cash Card Limited		502		559
Essel Agro Private Limited		101		-
Other related parties		10		46

@ ₹ 20,439

\$ ₹ 15,897

Since an actuarial valuation is done for gratuity and leave encashment for the Company as a whole, details of contribution in respect of each individual are not available for the computation of remuneration.

d) Balances at the year end:

Particulars	As at 31 March 2014		As at 31 March 2013	
	Total amount	Amount for major parties	Total amount	Amount for major parties
With related parties:				
Long-term loans and advances	2,500	-	1,065	
Media Pro Enterprise India Private Limited		-		1,065
Cyquator		2,500		
Short-term loans and advances	18,565	-	13,413	
Essel Agro Private Limited		2,236		2,333
ITZ Cash Card Limited		485		327
Cyquator		14,724		7,560
Media Pro Enterprise India Private Limited		1,065		3,193

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	As at 31 March 2014		As at 31 March 2013	
	Total amount	Amount for major parties	Total amount	Amount for major parties
Other related parties		55		&
Trade payables	3,002		13,292	
Zee Entertainment Enterprises Limited		137		502
Media Pro Enterprise India Private Limited		2,354		12,697
Taj Television India Private Limited		433		-
Satnet Private Limited		2		-
Other related parties		76		93
Trade receivables	1,334		1,371	
Asia Today Limited		98		145
Zee Media Corporation Limited		603		314
Zee Entertainment Enterprises Limited		440		569
Siti Cable Network Limited		-		142
Dilligent Media Corporation Limited		138		148
Zee Aakash News Private Limited		55		53
Other related parties		-		*

& ₹ 18,206

* ₹ 15,695

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

- i) As at 31 March 2014, personal guarantees by key managerial personal 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.
- ii) As at 31 March 2014, corporate guarantee by Direct Media Distribution Ventures Private Limited amounting to ₹ 60,000 lacs (previous year ₹ 60,000 lacs) are outstanding at the year end.
- iii) As at 31 March 2014, corporate guarantee by Zee Entertainment Enterprises Limited amounting to ₹ 4,174 lacs (previous year ₹ 4,370 lacs) is outstanding as at the year end.

35. 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. The initial tenure of the lease generally is for 11 months to 69 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 2014	For the year ended 31 March 2013
Lease rental charges during the year (net of shared cost)	16,195	12,906
Sub-lease payment received (being shared cost)	946	749

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

b) Assets given under operating lease:

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

Particulars	As at 31 March 2014*	As at 31 March 2013
Gross value of assets	287,724	329,947
Accumulated depreciation	232,564	197,266
Net block	55,160	132,681
Depreciation for the year	44,431	61,764

* Based on a reassessment of the leasing and service model, the Group has excluded ₹ 44,937 lacs and accumulated depreciation of ₹ 6,133 lacs thereon, which during the previous year were considered as operating leases. The corresponding disclosures of lease rental income are as under:

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 agreements are as follows:

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Lease rental income recognised during the year	11,694	15,965

Particulars	Total future minimum lease rentals receivable as at 31 March 2014	Total future minimum lease rentals receivable as at 31 March 2013
Within one year	6,904	8,144
Later than one year and not later than five years	5,946	8,328

36. a) 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	As at 31 March 2014	As at 31 March 2013
Opening provision	65,366	48,917
Add: Created during the year	30,707	26,023
Less: Utilised during the year	11,227	9,574
Less: Impact of prior period item (refer note 30)	1,293	-
Closing provision	83,553	65,366

The outflow of economic benefits with regard to the disputed portion would be dependent on the final decision by the Regulatory Authority. Presently, it has been considered under the 'Short-term provisions'.

- b) During the year 2013-14, the Company received a demand notice from the Ministry of Information and Broadcasting ('MIB') whereunder a demand of ₹ 62,420 lacs (including interest) has been raised towards the DTH License Fee. The Company has challenged the demand before the Hon'ble Telecom Dispute Settlement Appellate Tribunal ('TDSAT') and the Hon'ble TDSAT has directed the MIB not to enforce the demand till the next order.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

37. Earnings per share

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

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Loss for the year attributable to equity shareholders (in ₹ lacs)	15,761	6,600
Number of shares considered as weighted average shares outstanding for computing basic earnings per share	1,064,886,254	1,064,067,536
Nominal value per share (in ₹)	1	1
Basic and diluted loss per share (in ₹)	1.48	0.62

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

38. Deferred tax assets

Components of deferred tax asset:

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Deferred tax assets on account of:		
- Depreciation	29,684	21,921
- Unabsorbed depreciation and tax losses	27,219	31,044
- Provision for vacation pay and retirement benefit provision	501	457
- Demerger expenses as per section 35DD	4	6
- Provision for doubtful debts and advances	26	26
- Unrealised foreign exchange loss (gain)	(839)	(878)
Deferred tax assets	56,595	52,576
Recognised in the financial statements	-	-

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

39. Foreign currency transactions

- a) In accordance with the Accounting Standard 11 (AS-11) and related notifications, the foreign currency exchange loss of ₹ 16,541 lacs has been adjusted (previous year foreign currency exchange loss of ₹ 12,467 lacs) in the value of fixed assets and the foreign currency exchange loss of ₹ 684 lacs (previous year foreign currency exchange gain of ₹ 51 lacs) in the capital work in progress.
- b)
 - i) The Company has outstanding forward contracts of US Dollars 11 lacs (previous year US Dollar 70 lacs) at fixed amount of ₹ 677 lacs (previous year ₹ 3,879 lacs) which will be settled at a future date. These derivative contracts are for the repayment of Buyers' credit loans.
 - ii) Foreign currency transactions outstanding as on the balance sheet date that are not hedged by derivative instruments or otherwise are as under:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

(Amount in lacs)

Particulars	As at 31 March 2014		As at 31 March 2013	
	Amount in USD	Amount in ₹	Amount in USD	Amount in ₹
Balances with bank	423	25,444	409	22,266
Loans and advances given#	*	17	-	-
Receivables	16	988	4	217
Loans and borrowings#	1,676	100,735	2,548	138,591
Trade Payable	54	3,257	277	15,078

includes interest accrued

* USD 28,480

40. Contingent liabilities and commitments

a) Contingent liabilities

Particulars	As at 31 March 2014	As at 31 March 2013
Claims against the Company not acknowledged as debt	483	483
Income-tax (refer note 40b)	102	2,652
Sales tax and Value Added tax	1,772	1,046
Customs duty	795	795
Service tax	5,721	5,721
Wealth tax	2	2
Entertainment tax (refer note 40c)	1,339	1,279
Legal cases including from customers against the Company	Unascertained	Unascertained

- b) During the year ended 31 March 2011, the Company received a demand notice for income tax and interest thereon aggregating ₹ 4,056 lacs in relation to assessment year 2009-10. During the year ended 31 March 2012, the assessing authority had reduced the demand to ₹ 2,642 lacs on the basis of application for rectification filed by the Company. The Company deposited ₹ 730 lacs during the previous years. The matter pertains to alleged short deduction of tax at source on certain payments and interest thereon for delayed period. The Company had disputed the issue and has filed an appeal against the above said demand with the tax authorities. The Company had also submitted with the tax authorities the requisite supporting documents/clarification from vendors during the previous year.

During the year, the appeal is partly allowed in favour of the Company and demand has been reduced to ₹ 225 lacs. The Company has further filed an appeal before Income Tax Appellate Tribunal (ITAT) on same matter of short deduction of tax at source. The Company, supported by legal view in the matter, is of the view that outcome of the litigation will not have significant impact on the financial statements.

- c) 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.
- d) **Commitments**

Particulars	As at 31 March 2014	As at 31 March 2013
Estimated amount of contracts remaining to be executed on capital account	17,810	48,133

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

41. Bank balances include:-

Particulars	As at 31 March 2014	As at 31 March 2013
Provided as security to Government authorities	15	8
Held as margin money for bank guarantees	1,588	217

42. The details of current investments in Mutual funds as on 31 March 2014:

Particulars	As at 31 March 2014	As at 31 March 2013
Unquoted at cost		
Nil units of IDBI Liquid Fund growth (previous year 216,621 units)	-	2,707
Nil units of DSP BlackRock Liquidity Fund-Growth (previous year 309,388 units)	-	5,111
Total	-	7,818

- 43.** During the financial year 2011-12, the Company migrated from the fixed fee agreement with ESPN Software India Private Limited (ESPN) to the Reference Interconnect Offer (RIO) based agreement for its content fees. Upon refusal by the ESPN to the said migration, the Company approached the Telecom Dispute Settlement Appellate Tribunal (TDSAT). The TDSAT, vide its judgment dated 10 April 2012, allowed the Company to pay the content fees to ESPN w.e.f. 1 September 2011 on the basis of RIO rates published by ESPN 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. ESPN filed a Special Leave Petition before the Hon'ble Supreme Court. The Hon'ble Supreme Court, vide its order dated 17 July 2012 refused to grant interim stay on the order of the Hon'ble TDSAT. The Company in view of the order of the TDSAT has exercised its right to claim the above refund amount and adjusted the same from the monthly content fee payable to ESPN.

Further, during the previous year, a petition was filed by the Company against ESPN in TDSAT against the public notices dated 5 November 2012 and 12 November 2012 issued by them for disconnection of their channels from Dish TV DTH platform. TDSAT vide its order dated 23 November 2012 granted an interim stay on the operation of the said notices and subsequently, vide judgment dated 25 April 2014 has held that the manner of distribution of channels by Dish TV was as per the regulations. It has directed the parties to conduct a reconciliation in terms of the said judgment. ESPN filed an appeal before the Hon'ble Supreme Court. Vide order dated 09 May 2014, no stay against Dish TV was granted by the Hon'ble Supreme Court.

- 44.** Till the year ended 31 March 2012, the exchange differences arising from foreign currency borrowing to the extent that they were regarded as an adjustment to interest cost, were treated as borrowing cost in terms of AS – 16, "Borrowing Costs". During the year ended 31 March 2013, pursuant to a clarification dated 9 August 2012 from the MCA, the Company has changed the accounting policy w.e.f. from 1 April 2011, to treat the same as "foreign exchange fluctuation", to be accounted as per AS – 11 "Effects of Changes in Foreign Exchange Rates", instead of AS – 16 "Borrowing Costs". This change has resulted into reversal of finance cost of ₹ 7,068 lacs for the financial year 2011-12 and consequential increase in depreciation by ₹ 1,124 lacs for the financial year 2011-12. The aforesaid change, resulting in net gain of ₹ 5,944 lacs for the financial year 2011-12, has been shown as 'exceptional items' in the financial statements for the year ended 31 March 2013. In this regard, if the Company had followed the same accounting policy as during the year ended 31 March 2012, finance costs for the year ended 31 March 2013 would have been higher by ₹ 5,841 lacs, depreciation expense would have been lower by ₹ 1,415 lacs and the loss for the year ended 31 March 2013 would have been higher by ₹ 4,426 lacs.
- 45.** Hitherto, upto the year ended 31 March 2013, the Company recognized a portion of the activation fees over the estimated period of subscription/ the life of the CPE. During the year, the Company has reassessed its position of recognition of above activation fees, together with the level of service already rendered on activation, the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(All amounts in ₹ lacs, unless stated otherwise)

corresponding cost incurred and separate consideration charged for the subsequent continuing services etc. Considering that the Company incurs significant upfront cost upto the stage of activation of CPE and charges separate consideration for subsequent continuing services, the Company has, in order to make better and appropriate presentation, amended its policy of revenue recognition of activation fee on an upfront basis.

The above change has resulted into additional activation / subscription revenue of ₹ 9,936 lacs for the year (including ₹ 4,614 lacs in relation to the previous year) with a corresponding increase in license fees of ₹ 994 lacs (including ₹ 461 lacs in relation to the previous year). As a consequence, the loss after tax for the year is lower by ₹ 8,942 lacs.

46. Dish TV filed a petition before the Hon'ble Telecom Dispute Settlement Appellate Tribunal (TDSAT) against the public notices issued by IndiaCast UTV Media Distribution Private Limited ('IndiaCast') for discontinuation of its channels. IndiaCast has also filed a petition against Dish TV inter alia challenging the manner of distribution of channels by Dish TV. Hon'ble TDSAT vide its order dated 15 April 2014 clubbed both the petitions and vide order dated 25 April 2014, stayed the public notice of IndiaCast and has also directed an audit of manner of distribution of IndiaCast channels, to be done by Broadcast Engineering Consultants India Limited (BECIL) and listed the matter for final hearing on 17 July 2014.
47. Figures of the previous year have been regrouped / rearranged, wherever considered necessary to conform to the current year's presentation. Significant items in this regard are as under:
 - a) 'Repair and maintenance - plant and machinery' amounting to ₹ 251 lacs have been reclassified under 'repair and maintenance - consumer premises equipments'.
 - b) 'Amounts/taxes paid under protest' amounting to ₹ 730 lacs have been reclassified under 'Advance tax'.

As per our report attached to the consolidated balance sheet

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W

Kaushal Kishore

Partner

Membership No.: 090075

Place: Gurgaon

Dated: 27 May 2014

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

Jawahar Lal Goel

Managing Director

DIN: 00076462

Rajeev K. Dalmia

Chief Financial Officer

Place: Noida

Dated: 27 May 2014

Arun Duggal

Director

DIN: 00024262

Ranjit Singh

Company Secretary

Membership No: A15442

STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO THE SUBSIDIARY COMPANIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2014

(Amount In ₹ Lacs)

Particulars	Dish T V Lanka (Private) Limited	Xingmedia Distribution Pvt. Ltd.
Summary Balance Sheet		
Share Capital	4	11,801
Reserve and Surplus (Including debit balance of Profit & Loss Account)	(244)	(110)
Total Assets	1,965	11,816
Total Liabilities	1,965	11,816
Investments (excluding Subsidiaries)	NIL	NIL
Summary Profit and Loss Account		
Turnover	NIL	17
Profit / (Loss) before tax	(208)	(105)
Provision for tax	NIL	5
Profit / (Loss) After tax	(208)	(110)
Proposed Dividend	NIL	NIL

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,

Tel No.: 0120-2599391/2599555, Fax No.: 0120-4357082

Website: www.dishtv.in, E-mail: investor@dishtv.in,

CIN: L51909DL1988PLC101836

Service of Documents through Electronic Mode

Dear Member,

Pursuant to the applicable provisions of the Companies Act, 2013 and Listing Agreement with the Stock Exchanges, Companies are permitted to serve various notices / documents to its Members through electronic modes. Further, as per Companies (Management and Administration) Rules, 2014 and Companies (Accounts) Rules, 2014, effective April 1, 2014, Companies are required to provide an advance opportunity to the Members to register their E-mail address and update, in case of any changes therein.

Your Company is concerned about the environment and utilizes natural resources in a sustainable way. Your Company therefore proposes to send all notices and documents like General Meeting Notices (including AGM), Financial Statements, Directors' Report, Auditors' Report, Postal Ballot Papers and other Communication to the Members in the electronic mode, at the designated E-mail addresses furnished by them.

Hence, Members are requested to register their E-mail addresses or changes therein, if any, in the attached E-communication Registration Form.

E-Communication Registration Form

To,

Sharepro Services (India) Private Limited

Unit: Dish TV India Limited

13AB Samhita Warehousing Complex, 2nd Floor,

Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road,

Sakinaka, Andheri (E), Mumbai – 400 072

I/we hereby exercise my/our option to register/update the following E-mail id for all future communications from Dish TV India Limited pursuant to the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Companies (Accounts) Rules, 2014 -:

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 registered E-mail ID.
- 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

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CIN: L51909DL1988PLC101836

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L51909DL1988PLC101836
Name of the Company : DISH TV INDIA LIMITED
Registered Office : Essel House B-10, Lawrence Road Industrial Area, Delhi - 110 035

Name of the member(s)	
Registered address	
E-mail Id	
Folio No./Client ID No.*	
DP ID No.*	

*Applicable for Shareholders holding shares in Electronic Form

I/We, being the Member(s) of shares of the Dish TV India Limited, hereby appoint

- Name: _____ E-mail Id: _____
Address: _____ Signature: _____ or failing him
- Name: _____ E-mail Id: _____
Address: _____ Signature: _____ or failing him
- Name: _____ E-mail Id: _____
Address: _____ Signature: _____

as my/our Proxy to attend and vote (on a Poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Monday, the 29th day of September at 11:30 A.M. at Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2. A.P.S Colony, Delhi Cantt, New Delhi-110 010 and at any adjournment(s) thereof in respect of such Resolutions as are indicated below.

*I wish my above Proxy to vote in the manner as indicated in the box below:

S. No.	Resolution	Vote		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Audited Financial Statements of the Company on a Standalone and Consolidated basis for the Financial Year ended March 31, 2014			
2	Re-appointment of Mr. Mintoo Bhandari as a Director of the Company			
3	Appointment of Statutory Auditors			
Special Business				
4	Appointment of Mr. Lakshmi Chand as Independent Director			
5	Appointment of Mr. Bhagwan Dass Narang as Independent Director			
6	Appointment of Mr. Arun Duggal as Independent Director			
7	Appointment of Mr. Eric Louis Zinterhofer as Independent Director			

*This is only optional. Please put a 'X' in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or 'Against' or 'Abstain' column blank against any or all the Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Signed this _____ day of _____ 2014

Signature of Shareholder

Revenue Stamp

Signature of Proxy holder(s)

Notes:

- This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A Proxy need not be a Member of the Company.
- In the case of Joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members. The signature of any one holder will be sufficient, but the names of all the joint holders should be stated.
- A person can act as Proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the share capital of the Company carrying voting rights. A member holding more than 10% of total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other person or Shareholder.
- For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of 26th Annual General Meeting.

DISH TV INDIA LIMITED

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 Corporate Office: FC-19, Sector-16A, Noida, U.P. - 201 301,
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 Website: www.dishtv.in, E-mail: investor@dishtv.in,
 CIN: L51909DL1988PLC101836

**ATTENDANCE SLIP
 26th ANNUAL GENERAL MEETING**

Venue of the Meeting : Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, A.P.S.
 Colony, Delhi Cantt, New Delhi - 110 010
 Date and Time : Monday, September 29, 2014 at 11:30 A.M.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name and Address of Shareholder (In Block Letters)	
Name and Address of the Proxy (In Block Letters)	
Reg. Folio No.	
Client ID No.*	
DP ID No.*	
No. of Shares	

*Applicable for Shareholders holding shares in Electronic form

I/We hereby record my/our presence at the 26th Annual General Meeting of the Company, convened on Monday, the 29th day of September, 2014 at 11:30 A.M. at Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, A.P.S. Colony, Delhi Cantt, New Delhi - 110 010.

 Signature of the Shareholder/Proxy

