

FORM A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

S. No.	Particulars	
1.	Name of the Company:	Dish TV India Limited BSE Code: 532839 NSE Code: DISHTV
2.	Annual financial statements for the year ended	31 March 2014
3.	Type of Audit observation	<p>Un-qualified with emphasis of matter (refer note 1 and note 2 below)</p> <p><u>Note 1</u></p> <p>The statutory auditors have included the following comments in the Auditors' Report with respect to the standalone financial statements of the Company:</p> <p>Emphasis of Matter</p> <p>Without qualifying our opinion, attention is invited to:</p> <p>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.</p> <p>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</p>

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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 Rs. 12,930 lacs recognized upto the year ended 31 March 2013, recognition of additional revenue of Rs. 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 Rs 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.

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

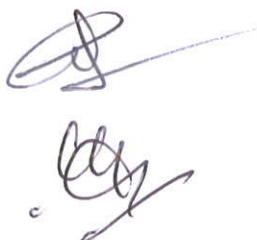
Note 2

The statutory auditors have included the following comments in italics in the annexure to the auditors' report with respect to the standalone financial statements of the Company which contains the report under the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956:

(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

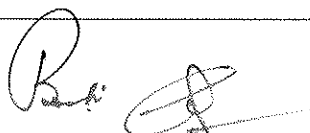

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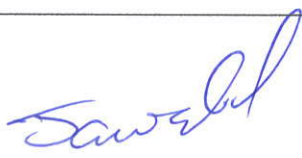
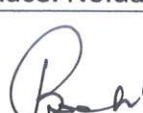


		<p>31 March 2014 for a period of more than six months from the date they became payable.</p> <p>(x) <i>The accumulated losses of the Company are more than fifty percent of its net worth at the end of the year.</i> The Company has not incurred cash losses during the year and in the immediately preceding year.</p> <p>(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, <i>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 Rs. 100,866 lacs.</i></p> <p>In the absence of any specific guidance in relation to the relevant circular on filing of annual report with the stock exchanges along with Form A or Form B, as applicable, there can be divergent views on consideration of comments given in annexure to the auditors' report for the purpose of determining whether to submit Form A or Form B along with copies of annual report to the stock exchange(s). The management is currently of the opinion that the above-referred comments do not have any impact on the profit and loss, financial position and corporate governance of the Company as these are statement of facts. Accordingly, Form A is being submitted along with copies of annual report.</p>
4.	Frequency of observation	<p>The Observation pertaining to "Company's net worth as at the end of the financial year being completely eroded by its accumulated losses" has been continuously appearing in the Audit Reports for the years ended March 31, 2012 onwards.</p> <p>Observation relating to note 50 of the Financial Statements has also appeared in the Audit Reports in response to qualified opinion for non-compliance in relation to Accounting Standard 19 'Leases' for the years ended March 31, 2011, March 31, 2012 and March 31, 2013.</p>




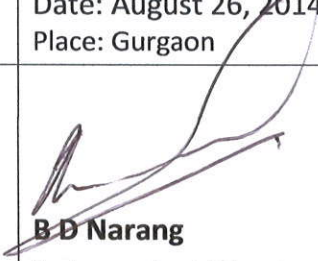


		<p>Observation relating to note 51 of the Financial Statements has appeared in the Audit Report for the first time.</p> <p>Observation appearing in the Annexure to the Auditor's Report in respect of delay in payment of Entertainment tax dues has been continuously appearing in the Audit Reports for the years ended March 31, 2012 onwards.</p> <p>The Observation pertaining to "The accumulated losses of the Company being more than fifty percent of its net worth" has been continuously appearing in the Audit Reports for the years ended March 31, 2004 onwards.</p> <p>The Observation pertaining to "the funds raised on short-term basis being used for long-term investments" has been continuously appearing in the Audit Reports for the years ended March 31, 2011 onwards.</p>
5.	Signed by	
	a) Managing Director	 Jawahar Lal Goel Managing Director (DIN: 00076462) (Dish TV India Limited) Date: August 26, 2014 Place: Noida
	b) CFO	 Rajeev K. Dalmia Chief Financial Officer (Dish TV India Limited) Date: August 26, 2014 Place: Noida







	<p>c) Auditor of the Company</p>	<p><i>We draw reference to Note 2 in point 3 above whereby the comments in our report under the Companies (Auditor's Report) Order, 2003 have been included by the management in Form A instead of Form B</i></p>  <p>Kaushal Kishore Partner</p> <p>Membership No.: 090075 For B S R & Co. LLP Chartered Accountants Firm Registration No.: 101248W/W-100022 Date: August 26, 2014 Place: Gurgaon</p>
	<p>d) Audit Committee Chairman</p>	 <p>B D Narang Independent Director and Chairman - Audit Committee (DIN: 00038052) (Dish TV India Limited) Date: August 26, 2014 Place: Noida</p>

