

BOARD OF DIRECTORS

Subhash Chandra
Jawahar Lal Goel
B.D. Narang
Arun Duggal
Pritam Singh (Dr.)
Ashok Kurien
Eric L Zinterhofer
Lakshmi Chand
Mintoo Bhandari
Sanjay H Patel

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

Ranjit Singh

Company Secretary

M/s MGB & Co
Chartered Accountants

Auditors

ICICI Bank
Standard Chartered Bank
State Bank of India
Yes Bank
Bank of India
Central Bank of India
Dena Bank
IDBI Bank Ltd.
Union Bank of India

Bankers

Essel House
B-10, Lawrence Road,
Industrial Area, Delhi – 110035
Tel: +91-11-66088432/30
Fax: +91-11-27184863/27147627

Registered Office

FC – 19, Sector 16A,
Noida, UP – 2010301, India
Tel: +91-120-2599555/391
Fax: +91-120-4357078

Corporate Office

Website: www.dishtv.in



CHAIRMAN'S MESSAGE



Recovering strongly in 2009-2010 from the financial crisis, the Indian economy grew at a strong 7.4% pace in the fiscal year under review. This resilience demonstrates the underlying fundamental strength of the consumption driven Indian growth story.

Growth in private investments continue to lead the way to power India's GDP growth and expectations are that the economy will very soon return to the pre-crisis trajectory of 8.5% to 9% year on year growth which will help retain India's position as one of the fastest growing large economies of the world and also as one of the most preferred investment destinations globally.

As favorable economic fundamentals get transformed into better growth opportunities across sectors, media and distribution business are emerging as direct beneficiaries. With increasing penetration of TV and within those C&S households, the pay television distribution market is witnessing a momentous shift as the move from analog to digitally delivered content gathers rapid momentum. DTH television is leading this transformation with the overall market for DTH growing to more than 26 mn households representing around 24% of all cable and satellite homes in the country.

This momentum continues to be sustained and in the very near future India is poised to overtake the US to become the largest DTH market in the world. Your company continues to maintain and strengthen its strong leadership position in this dynamic market. During the year under review dishtv added more than 1.8 mn subscribers and reached a total of 6.9 million at the end of the fiscal year.

In spite of intense competitive pressure, dishtv managed to deliver not only an outstanding top-line growth wherein total revenues grew from Rs 7.4 bn in FY'09 to Rs 10.9 bn in FY'10 representing a growth of 47%, but also strong growth in Operating margins which grew from negative in FY'09 to 8.7% in FY'10.

This we have achieved by a constant focus on providing value to the consumer while managing our costs and investments with the highest degree of efficiency that is possible.

During the year your company continued to take several initiatives designed to serve our customers better. We continue to strive to increase our distribution reach to make our product easily accessible to millions of consumers all over the country. DishTV now has a network of over 2000 distributors and more than 40,000 retailers where our product is easily available to the consumers.

DishTV continues to lead the way in providing innovative offers which provide great value to the customer. During the year under review, DishTV launched several such offerings such as Recharge Free, Zyada Recharge Zyada Return, Diwali Bumper where Platinum pack was provided at the price of Silver for the festive period. Silver Saver and Gold Saver packs were launched which while providing extra value to the consumers improved the pack mix and ARPU's for the company. Your company continues to strive to bring the best content offerings to its consumers adding 19 channels during the year bringing the total channels and services offered on our platform to 265, making it the widest offering amongst all DTH platforms in India.

We continue to focus heavily on customer service and during the year expanded our service network to cover over 80 cities directly, and further improved our infrastructure to cover the remaining cities indirectly.

We further reinforced our leadership in the DTH marketplace through the launch of DishTV's High Definition offering Dish TruHD to coincide with the FIFA World Cup 2010. Dish TruHD is already available in over 100 top cities around the country and your company is powering the consumer shift to the best quality digital viewing experience that is available in the market today.

India's pay TV digital revolution is certainly upon us and in many ways the shift to digital DTH viewing is analogous to the momentous shift from landlines to wireless in the early part of this decade. This will throw up a myriad of opportunities, which your company is well placed to take advantage of from a position of strength and leadership. Competition has intensified, however this has only intensified our determination to lead through innovation and customer centricity, as we continue to build a world class company wholly committed to enhance value for all its stakeholders.

Subhash Chandra
Chairman

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DISH TV INDIA LIMITED

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

NOTICE

Notice is hereby given that the **22nd Annual General Meeting** of the Members of Dish TV India Limited will be held at Seven Seas, B-28, Ring Road, Lawrence Road, Industrial Area, Delhi -110 035 on Thursday, the 16th day of December, 2010, at 11:30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2010, the Profit & Loss Account for the Financial Year ended on that date on a stand-alone and consolidated basis and the Reports of the Auditors' and Board of Directors' thereon
2. To appoint a Director in place of Mr. Subhash Chandra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Eric Louis Zinterhofer, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company and in this connection to consider, and, if thought fit, to pass the following resolution, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s B S R & Co., Chartered Accountants, New Delhi, having Firm Registration No 101248W be and are hereby appointed as Statutory Auditors of the Company in place of M/s MGB & Co., Chartered Accountants, Delhi, the retiring auditors, to hold office from conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors."

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Mintoo Bhandari, Nominee of Apollo India Private Equity II (Mauritius) Limited, who was appointed by the Board of Directors of the Company as an Additional Non-Executive Director with effect from October 27, 2010 in accordance with Article 81 and 100 A of the Articles of Association of the Company be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Mr. Lakshmi Chand, who was appointed by the Board of Directors of the Company as an Additional Non-Executive Independent Director with effect from May 8, 2010 in accordance with Article 81 of the Articles of Association of the Company be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 314(1) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) read with the Directors' Relatives (Office or Place of Profit) Rules, 2003, the consent of the Company, be and is hereby accorded to the appointment of Mr. Gaurav Goel, relative of a Director, to hold an office or place of profit of or in M/s Integrated Subscriber Management Services Limited ("ISMSL"), a wholly owned subsidiary of the Company with effect from September 1, 2009 at a remuneration and terms & conditions as set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include the 'Remuneration Committee' of the Board) be and are hereby authorized to sanction him merit based increment(s), promotion, bonus / performance incentives and other benefits from time to time as per the policy of the Company, subject to the provision of Section 314(1) and other provisions of the Companies Act, 1956.

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

“RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions of the Companies Act, 1956 (Act) (including any statutory modification or enactment thereof, for the time being in force) and subject to all applicable laws and regulations including but not limited to, the Listing Agreements entered into with the Stock Exchanges where the shares of the Company are listed (including any amendment thereto or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (including any amendment thereto or re-enactment thereof for the time being in force) (“ICDR”), the provisions of Foreign Exchange Management Act, 1999 and Foreign Exchange Management (Transfer or issue of Security by a person Resident Outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, enabling provisions in the Memorandum and Articles of Association of the Company as also provisions of any other applicable rules, regulations, guidelines, or laws and / or subject to any approval (s), consent(s), permission(s) or sanction(s) of the Central Government, Reserve Bank of India (the “RBI”), the Foreign Investment Promotion Board (the “FIPB”), the Securities and Exchange Board of India (SEBI) and other appropriate authorities, institutions and bodies including but not limited to financial institutions and lenders, if required (hereinafter collectively referred to as “appropriate authorities”), and subject to such provisions as may be prescribed by any one of them while granting any such approval(s), consent(s), permission(s) and/or sanction(s), (herein referred to as the “requisite approvals”) which may be agreed to by the Board of Directors of the Company (hereinafter called the “Board” which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its power including the power conferred by this Resolution), the Board be and is hereby authorized to issue, offer and allot from time to time on such terms and conditions as may be decided and deemed appropriate by the Board in its absolute discretion at the time of issue or allotment, in one or more tranches, by way of Qualified Institutional Placement (‘QIP’) to Qualified Institutional Buyers (‘QIB’) in terms of Chapter VIII of the SEBI ICDR Regulations, 2009 through one or more placements of equity shares, non convertible debt instruments alongwith warrants and convertible securities other than warrants (“Eligible Securities”) or provided that the tenure of the convertible or exchangeable Eligible Securities issued through QIP shall not exceed 60 months from the date of allotment, to the Qualified Institutional Buyer (QIBs) on the basis of placement document(s), or by way of public issue, preferential issue or private placement/offerings in Indian and/or international market, further equity share/and/or global depository shares and/or global depository receipts and/or securities convertible into equity shares and/or American Depository Receipts and/or Foreign Currency Convertible Bonds representing equity shares and/or debenture or bonds convertible into equity shares whether fully or partly and whether compulsorily or at the option of the Company or at the option of the holders thereof and/or any security linked to equity shares and/or preferential shares whether cumulative/fully convertible, or non convertible debentures with warrants/ any other securities (other than warrants) which are convertible into or exchangeable with equity shares or all or any of the aforesaid securities (herein alongwith the Eligible Securities referred to as “Securities”), to eligible residents or non-resident/ foreign investors (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise)/ Foreign Institutional Investors/ Qualified Institutional Buyers/ Foreign Corporate Bodies/ Foreign Companies/ Mutual Funds/ Pension Funds/ Venture Capital Funds/ Banks/ Indian or of foreign origin and such other persons or entities, including the general public, whether or not such investors are Members of the Company, to all of any of them, jointly or severally to be subscribed in Indian and/ or Foreign Currency(ies) through prospectus, offering letter, circular, memorandum, and or through any other mode as may be deemed appropriate by the Board, at such time or times in one or more tranche or tranches, on such date as may be determined by the Board, at par or at such price or prices, and on such terms and conditions and in such manner as the Board may, in its absolute discretion determine in consultation with the lead manager, underwriters, merchant bankers, guarantors, financials and/or legal advisors, rating agencies/ advisors, depositories, custodians, principal paying/ transfer / conversion agents, listing agents, registrars, trustees, printers, auditors, stabilizing agents and/or other advisors or other intermediaries, without requiring any further approval or consent from the shareholders of the Company and subject to the applicable regulations /guidelines in force, provided however that the aggregate amount raised by the issue of aforesaid Securities including the Eligible Securities as above shall not exceed rupee equivalent of US\$ 200 Million (approximately Rs. 900 Crores at the current rate of exchange).

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid offer/issue of Securities may have all or any terms or combination of terms in accordance with the prevalent market conditions including but not limited to terms and conditions relating to payment of interest, dividend, premium or redemption at the option of the Company and/or the holders of the Securities including terms for offer/issue of additional equity shares or variation of the conversion price or

period of conversion of Securities in to equity shares or terms pertaining to voting rights or option(s) for early redemption of securities and the Board be and is hereby authorized to determine the form, terms, timing of the offer(s)/issue(s) including the class of investors, number of Securities to be issued and/or allotted in each tranche, offer/issue price, face value, premium amount on issue / conversion of Securities, redemption of Securities, rate of interest, redemption period, listing on one or more Stock Exchanges in India or overseas as the Board may in its absolute discretion deem fit and to make and accept any modifications in the proposal as may be required by the authorities and to do all acts, deeds, matters and things as may be necessary and to settle any questions or difficulties that may arise in regard to the said offer(s)/issue(s) of Securities.

RESOLVED FURTHER THAT in the event of issue of securities by way of Global Depository Shares (GDSs) and / or Global Depository Receipts (GDRs) and / or securities convertible into equity shares, and / or American Depository Receipts (ADRs) and / or Foreign Currency Convertible Bonds (FCCBs), preferential issue under the SEBI ICDR, the relevant date on the basis of which price of resultant shares shall be determined, shall be as specified under applicable law.

RESOLVED FURTHER THAT in the event of issue of Eligible Securities by way of a Qualified Institutional Placement ('QIP') in terms of Chapter VIII of the SEBI ICDR Regulations, 2009:

- i. the relevant date for determination of pricing under sub-clause (ii) of clause (c) of regulation 81, shall be, in case of allotment of equity shares to be issued by way of QIP issue shall be the date(s) of the meeting(s) in which the Board decides to open the proposed issue and in case of allotment of eligible convertible securities by way of QIP issue, either the date of the meeting(s) in which the Board decides to open the proposed issue of such convertible securities or the date on which the holder of the convertible securities become entitled to apply for the equity shares, as the case may be ("Relevant Date");
- ii. a minimum of 10% of the Eligible Securities issued pursuant to SEBI ICDR shall be allotted to mutual funds and if no mutual fund is agreeable to take up the minimum portion or any part thereof, then such minimum portion or part thereof may be allotted to other QIBs;
- iii. the equity shares to be offered and allotted to the QIBs shall be in dematerialized form;
- iv. the QIP issue shall be completed within 12 months from the date of this Annual General Meeting;
- v. the Equity Shares so issued shall rank *pari passu* with the existing Equity Shares of the Company in all respects;
- vi. the Eligible Securities offered under Chapter VIII of the SEBI ICDR Regulations, 2009, shall not be sold by the allottee for a period of one year from the date of allotment, except on a recognized stock exchange.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph above or as may be necessary in accordance with the terms of the offering, all such shares being *pari passu* with the then existing shares of the Company in all respects as may be provided under the terms of the issue and in offering document.

RESOLVED FURTHER THAT such of these Securities to the issue as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion thinks fit in accordance with the provisions of law.

RESOLVED FURTHER THAT the issue to the holders of the Securities with equity shares underlying such Securities shall be *inter alia*, subject to suitable adjustment in the number of shares, the price and the time period etc. in the event of any change in the equity capital structure of the Company consequent upon any merger, amalgamation, takeover or any other re-organization or restructuring in the Company.

RESOLVED FURTHER THAT the Board and / or any entity, agency or body authorised and / or appointed by the Board may, upon issue of such Securities, issue depository receipts, share certificates, foreign currency convertible bonds and/or other form of securities representing the underlying Securities issued by the Company in negotiable registered or bearer form with such features and attributes as are prevalent in Indian and/or International capital markets for instruments of this nature and to provide for the tradability and free transferability thereof as per Indian and/or International practices and regulations in or under such form and practices as may be prevalent in the Indian and/or International market.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities or instruments representing the same, as described in paragraph above, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion, deem necessary or desirable for such person,

the determination of the terms thereof, including without limitation the entering into of underwriting, marketing and institution/ trustee/agents and similar agreements/ with merchant banker(s), book runner(s), lead manager(s), co-lead manager(s), manager(s), advisor(s), underwriter(s), guarantor(s), depository/(ies), custodian(s), trustee(s), stabilization agent(s) and all such agencies as may be involved or for managing, underwriting, marketing, listing thereof with any of the international / domestic stock exchange(s) and trading, to issue placement documents and to sign all deeds, documents and writing and to remunerate the managers, underwriters and all other agencies/intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offering of Securities, with power on behalf of the Company to settle any question, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize and approve the offering circular/ placement document for the proposed issue of the Securities and to authorize any director or directors of the Company or any other officer or officers of the Company to sign the above documents for and on behalf of the Company together with the authority to amend, vary or modify the same as such authorized person may consider necessary, desirable or expedient and for the purpose of aforesaid to give such declarations, affidavits, certificates, consents and/or authorities as may, in the opinion of such authorized persons(s), be required from time to time, and to arrange for the submissions of the offering circular/ placement document, and any amendments and supplements thereto, with any applicable stock exchange(s) (whether in India or abroad), government and regulatory authority, institution or bodies, as may be required.

RESOLVED FURTHER THAT the Company do apply for listing of the new Equity Shares as may be issued with the National Stock Exchange of India Limited and Bombay Stock Exchange Limited or any other Stock Exchange(s).

RESOLVED FURTHER THAT the Company do apply to the National Securities Depository Limited and/or Central Depository Services (India) Limited for admission of the above said Equity Shares to be allotted on QIP basis.

RESOLVED FURTHER THAT the Board be and is hereby authorized, if required to create necessary securities on such of the assets and properties (whether present or future) of the Company in respect of facilities obtained as above and to approve, accept, finalize and execute facilities, sanctions, undertakings, agreements, promissory notes, credit limits and any of the documents and papers in connection with availing of the above facilities.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized on behalf of the Company to agree to and make and accept such conditions, modifications and alterations stipulated by any of the relevant authorities while according approvals, consents or permissions to the issue as may be considered necessary proper and expedient and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing, depository, custodian and trustee arrangements and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue(s)/ offer(s) or allotment(s) or otherwise and utilizations of issue proceeds and/or otherwise to alter or modify the terms of issue, if any, as it may in its absolute discretion deem fit and proper without being required to seek any further consents or approval of the Company to the end and intent and the Company shall be deemed to have given its approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s)/Authorized Representative(s) of the Company to give effect to the aforesaid resolution”.

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

“RESOLVED THAT in supersession of the previous resolution passed in this regard, consent of the Company be and is hereby accorded pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to mortgage, hypothecate and/or charge all or any part of the immovable and/or movable properties/assets of the Company, wherever situate, both present and future, whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge on all or any immovable properties of the Company and the whole of the undertaking of Company together with power to take over the management of the business and concern of the Company in certain events to or conferring power to enter upon and to take possession of the assets of the Company in certain events or to secure, if necessary, all or any of the above Securities or entire or any part of the Securities together with interest, costs, charges and other amounts payable in respect thereof, to be issued by the creation of mortgage and / or charge on all or any of the Company’s immovable and / or movable assets, both present

and future, in such form and manner with such ranking and on such terms as may be deemed fit and appropriate by the Board or in favour of any Bank(s), Financial Institution(s), Company(ies) or other Organisations or Institutions or Trustees or Debenture Trustees or in respect of the Securities to be issued, offered or allotted either on *pari passu* basis or otherwise or in the borrowing of loans as Board may in its absolute discretion deem fit or in order to secure the loans (excluding temporary loans obtained from the Company's Bankers in the ordinary course of business) advanced/to be advanced by lending agencies to the Company together with interest at the respective agreed rates, compound/additional interest, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said borrowings.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things and to execute such deeds, documents or writings as are necessary or expedient, on behalf of the Company for creating the aforesaid mortgages and/or charges as it may in its absolute discretion deem necessary or expedient for such purpose and for giving effect to the above resolution."

By order of the Board

Place : Noida
Date : November 15, 2010

Ranjit Singh
Company Secretary

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

NOTES:

1. **A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company.**
Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.
2. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.
3. Members / Proxies should fill-in the attendance slip for attending the Meeting and bring their attendance slip alongwith their copy of the Annual Report to the Meeting.
4. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special Businesses to be transacted at the Annual General Meeting is annexed.
5. Brief details of all Directors including those proposed to be appointed or re-appointed, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report of Corporate Governance, forming part of the Annual Report.
6. Members/Proxies should bring their Attendance Slips along with copy of the Annual Report to the meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
8. Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.
9. Queries on accounts and operations of the Company, if any, may be sent to the Company Secretary seven days in advance of the meeting so as to enable the Management to keep the information ready at the meeting.
10. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 2 P.M. to 4 P.M. upto the date of the Annual General Meeting.
11. Members holding equity shares in physical form are requested to notify the change of address, if any, to the Company's Registrar and Share Transfer Agent, Sharepro Services (India) Pvt. Ltd., 13AB, Samhita Warehousing Complex, Second

Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072, India. Members holding equity shares in dematerialized form are requested to notify change of their address / Bank account details with their Depository Participants.

12. The Securities and 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 the PAN to their Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent or the Company.
13. Under Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No.2B in duplicate (which will be made available on request) to M/s. Sharepro Services (India) Pvt. Ltd.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 4

M/s. MGB & Co. Chartered Accountants, Delhi, the Statutory Auditors of the Company retiring at the conclusion of this Annual General Meeting have expressed their unwillingness to be re-appointed as the Statutory Auditors of the Company. In view of the same, based on the recommendation of the Audit Committee, the Board at its meeting held on November 15, 2010 proposed the appointment of M/s. BSR & Co. Chartered Accountants, New Delhi, having Firm Registration number 101248W which holds Peer Review certification from the Institute of Chartered Accountants of India, as the Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting. The Company has received confirmation from M/s. BSR & Co. Chartered Accountants, New Delhi, to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956. Accordingly, the appointment of M/s BSR & Co. Chartered Accountants, New Delhi, is being proposed and recommended as an Ordinary Resolution with Special Notice. None of the Directors of the Company are interested in this resolution.

Your Directors recommend the Ordinary Resolution for the approval of the members.

ITEM NO. 5

As the members are aware, in pursuance of issue of GDRs to Apollo India Private Equity II (Mauritius) Limited, the Articles of Association was amended in September 2010 giving the right of appointment of a Nominee Director to M/s. Apollo India Private Equity II (Mauritius) Limited. Exercising the said right, M/s Apollo India Private Equity II (Mauritius) Limited have nominated Mr. Mintoo Bhandari as its Nominee to the Board of the Company, liable to retire by rotation. Your Board had taken on record the said nomination and appointed Mr. Mintoo Bhandari as an Additional Non-Executive Director with effect from October 27, 2010 in terms of Section 260 of the Companies Act, 1956 ("the Act") and the provisions of Articles of Association of the Company.

As an Additional Director, Mr. Bhandari vacates his office at this Annual General Meeting. Due notice under Section 257 of the Act has been received from a Member proposing Mr. Bhandari's appointment as Director of the Company. Mr. Bhandari has filed requisite consent to act as a Director, if appointed.

Mr. Mintoo Bhandari does not hold any shares in the Company.

None of the Directors of the Company, except Mr Mintoo Bhandari is interested in the Resolution.

Your Directors recommend the Ordinary Resolution for the approval of the members.

ITEM NO. 6

Mr. Lakshmi Chand was appointed as an Additional Non-Executive Independent Director on the Board of the Company with effect from May 8, 2010 in terms of Section 260 of the Companies Act, 1956 ("the Act") and Articles of Association of the Company.

As per the terms of the Act, Mr. Lakshmi Chand vacates his office at this Annual General Meeting. Due notice under Section 257 of the Act has been received from a Member proposing Mr. Lakshmi Chand's appointment as Director of the Company. Mr. Lakshmi Chand, has filed requisite consent to act as a Director, if appointed.

Mr. Lakshmi Chand does not hold any shares in the Company.

None of the Directors of the Company, except Mr. Lakshmi Chand is interested in the Resolution.

Your Directors recommend the Ordinary Resolution for the approval of the members.

ITEM NO. 7

The Board of Directors at its meeting held on October 27, 2009 had approved and ratified the appointment of Mr. Gaurav Goel, son of Mr. Jawahar Lal Goel, the Managing Director of the Company as the Vice President – Service in Intergrated Subscriber Management Services Limited (ISMSL), a wholly owned subsidiary of the Company, with effect from September 1, 2009. The remuneration of Mr. Gaurav Goel as approved effective September 01, 2009 is mentioned in the below table. Further the Board also approved that like any other employee, Mr. Gaurav Goel shall also be entitled to merit-based increments, incentives, promotions, etc., as per the policy of the Company.

In accordance with the approval of the Board and in terms of the Company policy on merit based increments and incentives, the remuneration of Mr. Goel has been revised with effect from April 01, 2010 which is also mentioned below.

Particulars	VP – Service (w.e.f 01.09.2009) (Rs. per month)	VP – Service (w.e.f 01.04.2010) (Rs. per month)
Basic Salary	59,375	82,917
House Rent Allowance	29,688	41,459
Personal Allowance	12,674	17,765
Medical Reimbursement	1,250	1,250
Leave Travel Allowance	5,938	8,292
Contribution to Provident Fund	7,125	9,950
Car Allowance	14,500	14,500
Fuel Reimbursement	10,000	16,000
Driver Salary	4,000	8,000
Uniform Allowance	2,500	4,000
Residence Telephone Reimbursement	1,500	1,500
Car Maintenance Reimbursement	1,250	2,500
Children Education Allowance	200	200
Total	150,000	208,333

Mr. Goel is a graduate of Business Administration with specialization in finance and marketing. Mr. Goel has a rich experience of over seven years in the media industry. He has developed the ability to innovate business processes to fit the business needs. He was Head of Business for a new venture of opening sports bars across the country. He is actively involved in ensuring constant upgrade of service to Dish TV subscribers.

Mr. Gaurav Goel, being related to Mr. Subhash Chandra and Mr. Jawahar Lal Goel, approval of the Members is being sought by way of Special Resolution for the above appointment(s) and increase in remuneration pursuant to the provisions of Section 314(1) of the Companies Act, 1956.

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

Your Directors recommend the Special Resolution as set out in item no. 7 for the approval of the members.

ITEM NO. 8

As the Members are aware, Direct-to-Home (DTH) business, which is the main business of your Company, is highly capital intensive requiring huge financial resources from time to time. Your Board has been meeting these requirements through borrowings from Banks/Financial Institutions, Rights Issue proceeds and GDR proceeds.

Considering the funding needs and current market conditions, in order to augment the resources available to the Company, it is also proposed to offer, issue and allot, from time to time on such terms and conditions as may be decided and deemed appropriate by the Board in its absolute discretion at the time of issue or allotment, in one or more tranches, by way of Qualified Institutional Placement ('QIP') to Qualified Institutional Buyers ('QIB') in terms of Chapter VIII of the SEBI ICDR Regulations, 2009 through one or more placements of equity shares, non convertible debt instruments alongwith warrants and convertible securities other than warrants into or exchangeable with equity shares at a later date ("Eligible Securities") or provided that the tenure of

the convertible or exchangeable Eligible Securities issued through QIP shall exceed 60 months from the date of allotment, to the Qualified Institutional Buyer (QIBs) on the basis of placement document(s), or by way of public issue, preferential issue or private placement/offerings in Indian and/or International market, further equity share and/or Global Depository Shares and/or Global Depository Receipts and/or Securities convertible into equity shares and/or American Depository Receipts and/or Foreign Currency Convertible Bonds representing equity shares and/or debenture or bonds convertible into equity shares whether fully or partly and whether compulsorily or at the option of the Company or at the option of the holders thereof and/or any security linked to equity shares and/or preferential shares whether cumulative/fully convertible, or non-convertible debentures with warrants/ any other securities (other than warrants) which are convertible into or exchangeable with equity shares or all or any of the aforesaid securities (herein alongwith the Eligible Securities referred to as "Securities") to eligible residents or non-resident/ foreign investors (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise)/ Foreign Institutional Investors/ Qualified Institutional Buyers/ Foreign Corporate Bodies/ Foreign Companies/ Mutual Funds/ Pension Funds/ Venture Capital Funds/ Banks/ Indian or of foreign origin and such other persons or entities, including the general public, whether or not such investors are Members of the Company, to all of any of them, jointly or severally to be subscribed in Indian and/ or Foreign Currency (ies) through prospectus, offering letter, circular, memorandum, and/or through any other mode as may be deemed appropriate by the Board, at such time or times in one or more tranche or tranches, on such date as may be determined by the Board, at par or at such price or prices, and on such terms and conditions and in such manner as the Board may, in its absolute discretion determine in consultation with the lead manager, underwriters, merchant bankers, guarantors, financials and/ or legal advisors, rating agencies/ advisors, depositories, custodians, principal paying/ transfer / conversion agents, listing agents, registrars, trustees, printers, auditors, stabilizing agents and/or other advisors or other intermediaries, without requiring any further approval or consent from the shareholders of the Company and subject to the applicable regulations /guidelines in force, provided however that the aggregate amount raised by the issue of aforesaid Securities including the Eligible Securities as above shall not exceed rupee equivalent of US\$ 200 Million (approximately Rs. 900 Crores at the current rate of exchange), as set out in the Resolution at item No. 8.

The funds to be raised from the issue will be primarily used for [Direct-to-Home (DTH) business, which is the main business of your Company] and for other corporate requirements subject to end-use restrictions, if any, under the applicable / appropriate guidelines / regulations in relation to the Securities issued.

The exact proportion and size and timing of the issue of Securities will be decided by the Board based on the advice of merchant/ investment bankers, book runners and/or lead manager(s) and/or underwriter(s) and/or advisor(s) and/or trustee(s) and/or such other person(s).

In case of issue of Eligible Securities by way of a Qualified Institutional Placement ('QIP') in terms of Chapter VIII of the SEBI ICDR Regulations, 2009, the relevant date for determination of pricing, in case of allotment of equity shares to be issued by way of QIP issue shall be the date(s) of the meeting(s) in which the Board decides to open the proposed issue and in case of allotment of eligible convertible securities by way of QIP issue, either the date of the meeting(s) in which the Board decides to open the proposed issue of such convertible securities or the date on which the holder of the convertible securities become entitled to apply for the equity shares, as the case may be.

Upon your approval, the Board may, in tranches within a period of one year from the date of shareholder approval, issue and allot the Securities/Eligible Securities.

The said offer, issue and allotment of the said Securities by the Board shall be subject to compliance of applicable provisions / permissions / approvals / consents, as may be required in this regard. For reasons aforesaid an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the offer, issue and allotment.

Section 81 of the Companies Act, 1956 provides, *inter alia*, that where it is proposed to increase the subscribed share capital of the Company by issue and allotment of securities, such securities shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company, in proportion to the capital paid-up on those shares as of that date unless the shareholders in a general meeting decide otherwise. The Listing Agreements executed by the Company with the various stock exchanges also provide that the Company shall issue or offer in the first instance all securities to the existing equity shareholders of the Company unless the shareholders in a general meeting decide otherwise. In terms of the requirements of Section 81(1A) of the Companies Act, 1956, the said offer and issue of securities would require your consent and approval. The Special Resolution seeks the consent and authorization of the Members to the Board of Directors to make the proposed issue of Securities, in consultation with the Lead Managers, Legal Advisors and other intermediaries and in the event it is decided to issue Securities convertible into equity shares, to issue to the holders of such convertible Securities in such manner and such number of equity

shares on conversion as may be required to be issued in accordance with the terms of the issue, keeping in view the then prevailing market conditions and in accordance with the applicable provisions of rules, regulations or guidelines.

These Special Resolutions give adequate flexibility and discretion to the Board to finalise the nature of security, terms of the issue, in consultation with the merchant / investment bankers, book runners and/or lead manager(s) and/or underwriter(s) and/or advisor(s) and/or trustee(s) and/or such other person(s) as need to be consulted including in relation to the pricing of the issue.

As the members are aware, in pursuance of issue of GDRs to Apollo India Private Equity II (Mauritius) Limited, the Articles of Association of the Company was amended in September 2010. The offer, issue and allotment of the Securities shall be subject to conditions laid down in the Article 100A of the Articles of Association of the Company.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution, except to the extent of their shareholding, if any.

Your Directors recommend the Special Resolution as set out at item No. 8 for the approval of the members.

ITEM NO. 9

Section 293(1)(a) of the Companies Act, 1956, provides, *inter alia*, that the Board of Directors of a public company shall not, without the consent of such public company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking. Since the mortgaging by the Company of its immovable and movable properties as aforesaid may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956, for creation of the said mortgage / charge.

Further, the Securities issued pursuant to the offer may, if necessary, be secured by way of mortgage/hypothecation on the Company's assets as may be finalized by the Board of Directors in consultation with the Security Holders/Trustees in favour of Security Holders/Trustees for the holders of the said securities. As the documents to be executed between the security holders/trustees for the holders of the said securities and the Company may contain the power to take over the assets or undertaking or management of the Company in certain events, enabling approval is also sought under Section 293(1)(a) of the Companies Act, 1956. Hence the resolution under Section 293(1)(a) of the Companies Act, 1956.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution, except to the extent of their shareholding, if any.

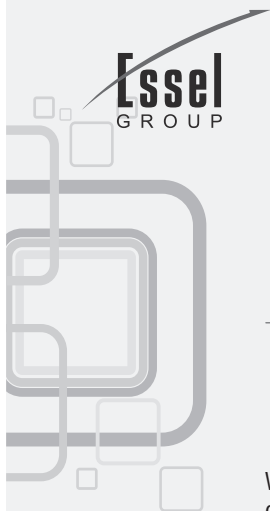
Your Directors recommend the Special Resolution as set out at item No. 9 for the approval of the members.

By order of the Board

Place: Noida
Date : November 15, 2010

Ranjit Singh
Company Secretary

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



CERTIFICATION PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT

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

- a. We have reviewed financial statements and the cash flow statement of the Company for the year ended March 31, 2010 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, 2010 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;
 - there have not been any significant changes in accounting policies ; and
 - there have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

Jawahar Lal Goel
Managing Director

Rajeev K Dalmia
Chief Financial Officer

Place: Noida
Date: November 15, 2010

Directors' Report

To the Members,

Your Directors are delighted to present the Twenty Second Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended March 31, 2010.

FINANCIAL RESULTS

The Financial Performance of your Company for the year ended March 31, 2010 is summarized below:

Particulars	(Rs./Thousand)	
	Year ended March 31, 2010	Year ended March 31, 2009
Sales & Services	10,847,945	7,376,945
Other Income	53,128	12,721
Total Income	10,901,073	7,389,666
Total Expenses	13,522,579	12,145,168
Profit/(Loss) before Tax	(2,621,506)	(4,755,502)
Provision for Taxation (net)	(181)	7,272
Profit/(Loss) after Tax	(2,621,325)	(4,762,774)
Profit/(Loss) for the Year	(2,621,325)	(4,762,774)
Add: Balance brought forward	(11,416,191)	(6,650,861)
Amount available for appropriations	(14,037,516)	(11,416,191)
Appropriations :		
Dividend	Nil	Nil
Tax on Dividend	Nil	Nil
General Reserve	Nil	Nil
Balance Carried Forward	(14,037,516)	(11,416,191)

BUSINESS OVERVIEW

The year gone by witnessed stiff competition and aggressive marketing initiatives from 6 players in the market. Despite that dishtv continues to be sitting strong in the No 1 position. This has been possible because of the brand's foresight in maintaining a leadership stance through a series of initiatives involving technology, customer service and acquisition drive. Our main focus has been on the expansion of sales and distribution outlets to Tier II and Tier III cities for better penetration and reach of our products, this called for the service network to be widened beyond the boundaries of top cities. The service franchisee / service outlets and service partners were strengthened, not only in numbers but also in terms of infrastructure to be at the customers beck and call. The DTH category grew by more than 20% on year-on-year basis and the numbers came from across the country. To facilitate recharge payments various new modes of payment were introduced, the latest being the 'Home Pick' service where the subscriber just needs to send a sms and dishtv collects the recharge payment from the subscribers doorstep. The response to this service

has been quite encouraging and our continuous effort would be to simplify subscribers' 'Dish TV' experience by delighting them through new methods of payment.

The Company launched a major repositioning campaign to move into the emotional space. The rationale of dishtv being a reason for the family to bond together was beautifully captured in the new positioning "Ghar Aayi Zindagi". The campaign was aimed at making the existing subscribers the goodwill ambassadors. The new energized space of the brand was complemented with a new and progressive logo.

Various recharge schemes incentivising the long term payment by the subscribers was introduced and the result was encouraging. This has given rise to decrease in churn and intermediate deactivation. Some of the successful schemes were ZR – ZR, Pay Term Offer and Extra Khushi Offer.

The content offering has been designed keeping the customers needs in mind. They are made flexible for customers to pick their own channels as per their likings and choices. This has provided a competitive edge to dishtv in terms of price, number of channels and composition of packaging tiers which is a huge advantage to subscribers spread all across the country. Some game changing acquisition offers were launched which included 'Diwali Bonanza' and 'Box Free offer' which resulted in high customer acquisition because it stood out, leading to greater acceptability of the product in the market.

During the year under review, dishtv added another feather in its cap when it was presented with the "Special Award" for its Interactive Service awarded at the AFDESI International iTV Awards ceremony in Cannes, France held during MIPCOM. Four of our interactive services (ICICI Active, Monster Jobs Active, Shaadi Active & Travel Active) were nominated for the International iTV Award. Dishtv was the only Indian Company to win this special award for the first time for its coveted role in the interactive television industry. This award recognizes our technological prowess and elevates the value of our services to stand out as a differentiated brand. The brand power of dishtv kept on increasing and was awarded the Power Brand status.

With the entry of 'Hi-definition', Dishtv stood ahead of the curve and launched DISH TRU HD. The launch of Dish TRU HD was done in partnership with Zee (leader in GEC) for the HD content of Zee Cinema and ESPN for the FIFA World Cup 2010 in HD format which was the first time Indian subscribers were privy to. Customers watched and enjoyed a wide array of genres with crystal clear picture quality and stereophonic sound. This heralded a new paradigm in the DTH industry and dishtv successfully managed to provide high quality entertainment to it's subscribers.

During the fourth quarter dishtv achieved EBIDTA positive for the first time and the same is being continued thereafter. The revenue grew by more than 40% in line with the expectation.

However, the desired impact of the increased revenue did not reflect in ARPU due to higher number of activations and offering of free / subsidized content for the initial period of 3-6 months.

The Focus of the Company continued towards reduction of operational expenses, establishment of robust service network, strengthening brand equity, revamping existing packages, creating unique packages, maintaining market leadership, strengthen it's financials and providing consumer delight.

Dish TV was granted the Head-end-in-the-Sky (HITS) License. The commercial launch of HITS services was done in the early part of 2009. However, in view of the prevailing regulatory position, the HITS License has been surrendered and the HITS operations have been discontinued.

SUBSIDIARY OPERATIONS

Your Company has three subsidiaries viz. Integrated Subscriber Management Services Limited (ISMSL), Agrani Satellite Services Limited (ASSL) and Agrani Convergence Limited (ACL).

Your Company has been granted exemption by the Ministry of Corporate Affairs, Government of India, vide its letter No. 47/116/2010-CL-III dated March 18, 2010, from the requirement of attaching Annual Reports of the Subsidiary Companies to the Annual Report of the Company for the financial year ended March 31, 2010. Accordingly, as provided in the said approval, the annual accounts of the subsidiaries of the Company for year ended March 31, 2010 are not being attached with the Annual Report of the Company and certain financial highlights of these subsidiaries are disclosed in the Annual Report. Statement pursuant to Section 212 of the Companies Act 1956 relating to the subsidiaries of the Company is attached to this report. The annual accounts of the subsidiary companies and related detailed information will be available for inspection by any Member of the Company or that of the subsidiary companies. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

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

COPORATE RESTRUCTURING

In terms of the Composite Scheme of Amalgamation and Arrangement between the Company, Agrani Satellite Services Limited (ASSL) (wholly owned subsidiary of the Company), Integrated Subscriber Management Services Limited (ISMSL) (wholly owned subsidiary of the Company), it is proposed to demerge the Non DTH business of the Company into ISMSL,

followed by merger of ASSL with ISMSL with effect from March 31, 2010 being the appointed date. The said scheme was approved by your Directors in order to simplify the group structure and improve cost efficiency.

The Company has filed an application with the Hon'ble High Court of Delhi. The application was duly admitted by the Hon'ble High Court of Delhi vide its order dated October 08, 2010. The final approval of the scheme is awaited and hence the Scheme is not been made effective.

In view of the above stated impending Scheme of Amalgamation and Arrangement, your Company had applied for and obtained the approval from the Ministry of Corporate Affairs, Office of the Registrar of Companies vide letter dated July 30, 2010 for holding the Annual General Meeting of the Company for the Financial Year 2009 – 10 by December 31, 2010.

SHARE CAPITAL

During the year, your Company issued and allotted 12,080 fully paid equity shares upon exercise of Stock Options under ESOP Scheme – 2007 of the Company on December 10, 2009.

During the year, your Company issued and allotted 117,035,000 fully paid equity shares of Re.1 each underlying Global Depository Receipts ("GDRs") on November 30, 2009.

Your Company had come up with Rights Issue of 51,81,49,592 equity shares of Re. 1/- each, issued at Rs. 22/- per share (including premium of Rs. 21/- per share), payable in three installments i.e. Rs. 6/- (including Re. 0.50/- towards capital) on application, Rs. 8/- (including Re. 0.25/- towards capital) on first call and balance Rs. 8/- (including Re. 0.25/- towards capital) on second call. The issue opened on December 12, 2008 and closed on January 9, 2009. The partly paid shares were allotted on January 19, 2009. The Company made the first call on June 18, 2009 and Second call on January 22, 2010. Upon receipt of valid first and second call money, the respective shares are converted from Rs.0.50 paid up to Rs.0.75 paid up and from Rs. 0.75 paid up to Rs. 1 paid up respectively.

Pursuant to the issue of further shares under ESOP and GDR offering and subsequent to conversion of partly paid shares, the paid up capital of your Company during the year has increased from Rs. 687,297,599 comprising of 428,222,803 equity shares of Re. 1 each, fully paid up and 518,149,592 equity shares of Re. 1 each, paid up Re.0.50 per share to Rs. 1062,070,492 comprising of 1059,006,947 equity shares of Re. 1 each, fully paid up, 3,429,124 equity shares of Re. 1 each, paid up Re.0.75 per share and 983,404 equity shares of Re. 1 each, paid up Re.0.50 per share.

The fully paid up equity shares issued pursuant to ESOP, against underlying GDRs and upon conversion from partly to fully paid up equity shares pursuant to Rights issue, are listed

at the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE).

RIGHT ISSUE OF SHARES & UTILISATION OF PROCEEDS THEREOF

Out of the total Right Issue size of Rs. 113,992.91 Lakhs, the Company has received a sum of Rs. 113,561.23 Lakhs towards the Share application and call money from the aforesaid Issue of Shares on Rights basis.

As per the disclosure requirements, the utilization of Rights Issue proceeds are placed before the Audit Committee on quarterly basis. Further, the Company also provides the details of the utilization of Rights Issue proceeds to the Monitoring Agency and inform Stock Exchanges, in case of any deviation from the stated purpose.

The manner of utilization of Rights Issue proceeds as per the letter of offer dated November 26, 2008 was as follows:

Particular	Amount (Rs. In Lacs)
Acquisition of consumer premises equipments	79,012.00
Repayment of loans	30,000.00
General corporate purposes	4,109.91
Issue expenses	871.00
Total	113,992.91

In view of the DTH market becoming very competitive and the business dynamics being required to be revisited and made market friendly to achieve the desired level of market share, improved service quality and customer loyalty, the Board at its meeting held on May 28, 2009 approved to make change in the manner of usage of right issue proceeds as hereunder:

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

On Mar 25, 2010 the Board took the note of utilization of funds upto December 31, 2009 raised through Rights issue as under:

Particular	Amount (Rs. In Lacs)
Acquisition of Consumer Premises Equipment (CPE) including leased CPE	15,592.50
Repayment of Loans	28,421.44
Repayment of Loans received after launch of Rights Issue	24,300.00
General Corporate Purpose / Operational Expenses	3,592.18
Issue Expenses	544.52
Total	72,450.64

The manner of utilisation of rights issue proceeds as on March 31, 2010, is as under:

Particulars	Amount (Rs. In Lacs)
Repayment of loans	28,421.44
Repayment of loans received after launch of the Rights Issue	24,300.00
General Corporate Purpose/Operation Expenses	8,798.84
Acquisition of Consumer Premises Equipment (CPE) including leased CPE	18,396.44
Issue Expenses	544.52
Total	80,461.24

The Monitoring Report for periods July - December 2009 and January - June 2010, containing the deviation from the original proposed expenditure plan and in accordance with the revised plan was recorded by the Audit Committee and the Board at their meetings and necessary compliance in this regard have been carried out.

DELISTING OF EQUITY SHARES FROM CALCUTTA STOCK EXCHANGE

The Equity shares of your Company are currently listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). During the year under review, the equity shares of your Company were also listed on the Calcutta Stock Exchange Association Limited (CSE). Since the trading volume of Company's share on CSE was insignificant and the Company's securities are available for trading at BSE & NSE, who have extensive network of nation wide trading terminals, your Board had proposed for delisting of Company's Equity Shares from the Calcutta Stock Exchange Association Limited. The delisting of equity shares was also approved by the members at the previous Annual General Meeting held on August 28, 2009.

Upon the approval of the Board and the members of the Company for delisting of equity shares of the Company from CSE, an application towards the same was made to CSE and the approval for delisting of equity shares of the Company from CSE was obtained from CSE with effect from November 14, 2009 vide CSE letter dated December 7, 2009.

GLOBAL DEPOSITORY RECEIPT

Pursuant to the requisite approvals and in accordance with applicable regulations 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 November 23, 2009 at a price of US \$ 854.50 per GDR, each GDR representing 1000 fully paid equity shares of the Company.

The pricing of the GDR as per the pricing formula prescribed under Clause 5 (4) (D) of the Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Mechanism) Scheme, 1993, as amended, was Rs. 39.80 per equity share and the relevant date for this purpose was November 23, 2009.

Upon opening, the GDR issue was fully subscribed by Apollo India Private Equity II (Mauritius) Limited and the Company received USD 100,006,407.50 towards the subscription money. Upon receipt of the subscription money, the Issue Committee of the Board, at its meeting held on November 30, 2009, issued and allotted 117,035,000 fully paid equity shares @ Rs. 39.80 per share to Deutsche Bank Trust Company Americas (being the depository) to be held by ICICI Bank Limited as the domestic custodian to the order of Deutsche Bank Trust Company Americas, underlying the Global Depository Receipt issued to Apollo India Private Equity II (Mauritius) Limited. The GDR's are listed at the Luxembourg Stock Exchange.

The manner of utilisation of GDR proceeds as on March 31, 2010, is as under:

Particulars	Amount in Rs.
Acquisition of Fixed Assets includes Customer Premises Equipments	365,388,429
GDR Issue Expenses	34,462,652
Advance Against Share Application Money given to Subsidiaries	5,613,736
Repayment of Bank Loan	75,522,000
Operational Expenses including interest payments, Bank Charges and Exchange Fluctuations	1,692,321,248
Total (A)	2,173,308,065
Unutilized amount lying with:	
Increase in FDR and Margin Money	70,017,000

Particulars	Amount in Rs.
Investment in Mutual Fund	250,000,000
Balance with Non-Scheduled Banks*	2,165,121,835
Total unutilized balance as on 31 March 2010 (B)	2,485,138,835
Total (A+B)	4,658,446,900

*After adjustment for unrealized exchange loss of Rs. 69,369,904

EMPLOYEE STOCK OPTION SCHEME

During the year under review, your Company allotted 12,080 equity shares upon exercise of the stock options by eligible employee under the Employee Stock Option Scheme (ESOP – 2007). Applicable disclosures relating to Employees Stock Options as at March 31, 2010, pursuant to Clause 12 (Disclosure in the Directors' Report) of the SEBI (Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines, 1999 are given as 'Annexure A' to this Report.

A certificate, as prescribed under Clause 14 of the said Guidelines, obtained from Statutory Auditors with respect to implementation of the Company's Employee Stock Option Scheme shall be available for inspection at the Annual General Meeting and a copy of the same shall be available for inspection at the registered office of the Company.

GROUP

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

PUBLIC DEPOSITS

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

CORPORATE GOVERNANCE

Your Company is committed towards achieving the highest standard of Corporate Governance. The Directors and the Management of your Company ensure compliance of the Corporate Governance requirements set out under the Listing Agreement with the Stock Exchanges.

A detailed report on Corporate Governance pursuant to the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges together with Auditors' Certificate confirming compliance is attached to this Annual Report as also a Management Discussion and Analysis statement.

CORPORATE SOCIAL RESPONSIBILITY

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

DIRECTORS

Your Company had appointed Mr. Lakshmi Chand as an Additional Director in the category of Independent Director with effect from May 8, 2010. Further, in terms of the Articles of Association of the Company, the Board at its meeting held on October 26, 2010, has appointed Mr. Mintoo Bhandari as a Nominee Director of Apollo India Private Equity II (Mauritius) Limited with effect from October 27, 2010. Mr. Lakshmi Chand and Mr. Mintoo Bhandari shall vacate the office of Director at the ensuing Annual General Meeting and have filed requisite consent to act as a Director of the Company. Notice has been received from Members of the Company under Section 257 of the Companies Act, 1956 for the appointment of Mr. Lakshmi Chand and Mr. Mintoo Bhandari as Directors of the Company. Appropriate resolution seeking your approval to the appointment of Mr. Lakshmi Chand and Mr. Mintoo Bhandari is appearing in the Notice convening the 22nd Annual General Meeting of the Company.

Mr. Subhash Chandra and Mr. Eric Louis Zinterhofer, Directors, retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, have offered themselves for the re-appointment. Your Board has recommended their re-appointment.

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

AUDITORS

The Statutory Auditors M/s MGB & Co., Chartered Accountants, Delhi, hold office until the conclusion of the ensuing Annual General Meeting. M/s MGB & Co. Chartered Accountants, Delhi, has expressed unwillingness to continue to hold the office of Statutory Auditor after the conclusion of the ensuing Annual General Meeting. The Directors place on record deep appreciation for the assistance and guidance extended by M/s MGB & Co., Chartered Accountants, Delhi, during their tenure as Statutory Auditors of the Company.

On recommendation of the Audit Committee, the Board at its meeting held on November 15, 2010 proposed the name of BSR & Co., Chartered Accountants, Delhi for appointment as the Statutory Auditor of the Company at the ensuing Annual General Meeting. The Company has received the confirmation from BSR & Co., Chartered Accountants, Delhi to the effect that appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. You are

requested to consider their appointment.

AUDITOR'S REPORT

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

The response of the Management to the qualification of the Statutory Auditor mentioned at serial number 4 of the Audit Report is as follows - In order to simplify the group structure and improve cost efficiency; the board of directors had approved the Scheme of Arrangement, wherein the non-DTH related business of the Company is transferred to ISMSL followed by the merger of ASSL with ISMSL. The appointed date of the scheme is March 31, 2010. The Scheme is pending approval of the High Court of Judicature at Delhi.

As per the Scheme, the Company will reduce the book value of the assets and liabilities alongwith relatable provisions, demerged pursuant to the Scheme, with a corresponding debit / credit to the Business Restructuring Reserve account. The balance in the Business Restructuring Reserve account will than be adjusted against the balance in General Reserve account of the Company in terms of the approval of the shareholders and creditors and the Scheme of Amalgamation and Arrangement being sanctioned by the High Court of Judicature at Delhi.

The response of the Management to the qualification of the Statutory Auditor mentioned at serial number (xvi) of Annexure to the Audit Report is as follows - The Company is funding losses through a mix of debt and equity funds. We need to continuously acquire subscribers in order to remain competitive and ahead of others. This amount was used for operational losses as the consumer premises equipment were purchased from equity fund and debt from other bank

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

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 in relation to Conservation of Energy and Technology Absorption are currently not applicable to the Company and therefore particulars in connection therewith are as under:

- Conservation of Energy- Nil
- Technology Absorption- Nil

Particulars of foreign currency earnings and outgo during the year are given in Note 39.3 to the notes to the Accounts forming part of the Annual Report.

PARTICULARS OF EMPLOYEES

The Board of Directors wishes to express their appreciation to all the employees of the Company for their outstanding contribution to the Operations of the Company during the year under review. The information required under Section 217(2A) of the Companies Act, 1956 ('Act') read with the Companies (Particulars of Employees) Rules, 1975 is required to be set

out in an annexure to this report. However, in terms of Section 219(1)(b) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid annexure. Any shareholder interested in obtaining copy of the same may write to the Company Secretary at the Corporate Office. None of the employees, except Mr. Jawahar Lal Goel, listed in the said annexure are related to any Director of the Company.

CREDIT RATING

Your Company has obtained credit rating of AA (SO) for its long term Banking facilities on the basis of Company's performance from Credit Analysis and Research Ltd (CARE). CARE rating, 'AA (SO)' indicates adequate safety for timely servicing of debt obligations.

HUMAN RESOURCE MANAGEMENT

Your Board believes that to build a sound and growing business in a difficult and complex industry, Employees are vital to the Company. The talent base of your Company has steadily increased and your Company has created a favourable work environment which encourages innovation and meritocracy. The Company has also set up a scalable recruitment and human resource management process which enables us to attract and retain high caliber employees.

RESPONSIBILITY STATEMENT

In terms of and pursuant to Section 217(2AA) of the Companies Act, 1956, in relation to the Annual Statement of Accounts for financial year 2009-2010, your Directors state and confirm that:

- the Accounts had been prepared on a 'going concern' basis and in such preparation the applicable accounting standards had been followed with proper explanation relating to material departures;
- your Directors had selected such accounting policies and applied them consistently and made judgments and

estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit or loss of the Company for that year;

- your Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 as amended, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- your Company has adequate internal systems and controls in place to ensure compliance of laws applicable to the Company

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Jawahar Lal Goel
Managing Director

B D Narang
Director

Place : Noida
Date : November 15, 2010

Annexure 'A' to Directors' Report

Statement as at March 31, 2010 pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

S. No	Particulars	Details		
		Date of Grant	No. of Options Granted	Exercise Price / Equity Share
A	Details of Options Granted and Exercise Price per option	August 21, 2007 April 24, 2008 August 28, 2008 May 29, 2009 October 27, 2009	3,073,050 184,500 30,000 589,200 160,900	Rs. 75.20* Rs.63.25* Rs.37.55 Rs.47.65 Rs. 41.45
B	Pricing formula	The pricing formula as approved by the Shareholders of the Company, shall be the "market price" as per the SEBI Guidelines i.e. the latest available closing price prior to the date of grant of option at the Stock Exchange where there is highest trading volume		
C	Total number of Options Granted	4,037,650		

S. No	Particulars	Details	
D	Total number of Options vested (includes option exercised)	Date of Grant	Options vested
		August 21, 2007	1,229,220
		April 24, 2008	36,900
		August 28, 2008	6,000
		May 29, 2009	Nil
		October 27, 2009	Nil
E	Options exercised		12,080
F	the total number of shares arising as a result of exercise of options		12,080
G	Options lapsed	Date of Grant	Options Lapsed
		August 21, 2007	1,654,620
		April 24, 2008	184,500
		August 28, 2008	Nil
		May 29, 2009	132,150
		October 27, 2009	Nil
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 Rs.37.55 per option.	
I	Money realized by exercise of options		Rs. 453,604
J	Total number of options in force		2,054,300
K	Employee wise details of options granted (as on March 31, 2010):		
	(i) Senior managerial personnel		
	Name	Designation	No. of Options Granted
	Amitabh Kumar	President - Technology	164,700
	Rajiv Khattar	President – Projects	167,950
	Rajeev K Dalmia	CFO	171,100
	Salil Kapoor	CEO	142,950
	(ii) Employee(s) who received a grant in any one year of option amounting to 5% or more of option granted during the year		
	Name	Designation	No. of Options Granted
	Arun K Kapoor	CEO	925,900
	Rajiv Khattar	President – Projects	167,950
	Amitabh Kumar	President - Technology	164,700
	Rajeev K Dalmia	CFO	171,100
	Harinder Singh Bhatia	Head – Sales	159,600
	R Inian	Head - Operations	24,900
	Neeraj Gupta	DVP - Service	75,250
	Sanjeev Srivastava	DVP - UP Zone	42,400
	Salil Kapoor	COO	142,950
	Rajendra K. Jagnani	VP - Finance	40,000
	Ravichandra Mocherla	DVP - South II	50,000
	Shivani Singh	DVP – Content	40,000
	Devendra Singh	Head - Application System	40,000
	Shailendra Goel	DVP - North Zone	81,500
	Ashutosh Mishra	VP – HR	55,600

S. No	Particulars	Details					
	(iii) identified employees who were granted options, during any year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None					
L	Diluted earning per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with accounting standard (AS – 20) 'Earning per share'	Please refer to Note no. 40 to the Financial Statement					
M	where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Expenses accounted for during the period based on intrinsic value of the option	Date of Grant				
			21-Aug-07	24-Apr-08	28-Aug-08	28-May-09	27-Oct-09
				-	-	-	-
		Additional Expense had the Company recorded the ESOP expense based on fair value of option (using Black Scholes method)	169,78,747	-	234,148	4,996,048	775,100
		Impact on profits and EPS in case of fair value method was employed for accounting of ESOP	EPS decrease by Re.0.03 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	Weighted – average exercise price (Pre re-pricing) (Rs.)	Date of Grant				
			21-Aug-07	24-Apr-08	28-Aug-08	28-May-09	27-Oct-09
			75.20	63.25	37.55	47.65	41.45
		Weighted – average exercise price (Post re-pricing) (Rs.)	37.55	37.55	37.55	47.65	41.45

S. No	Particulars	Details					
		Weighted – average Fair Value (Pre re-pricing) (Rs.)	40.45	-	23.87	30.61	26.64
		Weighted – average Fair Value (Post re-pricing) (Rs.)	21.49	-	23.87	30.61	26.64
0	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-May-09	27-Oct-09	27-Oct-09
	(i)	risk-free interest rate	8.45%	-	8.48%	6.36%	7.35%
	(ii)	expected life	3	-	5	5	5
	(iii)	expected volatility	68.23%	-	68.23%	73.47%	71.72%
	(iv)	the price of the underlying share in the market at the time of option grant.	75.2*	-	37.55	47.65	41.45
	(v)	expected dividends, and	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 Rs. 37.55 on August 28, 2008

Annexure ‘B’ to Directors’ Report

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

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

Annexure to Directors' Report

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

1. Name of the subsidiary	Integrated Subscriber Management Services Limited	Agrani Satellite Services Limited	Agrani Convergence Limited
2. Financial year ended	31-March 2010	31-March 2010	31-March 2010
3. Holding Company's interest	100%	100%	51%
4. Share held by the Holding Company in the subsidiary	50,000 Equity Shares of Rs. 10/- each	94,401,004 Equity Shares of Rs. 10/- each	12,470,544 Equity Shares of Rs. 10/- each
5. The net aggregate amount of profit / (losses) of the subsidiary so far as it concerns the members of the holding Company and is dealt with in account of holding Company:			
a) For the Financial Year ended on March 31, 2010	Nil	Nil	Nil
b) For the previous Financial Years of the Subsidiaries since it became a subsidiary.	Nil	Nil	Nil
6. The net aggregate amount of profit / (losses) of the subsidiary so far as it concerns the members of the holding Company and is not dealt with in account of holding Company:			
a) For the Financial Year ended on March 31, 2010	(621,360)	Nil	(99,403)
b) For the previous Financial Years of the Subsidiaries since it became a subsidiary.	(39,719,856)	Nil	(287,658,341)

For and on behalf of the Board

Jawahar Lal Goel
Managing Director

B D Narang
Director

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary

Place: Noida
Date : November 15, 2010

Annexure to Directors' Report

STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Integrated Subscriber Management Services Limited	Agrani Satellite Services Limited	Agrani Convergence Limited
Summary Balance Sheet			
Share Capital	500,000	944,010,040	244,520,460
Reserve and Surplus (Including debit balance of Profit & Loss Account)	(40,341,217)	-	(407,572,764)
Total Assets	1,110,432,570	3,356,106,086	19,410,120
Total Liabilities	1,150,273,787	2,412,096,046	182,462,424
Investments (excluding subsidiaries)	-	-	25,500
Summary Profit and Loss Account			
Turnover	1,001,981,456	-	-
Profit / (Loss) before tax	(6,438,746)	-	(99,403)
Provision for tax	(5,817,386)	-	-
Profit / (Loss) After tax	(621,360)	-	(99,403)
Proposed Dividend	-	-	-

Report on Corporate Governance

Corporate Governance is about commitment to values and ethical business conduct. It is about how an organization is managed and operated. This includes its corporate structure, culture, policies and the manner in which it deals with various stakeholders.

Good Corporate Governance practices enable a Company to attract financial and human capital and leverage these resources to maximize long-term shareholders' value, while serving the interests of multiple stakeholders, including society at large. Corporate Governance Philosophy of Dish TV India Limited (Dish TV) stems from its belief that the Company's business strategy, plans and decisions should be consistent with the welfare of all its stakeholders, including Shareholders, Subscribers, Employees, etc. Corporate Governance at Dish TV is founded upon 4 pillars of Core Values viz., Transparency, Integrity, Honesty and Accountability.

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

Your Company believes that sound Corporate Governance is critical to enhance and retain stakeholders' trust. Accordingly, your Company always seeks to attain the objectives with integrity under compliance with the applicable rules. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to achieve best practices in international Corporate Governance. Your Company also endeavor to enhance long term shareholders' value and respect minority rights in all our business decisions.

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

BOARD OF DIRECTORS

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

The majority of your Board members, i.e. 4 (four) out of 7(seven), are Independent Members and the Audit and Remuneration committees of the Board comprises of majority of Independent Directors.

a) Composition of Board

The Board believes that the current size is appropriate and is in compliance with the applicable guidelines in this regard.

Composition of the Board as at March 31, 2010

Category of Directors	No. of Directors	% to total No. of Directors
Executive Director	1	14
Non-Executive Independent Directors	4	57
Non-Executive Directors	2	29
Total	7	100

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the Financial Year 2009-10 and also their other directorships in Public Companies (excluding Foreign Companies and Section 25 Companies) and membership of other Board Committees (excluding Remuneration Committee) as at March 31, 2010 are as under:

Name of Director	Category	Attendance at:		No. of Directorships of other Public Companies	No. of Memberships of Board Committees	
		Board Meetings (Total Six Meetings)	21 st AGM held on Aug 3, 2009		As member	As Chairman
Subhash Chandra	PD, NED	3	No	6	-	-
Jawahar Lal Goel	PD, ED	6	Yes	8	1	-
Ashok Kurien	PD, NED	4	Yes	2	4	2
B.D. Narang	NED, ID	6	Yes	10	5	1
Arun Duggal	NED, ID	5	No	10	4	1

Name of Director	Category	Attendance at:		No. of Directorships of other Public Companies	No. of Memberships of Board Committees	
		Board Meetings (Total Six Meetings)	21 st AGM held on Aug 3, 2009		As member	As Chairman
Pritam Singh (Dr.)	NED, ID	4	Yes	4	4	-
Eric Zinterhofer	NED, ID	1	No	-	1	-
Mintoo Bhandari	NED, ID*	4	No	-	1	-

* Alternate Director to Mr. Eric Zinterhofer

PD: Promoter Director NED: Non-Executive Director

ED: Executive Director ID: Independent Director

b) Board Meetings and Procedures

During the Financial Year 2009-10 under review i.e. between the period April 1, 2009 till March 31, 2010, 6 (Six) meetings of the Board were held on the following dates - May 28, 2009, June 18, 2009, July 31, 2009, October 27, 2009, January 22, 2010 and March 25, 2010. The intervening period between the Board Meetings were well within the maximum time gap prescribed under the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The annual calendar of the meetings is broadly determined at the beginning of each year and communicated to the Directors. Board meetings are generally held at the Corporate Office of the Company at Noida which are governed by a structured agenda. The Company Secretary in consultation with the Chairman / Managing Director drafts agenda of the Meetings. The agenda along with the explanatory notes are sent to all the Directors well in advance to enable them to take informed decisions. The Chief Executive Officer and Chief Financial Officer are invited to the Meetings to provide necessary insight into the working of the Company and for discussing corporate strategies. All relevant information required to be placed before the Board of Directors as per Clause 49 of the Listing Agreement, are considered and taken on record / approved by the Board. The Board periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

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

- Mr. Subhash Chandra**, 59, is Non-Executive Chairman of the Company and promoter of Essel Group of Companies. His industry leading businesses include television networks and film entertainment, cable systems, satellite communications, theme parks, flexible packaging, family entertainment centers and online gaming. Mr. Chandra has been the recipient of numerous honorary degrees, industry awards and civic honors, including being named 'Global Indian Entertainment Personality of the Year' by FICCI for 2004, 'Business Standard's Businessman of the Year' in 1999, 'Entrepreneur of the Year' by Ernst & Young in 1999 and 'Enterprise CEO of the Year' by International Brand Summit. The Confederation of Indian Industry (CII) choose Mr. Chandra as the Chairman of the CII Media Committee for two successive years.

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

Apart from the Company Mr. Chandra holds directorship in six (6) other Indian Public Limited Companies viz., Agrani Satellite Services Ltd., Essel Propack Ltd., Essel Infraprojects Ltd., Wire and Wireless (India) Ltd., Zee News Ltd. and Zee Entertainment Enterprises Ltd.

As on November 15, 2010, Mr. Chandra holds 500,000 equity shares comprising of 0.05% of the paid up capital in the Company.

- Mr. Jawahar Lal Goel**, 55, took the position of Managing Director of the Company on January 6, 2007. Mr. Goel is actively involved in creation and expansion of Essel Group of Industries. He has been a prophet in pioneering the Direct To Home (DTH) services in India and instrumental in establishing Dish TV as a prominent brand with India's most modern and advanced technological infrastructure. Mr. Goel has held the position of President of Indian

Broadcasting Foundation (IBF), for three successive terms which takes up various issues relating to Broadcasting industry at various forums. He has also been an active member on the Board of various committees and task force, set up by Ministry of Information & Broadcasting (MIB), Govt. of India which takes care of several critical matters relating to the industry. Mr. Goel is the architect in establishing India's most modern and advanced technological infrastructure for the implementation of Conditional Access System (CAS), Direct To Home (DTH) and Head End-in-the Sky (HITS) which has brought revolution in the distribution of various entertainment and electronic media products in India, which has enormously benefited consumers (TV viewers) in terms of value proposition

Apart from the Company, Mr. Goel holds directorship in eight (8) other Indian Public Limited Companies viz., ASC Telecommunication Ltd., Asian Sky Shop Ltd., Chiripal Industries Ltd., East India Trading Co. Ltd., Essel International Ltd., Essel Infraprojects Ltd., Rankey Investments and Trading Company Ltd. and Rama Associates Ltd.

As on November 15, 2010, Mr. Goel holds 176,800 equity shares comprising of 0.02% of the paid up capital in the Company.

3. **Mr. Bhagwan Dass Narang**, 65, is an Independent Non-Executive member of the Board. Mr. Narang is a Post Graduate in Agricultural Economics and brings with him 32 years of Banking experience. During this period, he also held the coveted position of the Chairman and Managing Director of Oriental Bank of Commerce. Mr. Narang has handled special assignments viz. alternate Chairman of the Committee on Banking procedures set up by Indian Banks Association for the year 1997-98, Chaired a panel on serious financial frauds appointed by R.B.I., Chaired a Panel on financial construction industry appointed by Indian Banks Association (IBA), appointed as Chairman of Governing Council of National Institute of Banking Studies & Corporate Management, elected member of Management Committee of IBA, Member of the Advisory Council of Bankers Training College (RBI) Mumbai, Chairman of IBA's Advisory Committee on NPA Management, CDR Mechanism, DRT, ARC etc., elected as a Fellow and Member of Governing Council of the Indian Institute of Banking & Finance, Mumbai, elected as Deputy Chairman of Indian Banks Association, Mumbai and recipient of Business Standard "Banker of the year" Award for 2004.

Apart from the Company, Mr. Narang holds directorship in ten (10) other Indian Public Limited Companies viz., Shivam Autotech Ltd, IST Steel and Power Ltd., Jubilee Hills Landmark Projects Ltd., Afcon Infrastructure Ltd., VA Tech Wabag Ltd., Amar Ujala Publication Ltd., Revathi Equipment Ltd., Karvy Stock Broking Ltd., DSE Financial Services Limited and Lakshmi Precision Screws Ltd.

Mr. Narang does not hold any shares in the Company.

4. **Mr. Ashok Kurien**, 60 is a Non-Executive member of the Board. Mr. Kurien is a well known personality in the advertising world. Mr. Kurien is the Director of Ambience Business Services Pvt. Ltd., which is rated amongst the best Advertising Agencies in India. He is also one of the promoter Directors of Zee Entertainment Enterprises Limited (ZEEL) which has in its fold flagship channel Zee TV, India's first private satellite channel.

Apart from the Company, Mr. Kurien holds directorship in two (2) other Indian Public Limited Companies viz., Zee Entertainment Enterprises Ltd. and Asian Sky Shop Ltd. As on November 15, 2010, Mr. Kurien holds 1,174,150 equity shares, comprising of 0.11% of paid up capital of the Company.

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

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

Mr. Duggal is involved in several initiatives in social and education sectors. He is a Trustee of Centre for Civil Society, New Delhi, which focuses on improving the quality and access of education to students especially for the poor.

Apart from the Company, Mr. Duggal holds directorship in Ten (10) other Indian Public Limited Companies viz., Patni Computer Systems Ltd., Shriram EPC Ltd., Shriram City Union Finance Ltd., Shriram Transport Finance Co. Ltd., Shriram Properties Ltd., Shriram Capital Ltd., Manipal Acunova Ltd., Info Edge (India) Ltd., Mundra Port and Special Economic Zone Ltd., and Zuari Industries Ltd. Mr. Duggal does not hold any shares in the Company.

6. **Pritam Singh (Dr.)**, 68, is an Independent Non-Executive member of the Board. Dr. Singh is an M.Com (BHU), MBA (USA), Ph.D. (BHU) and author of seven academically reputed books and published over 50 research papers. Dr. Pritam Singh is one of the pioneers of management education in India who has devoted his life to the development of management education in India and abroad. He initiated a number of social projects focusing on Healthcare, Education, Water Management and Road Building for the surrounding community to improve the quality of life. Owing to his contributions towards building intellectual capital at Administrative Staff College and refocusing of IIM Bangalore as a truly integrated management school, he is branded as a Change Master par excellence and a Renaissance leader. Dr. Singh holds directorship in four (4) other Indian Public Limited Companies viz., Hero Honda Motors Ltd., Parsvnath Developers Ltd., Godrej Properties Ltd. and Dena Bank Ltd. Dr. Singh does not hold any shares in the Company.

7. **Mr. Eric Louis Zinterhofer** 38, is an Independent Non-Executive member of the Board. Mr. Zinterhofer graduated Cum Laude from the University of Pennsylvania, with BA degrees in Honors Economics and European History and received his MBA from the Harvard Business School. From 1994 to 1996, he was a member of the Corporate Finance Department at Morgan Stanley Dean Witter & Co. From 1993 to 1994, he was a member of the Structured Equity Group at J.P. Morgan Investment Management. He is a member of the board of directors of Affinion Group, Inc., Central European Media Enterprises Ltd. And Charter Communications Inc. Mr. Zinterhofer has now built up his own investment firm – Search Bright Capital Partners.

Mr. Zinterhofer does not hold directorship in any other Indian Public Limited Companies. Mr. Zinterhofer does not hold any shares in the Company.

8. **Mr. Lakshmi Chand**, 66 is an Independent Non-Executive Additional Director on the Board of the Company with effect from May 8, 2010. Mr. Lakshmi Chand is a Post Graduate in M.A (Eco) from Punjab University and is a Law Graduate from Delhi University. He joined I.A.S. in 1969 in UP cadre. During his 36 years of service he served both the Union Government and the State Government whereby he handled a variety of assignments both at the policy formulation level and at the implementation level. While at the State level, in addition to the usual assignments of SDM/DM/DIV Commissioner, he worked on the posts of Secretary/Principal Tourism, Sugar Industry, CMD, UPSRTC and Chairman, Noida, Greater Noida, UPSIDC, UPFC, UP Nirman Nigam, UP Bridge Corporation, UP Textile Corporation etc. While at the Center he worked as Dy. Director (Admin) AIIMS, and Joint Secretary, Ministry of Development of Industrial Policy & Promotion. He retired as Secretary, Ministry of Development of North Eastern Region on July 31, 2005. He has widely travelled both in India & abroad. After retirement he joined the National Commission for Denotified, Nomadic & Semi-Nomadic Tribes as Member Secretary for 2 ½ years. He holds Directorship in Institutions like RBI, NABARD, National Housing Bank and also holds Chairmanship of the Southern Local Board , RBI.

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

9. **Mr. Mintoo Bhandari**, 44 is an Non – Executive nominee director of Apollo India Private Equity II (Mauritius) Limited on the Board of the Company with effect from October 27, 2010. 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, an affiliate of Apollo Global Management, responsible for the development and oversight of transactions which relate to India. He joined Apollo in 2006. Prior to that time, Mr. Bhandari was managing director of The View Group, an India-focused private equity firm. Mr. Bhandari was also previously a member of the private equity team, and later a manager of hedge fund capital, at the Harvard Management Company, which manages the endowment of Harvard University.

Mr. Bhandari does not hold directorship in any other Indian Public Limited Company. Apart from the Company, Mr. Bhandari serves on the board of directors of SOURCECORP. Mr. Bhandari does not hold any shares in the Company.

10. **Mr. Sanjay Hiralal Patel**, 50 is an Alternate Director to Mr. Mintoo Bhandari on the Board of the Company with effect from October 27, 2010. Mr. Patel received an engineering degree, magna cum laude, from Harvard and received his MBA from Stanford. He was previously educated at Eton College in the U.K., where he was a King's Scholar.

Mr. Sanjay Patel is the Managing Partner and Head of International Investments at Apollo Management LP. Mr. Patel was most recently the co-head of European Private Equity and the co-head of Indian Private Equity at Goldman Sachs PIA. Mr. Patel joined Goldman Sachs as an analyst in New York in 1983 in the M&A department, moved into PIA in 1987 and was promoted up the ranks to Managing Director. He left GS in 1998 and joined Greenwich Street Capital Partners as a partner, was promoted to President and served six years in that capacity before rejoining PIA as a partner in London in 2005.

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

d) Code of Conduct

In compliance with the Clause 49 of the Listing Agreement, the Company has adopted a Code of Conduct for the Board and the Senior Management of the Company. The compliance of the code of conduct is affirmed by the Board and Senior Management personnel annually. A copy of said Code of Conduct applicable to the board members and senior management is available at our website, www.dishtv.in

All the members of the Board and the Senior Management have affirmed compliance to the said Code of Conduct during the financial year ended March 31, 2010. A declaration affirming compliance with the code of conduct by the members of the Board and Senior Management personnel is given below:

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

I confirm that the Company has obtained from all Directors and Senior Management personnel of the Company their affirmation of compliance with the 'Code of Conduct for Members of the Board and Senior Management' of the Company for the financial year ended March 31, 2010.

Jawahar Lal Goel

Managing Director

Noida, November 15, 2010

BOARD COMMITTEES

Your Board has constituted various Board and Executive Management Committees for smooth and efficient operation of day-to-day business of the Company. Relevant particulars of Audit Committee, Remuneration Committee, Share Transfer and Investors Grievance Committee, Finance Committee, Issue Committee and Budget Committee are as detailed hereunder.

a) Audit Committee

The Audit Committee of the Board comprises of 5 (Five) members as on March 31, 2010, four of whom are Independent Directors, with Mr. B D Narang, a Non-Executive Independent Director as its Chairman.

The Composition of the Audit Committee as on March 31, 2010, which complies with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement is as under:

Name of the Director	Designation	Category	Date of the Appointment
B.D. Narang	Chairman	Non-Executive Independent	January 6, 2007
Arun Duggal	Member	Non-Executive Independent	January 6, 2007
Pritam Singh (Dr.)	Member	Non-Executive Independent	April 27, 2007
Ashok Kurien	Member	Promoter – Non Executive	February 1, 2009
Eric Zinterhofer	Member	Non-Executive Independent	January 22, 2010

Primary Objective : The Primary objective of the Audit Committee of the Company is to monitor and provide effective supervision of the management financial reporting process with a view to ensure accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting.

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

- Overseeing of Company's financial reporting process and disclosure of its financial information.
- Review with the management, quarterly and annual financial statements.
- Review of related party transactions.

- Review of Company's financial and risk management policies.
- Review with the management, Statutory and Internal Auditors, adequacy of internal control systems.
- Review of financial statements, investment, minutes and related party transactions of Subsidiary Company(ies).
- Recommend to the Board the appointment, re-appointment and removal of the Statutory Auditor, fixation of their remuneration.
- Discussion with Statutory Auditors about the nature and scope of audit as well as post audit discussion to ascertain any area of concern and internal control weaknesses observed by the Statutory Auditors.
- Discussion of Internal Audit Reports with Internal Auditors and significant findings and follow up there on and in particular internal control weaknesses.

Managing Director, Statutory Auditor, Internal Auditor and Chief Financial Officer of the Company are invitees to all meetings of the Committee and the Company Secretary is the Secretary to the Audit Committee.

Audit Committee Meetings

Four Audit Committee Meetings were held on the following dates - June 18, 2009, July 31, 2009, October 27, 2009, and January 22, 2010.

Attendance at Audit Committee Meetings

Names of the Committee Members	Meeting Details			Whether attended last AGM (Y/N)
	Held during the tenure of Director	Attended	% of Total	
B.D. Narang	4	4	100	Y
Arun Duggal	4	3	75	N
Pritam Singh (Dr.)	4	2	50	Y
Ashok Kurien	4	3	75	Y
Eric Zinterhofer*	-	N.A	N.A	N

*Appointed as member w.e.f January 22, 2010

b) Remuneration Committee

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

The Composition of the Remuneration Committee as on March 31, 2010 is as under:

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

ID: Independent Director

The terms of the reference of the Remuneration Committee, *inter alia*, consists of reviewing the overall compensation policy, service agreements and other employment conditions of Senior Management and Executive Director(s). The recommendation of the Remuneration Committee are considered and approved by the Board of Directors, subject to the approval of the Shareholders where necessary.

The Remuneration Committee is also responsible for administering Company's Employees Stock Option Scheme including review and grant of options to the eligible employees under the Scheme.

During the year three Remuneration Committee Meetings were held on the following dates - May 28, 2009, June 18, 2009 and October 27, 2009

Attendance at Remuneration Committee Meetings

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

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

Remuneration paid to the Managing Director during the year:

Name	Position	Remuneration (Rs.) Salary and Allowances	Employer's Contribution to Provident Fund (Rs.)
Jawahar Lal Goel	Managing Director	6,275,187	311,845

Remuneration to Non-Executive Directors

During the Financial year 2009-10 the Non-Executive Directors were paid sitting fee of Rs. 10,000/- for each meeting of the Board of Directors or committee thereof. The Board at its meeting held on October 27, 2009 revised the sitting fees to Rs. 20,000 for each Board Meeting and Rs.15,000 for each committee meeting effective from October, 2009, within the permissible limits prescribed by Section 310 of the Companies Act, 1956, read with Rule 10B Central Government (General Rules and Forms) 1956.

Particulars of Sitting fees paid to Non-Executive Directors of the Company for Financial Year 2009-10 is as under:

S. No.	Name of Director	Sitting Fees (Rs.)
1	Subhash Chandra	50,000
2	B. D. Narang	205,000
3	Ashok Kurien	140,000
4	Arun Duggal	155,000
5	Pritam Singh (Dr.)	120,000
6	Eric Zinterhofer	20,000
7	Mintoo Bhandari (Alternate to Eric Zinterhofer)	75,000

Disclosure with respect to Non-Executive Directors on other pecuniary relationship -None

The Company on August 28, 2008 granted, 30,000 Stock Options under "ESOP 2007" Scheme to 4 (Four) Independent Directors, as per details given below at an exercise price of Rs. 37.55 determined as per SEBI (ESOS) Guidelines, 1999.

Name of the Directors	No. of options granted
B. D. Narang	7500
Pritam Singh (Dr.)	7500
Arun Duggal	7500
Eric Zinterhofer	7500

c) Share Transfer and Investors Grievance Committee

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

Main functions of the Share Transfer and Investors Grievance Committee is to supervise and ensure efficient transfer of shares and proper and timely attendance of investors' grievances. The committee has delegated the power of approving transfer, transmission, rematerialisation, dematerialisation etc. of shares of the Company to the officials of the Secretarial department.

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

During the period under review, Share Transfer and Investors Grievance Committee met on October 27, 2009 and March 25, 2010. The meetings were attended by all committee members.

Details of complaints resolved during the financial year 2009-10 are as follows:

Nature of Correspondence	Received	Replied/Resolved	Pending
Non-receipt of Shares Certificate	4	4	-
Non-receipt of Shares	2	2	-
Non receipt of Annual report	10	10	-
Non receipt of Dividend Payment	9	9	-
Non receipt of fractional payment	2	2	-
Non receipt of Call Money Notice	3	3	-
Non receipt of confirmation of call money payment	4	4	-
Total	34	34	-

d) Finance Committee

With a view to facilitate monitoring and expediting fund raising process, the Board of Directors of the Company constituted Finance committee comprising of Mr. Arun Duggal, Non-Executive Independent Director as Chairman, Mr. Ashok Kurien, Non-Executive Director and Mr. Jawahar Lal Goel, Managing Director as its members.

Main function of the Finance committee is to consider and approve, within the delegated limits, 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 terms and conditions of such facilities being offered.

During the period under review, the Finance Committee met on May 19, 2009 and June 26, 2009

Names of the Committee Members	Meeting Details		
	Held during the tenure of Director	Attended	% of Total
Arun Duggal	2	2	100
Jawahar Lal Goel	2	2	100
Ashok Kurien	2	0	N.A

e) Issue Committee

The Board at its meeting held on April 24, 2008 constituted a Issue Committee consisting of Mr. Jawahar Lal Goel, Managing Director, Mr. B. D. Narang, Non-Executive Independent Director and Mr. Ashok Kurien, Non-Executive Director, as members. The said committee is authorized to take all decisions relating to the Issue of equity shares pursuant to Rights Issue and do all such acts and things as may be necessary in this regard. The Board at its meeting held on June 18, 2009 delegated the power to appoint intermediaries for issuance of GDR's including Lead Manager(s), Book Runner(s), Legal Advisor(s), Trustees, Conversion Agents and Bankers and to finalise and approve Offer Document(s) and decide the time of opening and closing of the issue, pricing of the issue and approve issuance and listing of GDR's and underlying equity shares and to do all other acts and deeds expedient and incidental to the issue of GDRs.

During the period under review, the Issue Committee met on May 30, 2009, August 31, 2009, November 23, 2009 and November 30, 2009.

Names of the Committee Members	Meeting Details		
	Held during the tenure of Director	Attended	% of Total
B D Narang	4	4	100
Arun Duggal	4	2	50
Jawahar Lal Goel	4	4	100

f) Budget Committee

The Board at its meeting held on January 22, 2010 constituted a Budget Committee presently comprising of Mr. Jawahar Lal Goel, Managing Director, Mr. Mintoo Bhandari, Non-Executive Nominee Director and Mr. Ashok Kurien, Non-Executive Director, as its members. The Committee is empowered to consider, review and approve the Company's Annual Budget, and to review, ratify and approve variation(s) in any particular revenue budgeted line item from the approved budget for that

particular item. The Company Secretary is the Secretary of the Committee and Chief Financial Officer is a permanent invitee to the Committee.

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

In addition to the above, your Board has constituted a 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 and Corporate Management Committee comprising of senior executives including Managing Director to review, approve and/or grant authorities for managing day-to-day affairs of the Company within the limits delegated by the Board. Board has provided for detailed guidelines on constitution, quorum, scope and procedures to be followed by these Committees. Minutes of the proceedings of each Committee meetings held after previous Board Meeting are circulated to the Board members along with agenda papers and placed for recordal by the Board at its Meeting.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

MANAGEMENT DISCUSSION AND ANALYSIS

This is included as a separate section in this Annual Report.

SHAREHOLDERS DISCLOSURE REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

According to the Articles of Association of the Company one-third of the directors retire by rotation and, if eligible, may seek re-appointment at the Annual General Meeting. As per the provisions of the Companies Act, 1956 Mr. Subhash Chandra and Mr. Eric Zinterhofer, Directors retire at the ensuing Annual General Meeting and being eligible, have offered their re-appointment. The Board has recommended the re-appointment of these retiring Directors. Further, the Board at its meeting held on May 8, 2010 appointed Mr. Laksmi Chand as an additional Independent Non- Executive Director. Further the Board at its meeting held on October 26, 2010 appointed Mr. Mintoo Bhandari as Nominee Director with effect from October 27, 2010. The Company has received notice pursuant to Section 257 of the Companies Act, 1956 from Shareholders proposing their appointment as Directors of the Company. The Board recommends their appointment. The detailed profiles of these Directors are provided in the Corporate Governance Report.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

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

CEO / CFO CERTIFICATION

As required by Clause 49 of the Listing Agreement, the CEO/CFO certification is provided in this Annual Report.

GENERAL MEETINGS

The 22nd Annual General Meeting of the Company for the year 2010 will be held at 11.30 A.M. on Thursday, the 16th day of December, 2010 at Seven Seas, B-28, Ring Road, Lawrence Road, Industrial Area, Delhi -110 035.

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

Financial year Ended	Date & Time	Venue	Special Resolution Passed
March 31, 2009	Monday, August 3, 2009 1130 Hrs	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi – 110 016	Re- Appointment of Mr. Jawahar Lal Goel as Managing Director for a period of three years; Fund raising in the form of any security(ies), convertible into equity shares and / or equity linked securities, upto maximum of the equivalent of USD 200 Million; Alteration of Articles of Association of the Company by insertion of a new article 3A to enable the Company to issue <i>inter-alia</i> any Depository receipts.

Financial year Ended	Date & Time	Venue	Special Resolution Passed
March 31, 2008	Thursday, August 28, 2008 1130 Hrs	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi – 110 016	Re-pricing of employees stock options; Delisting of equity shares from Calcutta Stock Exchange; Alteration of Articles of Association of the Company by insertion of a new Article 49A relating to Buy Back of Shares, Article 70A relating to Variation of Shareholders Rights and substitution of Article 102 relating to Common Seal.
March 31, 2007	Friday, August 3, 2007 1500 Hrs	Seven Seas, B-28, Ring Road, Lawrence Road, Industrial Area, Delhi -110 035	Employees Stock Options Scheme

The above Special Resolutions were passed with requisite majority.

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

B. Postal Ballot

No Ordinary or Special Resolutions were passed through Postal Ballot during the year 2009-2010

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

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

Process of Postal Ballot:

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

Particulars of Special Resolution	Details of Voting Pattern	
	Votes Casted in Favour	Votes Casted in Against
Pursuant to Section 31 of the Companies Act: Alteration of Article 1 of the Articles of Association of the Company under Section 31 of the Companies Act, 1956 for insertion of following interpretations: (a)Apollo Affiliate (b) Apollo (c) Budget Committee (d) GDRs; Insertion of Article 100A after Article 100 in the Articles of Association relating to Rights of Apollo; Substitution of Article 80 of Articles of Association relating to Appointment of Alternate Directors	826744049	2369
Pursuant to Section 17 of the Companies Act, 1956, alteration of Other Object Clause of the Memorandum of Association of the Company for adding clause 124 after the existing clause 123 relating to authorizing the Company to <i>inter-alia</i> carry on the business relating to Internet Service Provider	826735043	2358

The Postal Ballot exercise was conducted in accordance with Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2001. Mrs. Neelam Gupta, Neelam Gupta & Associates, was appointed as the Scrutinizer and the results for these resolutions were declared on September 1, 2010. The result of the Postal Ballot was published in the "Business Standard" (English all edition) and "Business Standard" (Hindi Delhi edition) on September 2, 2010

DISCLOSURES:

a) Basis of Related Party Transactions:

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

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

b) Risk Management

The company shall lay down procedures to inform Board members about the risk assessment and minimization procedures. These procedures shall be periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

The Company has a comprehensive risk management policy and the same is periodically reviewed by the Board of Directors. The Risk Management and Internal Control is discussed in the Management Discussion and Analysis.

c) Proceeds from public issues, rights issues, preferential issues etc.

If any Capital is raised, the Company needs to disclose to the Audit Committee, the uses / applications of funds on a quarterly basis. Further, on an annual basis, the company shall prepare a statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and place it before the audit committee. This statement shall be certified by the statutory auditors of the company. Furthermore, where the company has appointed a monitoring agency to monitor the utilisation of proceeds, it shall place before the Audit Committee the monitoring report of such agency.

As per the disclosure requirements, the utilization of Rights Issue proceeds are placed before the audit committee. The utilization is duly certified by the Statutory Auditors on half yearly basis. The Monitoring Report received from the monitoring agency for periods July - December 2009 and January - June 2010, containing the deviation from the original proposed expenditure plan and in accordance with the revised plan was recorded by the Audit Committee and the Board at their 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 imposed by SEBI or Stock Exchanges or any statutory authority on any matter relating to capital markets, during the last three years.

e) Whistle Blower policy

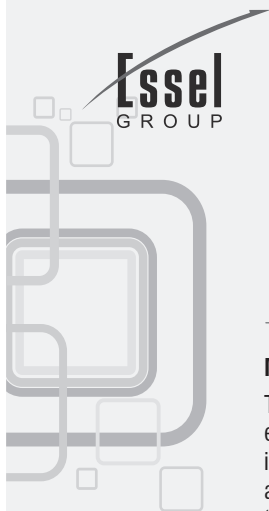
The Company has in place a Whistle Blower Policy and in terms of the said policy no personnel has been denied access to the audit committee.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

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

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

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



MEANS OF COMMUNICATION

The Company has promptly reported all material information including declaration of quarterly financial results, press releases, etc. to the Stock Exchanges where the securities of the Company are listed. Such information is also simultaneously displayed immediately on the Company's corporate website, www.dishtv.in. The financial results- quarterly, half yearly and annual results and other statutory information were communicated to the shareholders by way of an advertisement in an English daily viz. 'Business Standard' and in a vernacular language newspaper viz. 'Business Standard' as per requirements of the Stock Exchange.

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

GENERAL SHAREHOLDER INFORMATION

The required information is provided in Shareholders' Information Section.

Auditors' Certificate

To,
The Members,
Dish TV India Limited

We have examined the compliance of conditions of Corporate Governance by **Dish TV India Limited** ('the Company'), for the financial year ended March 31, 2010 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 the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion of 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 Clause 49 of the Listing Agreement.

We state that no investor grievances are pending for a period exceeding thirty days against the Company as per the records maintained by the Company.

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.

L. K. Shrishrimal

Partner

Membership No. 72664

For and on behalf of

MGB & Co

Firm Registration No. 101169W

Chartered Accountants

Noida, November 15, 2010

Shareholders' Information

A. Annual General Meeting

Date	: December 16, 2010
Venue	: Seven Seas, B-28, Ring Road, Lawrence Road, Industrial Area, Delhi -110 035.
Time	: 1130 Hrs
Last date of receipt of Proxy Form	: Tuesday, 14 th day of December 2010 (Before 11:30 A.M. at the Registered Office of the Company)
Book Closure	: Monday, November 8, 2010 to Wednesday, November 10, 2010 (both days inclusive)

B. Financial Year : 2009-10

C. Registered Office:

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

D. Address for Correspondence:

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

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

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

E. Listing details of Equity Shares:

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

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

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

F. GDRs Details

During the year, Global Depository Receipt (GDR) Offer of the Company for 117,035 GDRs opened for subscription on November 23, 2009 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 Re.1 each underlying Global Depository Receipts ("GDRs") on November 30, 2009. 117,035 Global Depository Receipts have been listed on the Euro MTF market since December 1, 2009.

The details 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, 1 st 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 2010 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
December 2009	954.85	854.45	899.03
January 2010	1103.45	887.70	984.33
February 2010	922.05	779.25	867.42
March 2010	887.15	802.80	829.60

G. Corporate Identity Number (CIN) : L51909DL1988PLC101836

H. Listing Fee:

Company has paid listing fees upto March 31, 2011 to the National Stock Exchange of India Ltd. ("NSE") and Bombay Stock Exchange Limited ("BSE")

I. Registrar & Share Transfer Agent:

Sharepro Services (India) Pvt. Ltd.

Unit: Dish TV India Ltd.

13AB, Samhita Warehousing Complex, Second Floor,

Sakinaka Telephone Exchange Lane,

Off Andheri Kurla Road, Sakinaka

Andheri (East), Mumbai – 400 072

Tel: +91-22- 67720300/67720400 / 28511872 Fax: +91 22 28591568 / 28508927

Email: sharepro@shareproservices.com

J. Change of Address

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

K. Shareholders' Correspondence

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

L. Share Transfer System

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

M. 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.

- **Update your address**

To receive all communication promptly, please update your address registered with the Company.

- **Consolidate your multiple folios**

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

- **Register Nomination**

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

- **Prevention of frauds**

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

- **Confidentiality of Security Details**

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

N. Dematerialisation of Equity Shares & Liquidity

As per extant guidelines, trading in equity shares of the Company is mandatory in dematerialised form. To facilitate trading in demat form, there are two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreements with both these depositories. Shareholders can open account with any of the Depository Participant registered with any of these two depositories. As on date 99.51 % of the equity shares of the Company are in the dematerialized form.

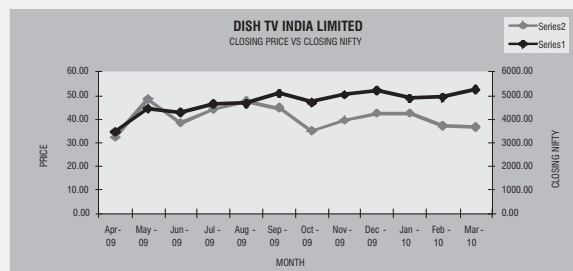
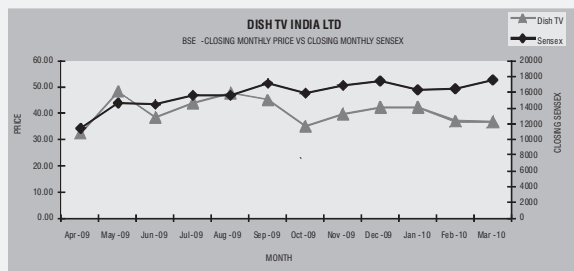
O. Stock Market Data Relating to Shares Listed in India

a) The monthly high and low prices and volumes of Company's shares traded on Bombay Stock Exchange and National Stock Exchange for the period April 2009 to March 2010 are as under:

Fully Paid Shares

MONTH	BSE			NSE		
	High (In Rs)	Low (In Rs)	Traded Quantity	High (In Rs)	Low (In Rs)	Traded Quantity
April 2009	33.20	24.10	85985348	33.30	24.05	133063861
May 2009	50.30	30.50	100854901	50.40	30.80	174023211
June 2009	59.95	35.55	215559210	57.20	35.30	343650933
July 2009	46.25	30.65	100781676	46.25	30.65	180582639
August 2009	49.70	41.80	88119411	54.10	41.80	163357597
September 2009	51.00	43.05	58694913	49.90	42.55	105713299
October 2009	48.25	33.50	59611230	48.00	33.05	147616697
November 2009	42.40	31.60	44560939	46.00	31.85	100526646
December 2009	45.00	38.00	36862663	45.00	38.90	60861492
January 2010	51.10	40.10	54579975	51.10	39.10	153382580
February 2010	45.00	35.80	16231162	43.80	35.75	47865414
March 2010	41.30	36.05	15592462	41.30	36.05	56519693

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



Partly Paid Shares – Rs.0.75 paid up

Monthly high and low quotations and volume of **partly paid shares** (Rs.0.75 paid up) traded on Bombay Stock Exchange and National Stock Exchanges for financial year 2009-10 are:

MONTH	BSE			NSE		
	High (In Rs)	Low (In Rs)	Traded Quantity	High (In Rs)	Low (In Rs)	Traded Quantity
April to July 2009	N.A	N.A	N.A	N.A	N.A	N.A
August 2009	39.00	32.25	47470	39.95	34.40	19727
September 2009	36.85	32.00	199030	37.30	31.55	134139
October 2009	42.00	24.10	68514	38.80	25.25	73695
November 2009	32.00	23.20	1105680	32.55	21.10	532201
December 2009	34.90	29.20	1374190	38.55	29.20	372398
January 2010	41.60	32.20	610623	41.50	31.60	552646
February 2010	37.90	32.00	48665	36.50	32.00	194800
March 2010	N.A	N.A	N.A	N.A	N.A	N.A

Partly Paid Shares – Rs.0.50 paid up

Monthly high and low quotations and volume of **partly paid shares** (Rs.0.50 paid up) traded on Bombay Stock Exchange and National Stock Exchanges for financial year 2009-10 are:

Month	BSE			NSE		
	High (In Rs)	Low (In Rs)	Traded Quantity	High (In Rs)	Low (In Rs)	Traded Quantity
April 2009	15.50	7.00	273020	15.85	7.05	218640
May 2009	31.00	11.16	489613	29.65	11.50	435461
June 2009	38.00	17.35	2146881	35.00	16.10	6334534
July-March 2009	N.A	N.A	N.A	N.A	N.A	N.A

c) Distribution of Shareholding as on March 31, 2010 – Consolidated

No. of Equity Shares	Share holders		No. of Shares	
	Numbers	% of Holders	Number	% of Shares
Upto 5000	226267	99.23	56046232	5.27
5001 – 10000	926	0.41	6911654	0.65
10001 -20000	353	0.15	5104908	0.48
20001 – 30000	118	0.05	2880787	0.27
30001 – 40000	50	0.02	1770342	0.17
40001 - 50000	39	0.02	1810007	0.17
50001 – 100000	82	0.04	5893454	0.55
100001 and above	179	0.08	983002091	92.44
Total	228014	100	1063419475	100

d) Top 10 Public Equity Shareholders as on March 31, 2010 – Consolidated

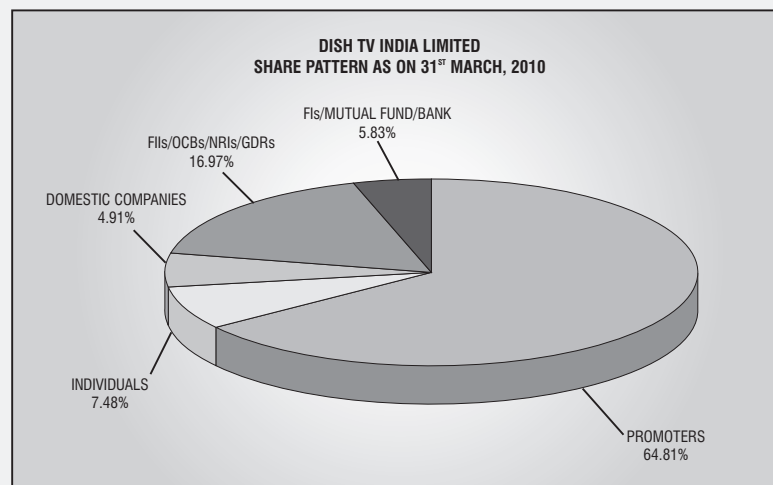
S. No.	Name of Shareholder	No. of Shares held	% of shareholding
1	Deutsche Bank Trust Company Americas	117035000	11.01%
2	Life Insurance Corporation of India	10954447	1.03%
3	Sundaram BNP Paribas Mutual Fund A/C Sundaram BNP Paribas Select Midcap	10530742	0.99%
4	Albula Investment Fund Limited	10511208	0.99%
5	Pranami Properties Private Limited	8138684	0.77%
6	Azim Hasham Premji	7874042	0.74%
7	New Vernon India Limited	6748280	0.63%
8	Sydneyinvest	6416843	0.60%
9	Matthews India Fund	4737097	0.45%
10	Sundaram BNP Paribas Mutual Fund A/C Sundaram BNP Paribas Tax Saver (open-ended) Fund	4291553	0.40%
	Total	187237896	17.61%

e) Promoter Shareholding as on March 31, 2010

S. No.	Name of Shareholder	No of Shares held	% of shareholding
1	Ambience Business Services Pvt. Ltd	1,308,125	0.12%
2	Ashok Mathai Kurien	1,174,150	0.11%
3	Briggs Trading Co. Pvt. Ltd.	2,750,000	0.26%
4	Churu Trading Co. Pvt. Ltd.	188,450,063	17.71%
5	Delgrada Limited	460,000	0.04%
6	Ganjam Trading Co. Pvt. Ltd.	14,717,500	1.38%
7	Jayneer Capital Pvt. Ltd	128,196,104	12.06%
8	Laxmi Narain Goel	1,006,500	0.09%
9	Prajatma Trading Co. Pvt. Ltd.	72,965,138	6.86%
10	Premier Finance & Trading Co. Ltd.	32,717,231	3.08%
11	Veena Investments Pvt. Ltd.	208,385,943	19.60%
12	Ashok Kumar Goel	625,250	0.06%
13	Subhash Chandra	500,000	0.05%
14	Afro Asian Satellite Communication Ltd	35,172,125	3.31%
15	Jawahar Lal Goel	181,900	0.02%
16	Sushila Devi	585,750	0.06%
17	Priti Goel	11,000	0.00%
18	Nishi Goel	11,000	0.00%
19	ICL Giants Sports Pvt. Ltd.	100	0.00%
20	Tapesh Goel (FnG)	5100	0.00%
	TOTAL	689,222,979	64.81%

f) Categories of Shareholders as on March 31, 2010

Category	March 31, 2010	
	No. of shares held	% of shareholding
Promoters	689222979	64.81
Individuals	79583942	7.48
Domestic Companies	52150718	4.91
FIs, Mutual funds and Banks	62004274	5.83
FIs, OCBs, NRI and GDRs	180457562	16.97
Total	1063419475	100.00



SHAREHOLDERS SERVICES

Ranjit Singh

Company Secretary and Compliance officer

Dish TV India Limited

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

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

Management Discussion and Analysis

Dish TV – An Overview

The Indian DTH industry has seen phenomenal growth, currently encompassing close to 26 Million subscribers. In a very short span of time of 5 years, the DTH sector has already acquired 25% of the cable and satellite household and is expected to reach 50% in the next 3 years. The key drivers towards the growth story are aggressive marketing efforts by the DTH operators, affordable and attractive entry price, quality of services, wide range of sports events, increase in value added services, variety of channel options to the subscribers and an overall euphoria towards acquiring better products.

The intensity of competition has led to availability of wide choice for the masses. This is also an outcome of heightened awareness through media spends, by the category players, across all media, through out the country. The majority of new customers continue to hail from the hinterland and this is amply supported by the rural consumption story led by high disposable income due to rising growth in GDP.

The Indian economy has emerged stronger and is more resilient after the recent global melt-down, which is reflected in the growth of consumption pattern across all economic strata. Despite the recent rise in inflation and interest rate, the growth in the items of mass consumption has not been deterred. India continues to sell around 13 to 14 Million Television sets per year and it is expected that this phenomenon will continue for years to come. The reduction in the prices of Color TV has led to widespread acceptability of the DTH in the rural area also. Moreover, the recent variety of Television sets such as LCD TV, Plasma TV, LED TV, 3D TV etc have resulted in adoption of DTH as a medium of receiving the channels.

With 8.4 Million Subscribers, Dish TV retains one third of the entire DTH market despite stiff competition from other 5 DTH players.

SWOT ANALYSIS

Strength

In addition to being the First DTH operator to commence operations and a strong lineage of the largest media conglomerate – Essel Group, Dish TV has had the advantage of its largest offering of Channels and services among all the six DTH Operators. Dish TV has provided the benefit of cutting edge technology, which has resulted in Dish TV being the first and only operator in India to beam live-TV in Airlines, Buses and Indian Railways. The nation wide presence of Dish TV with a very large number of dealers, distributors, service franchisees, Dish Shoppes and Dish Care Centers, with affordable and relevant offerings across genres has contributed towards Dish TV continuing to be the largest DTH operator in the country. Some of the recent initiatives towards creating customer delight are services like Home Pick, Call me – where the customer gets a call from Dish TV. A wide range of movies through Movie on Demand has also resulted in achievement of better numbers and brand equity.

Weakness

The slow growth of Average Revenue Per User (ARPU) is definitely a cause of concern for the entire DTH sector. The issue is being addressed through various means like content enrichment, provision of ala carte and niche channels, expansion of recharge points, control of churn of subscribers and continuous up-gradation of quality of services offered through the Dish TV DTH platform. The intense competitive scenario in a 6 player category, forcing one-upmanship in order to acquire subscribers, also some times act as a deterrent toward the growth of ARPU and the initial entry level revenue.

Opportunities

The total number of households in our country is around 226 Million out of which Television households are only 135 Million. Out of the 135 Million TV households, 105 Million are C & S households. At present, the DTH market stands at 26 Million households leaving large room for conversion of analog cable households to DTH and new TV households too, in the fold of DTH. With the Government drive for rise in rural electrification, income and the consumption patterns, people have started demanding quality products, which is working as an impetus towards the growth of the section in Tier II & Tier III cities and rural areas also. This is resulting into faster adoption of DTH as a category.

The presence of all channels across the country is an enabler and will continue to be the game changer in favor of DTH Platforms. The recent regulation of Telecom Regulatory Authority stipulating the complete Digitalization by 2013 will further strengthen the demand and growth of the sector. The recent success in installation of Dish TV DTH in railways and buses will also unfold opportunities of such roll out in times to come. The new retail chain outlets spreading all across the country will also help in presence and acceptance of the DTH category as an off-the-shelf product.

The recent successful launch of Dish Tru HD will create a new demand for the technology in the Tier I cities, further accentuating the growth story. In nut shell, the rise of rural consumption, reduction in the entry level price, variety of content, wide spectrum of value added service, large landscape still under cable dry area and the approach towards personalizing the services to the customers will continue to act as opportunity areas in the forthcoming years for dishtv's DTH service.

Threats

Continuous rise in competition with intense competition to acquire customers by reducing entry prices thereby contracting ARPU is a matter of concern for the industry. Moreover, the recent rise of digital cable operators in some parts of the country and the cost of servicing on continuous basis is another threat area. Churn management is another key important metric for better productivity of the market inputs by the organization.

Strategy

The growth of the DTH category is linked with the India growth story and both will continue with some amount of volatility. The focus continues to remain on acquisition of new subscribers from all across the country, deepening the sales and distribution network, improvising upon the services being made available to the subscribers and spread of network of pre-paid charge coupon in every corner of the country.

Being a pioneer in the category, the focus is in bringing technological changes to the customers in order to enhance the experience of television viewing and strengthening the brand. One of the key strategies is a rigorous brand building exercise, as in a six-player market; nearness to consumers' is a key differentiator. Going forward, the emphasis will remain on being considered as one of the best service brands in the category. The continuous and rigorous efforts towards brand building exercise has resulted in the Company being awarded "Power Brand" which indicates the brand value created and generated over the period of your Company's DTH operations.

Revenue enhancement continues to be a focus area. Furthermore, the team is driving a revenue model to achieve profit after tax. Several new initiatives have been undertaken a key one being creation of new tiers in "Silver Saver" and "Gold Saver" to upgrade the subscribers stationed at lower packs. The initial response is encouraging. We are also optimistic on being able to generate advertisement revenue from channels, movie on demand and a la carte channels. This will definitely result in revenue moving upwards.

ARPU continues to be a focus area and in order to augment the ARPU, high definition set top boxes were launched for the up market high end customers. The initial response is encouraging and it has potential to take the Company into a new paradigm of high technology at affordable price point.

Optimization of cost is a continuous process. The content cost has been fixed to a large extent and there has also been a cut down on distribution and logistics costs. Due to the size of operation, economies of scale can be utilized across all product and services buys, helping curtail cost even in the days to come.

Customer continues to be the "prime" focus and mover for our category. Our strategy is confined not only to acquire customers but attention is also given to retain and grow the customer so that the customer continues to participate in the growth story of the company as well as reaping the benefits of DTH.

KEY PERFORMANCE INDICATORS

The Company is subsidizing Consumer Premises Equipment (CPE) in order to gain the market share and achieve the minimum targeted number of subscribers. Continued effort on operational efficiencies and cost containment will drive the

future numbers. We have already achieved break even at EBITA level as a result of our focused attention on maximizing the revenue through a variety of product mix and keeping an eye on expenses to avoid wastefulness and competitive spending. During the year the key highlights of operational performance are as under:

- ❖ Gross subscriber base stood at 8.3 Million on September 30, 2010
- ❖ Operating Revenue for FY 10 stood at Rs. 10.9 Billion
- ❖ EBITDA for FY 10 stood at Rs. 915 Million
- ❖ Total Number of Channels & Services – 263, being the highest in the category
- ❖ ARPU for FY 10 stood at Rs. 138
- ❖ Expansion in Dish Care Network, Dish Shoppe, Service Centers, Distributors, Multi brand outlets, National Chain stores, Home Pick service, resulted in wider market penetration, reach to last mile subscriber and remain Omni present in most of the key markets of the Country.

Risk Management and Internal Control

The Company is having a Risk Management policy to identify, analyze, mitigate and control various risks associated with the business environment.

Internal control systems are continuously monitored by Internal Auditors and the Board are also reviewed by the management for checking any deviation or departure from the laid down policies across various business processes and guidelines. Major risk relating to fire, import, transit of goods etc. are insured. Foreign exchange liability on account of bank loan and other imported goods are monitored and hedged based on market perception and outlook of the forex market. We try to minimize the effect of fluctuation in forex rate, interest rate, commodity purchases, by entering into long term contracts and prudent commercial practices.

Talent Management

Focused attention on management of available human resources by training, re-training, incentivizing, and a fair policy of promotion, transfer and equal pay for equal work played a significant role in achieving the desired objective and remained competitive in terms of product quality, price pattern, brand equity and service deliverables. Nurturing of talent and best HR practices will continue to differentiate and provide strength to continue the lead in the DTH sector.

Cautionary Statement

Statements in this report describing the company's objectives, expectations or predictions may be forward looking within the meaning of the applicable laws and regulations. The actual results may differ materially from those expressed in this statement.

Auditors' Report

To,
The Members

Dish TV India Limited

1. We have audited the attached Balance Sheet of **Dish TV India Limited** ("the Company") as at March 31, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (the 'Order') issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 ("the Act"), on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. *No provision is made for the diminution in the value of investments (including advance share application money of Rs. 13,110.76 lacs as required by AS 13 "Accounting for investments" and impairment of assets of Rs. 2009.48 lacs as required by AS 28 "Impairment of assets". Had these adjustments made, loss for the year would have been higher by Rs. 15,120.24 lacs. However this loss is proposed to be adjusted against General Reserve as per the Composite Scheme of Amalgamation and Arrangement filed in the High Court as referred to in Note no. 24.*
5. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge

and belief were necessary for the purposes of our audit;

- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act *except for para 4 above*;
- e) On the basis of written representations received from the directors, and taken on record by the Board, we report that none of the directors is disqualified as at March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- f) *Subject to comments at para 4 above*, and in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together the significant accounting policies and notes thereon 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;
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - ii) In the case of the Profit and Loss Account, of the **Loss** of the Company for the year ended on that date; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

L. K. Shrishrimal

Partner

Membership No. 72664

For and behalf of

MGB & Co

Firm Registration No. 101169W

Chartered Accountants

Place : Noida

Dated : October 26, 2010

Annexure referred to in paragraph 3 of Auditors' Report to the members of Dish TV India Limited on the accounts for the year ended March 31, 2010.

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b) According to the information and explanations given to us, the fixed assets, *other than consumer premises equipments (CPE) installed at the customer premises and CPE under Capital Work in Progress which is major part of the fixed assets*, have been physically verified by the management as per the phased program of verification and no discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable having regard to the size of the Company and nature of its assets.
- c) During the year, there was no disposal of substantial part of fixed assets.
- ii. a) The inventory has been physically verified by the management at the end of the year. In our opinion, the frequency of such verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion, the Company has maintained proper records of the inventory and no discrepancy were noticed on physical verification as compared to book records.
- iii. a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, clause 4(iii)(b), (c) and (d) of the Order are not applicable to the Company.
- b) The Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore clause 4(iii)(f) and (g) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, 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 inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
- v. a) Based on the audit procedures applied by us and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under Section 301 of the Act have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered into the register maintained under Section 301 of the Act and exceeding the value of Rupees five lacs in respect of each party during the year, have been made at prices which is prima facie reasonable having regard to the prevailing market prices (where such market price available) at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We are informed that the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Act in respect of the Company's activities.
- ix. According to the records of the Company examined by us and information and explanations given to us:
 - a) The Company has been generally regular in depositing (except delay in few cases) its statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Value Added Tax/Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax, Entertainment Tax, Cess and others as applicable. There are no undisputed amounts payable in respect of the aforesaid dues which have been remained outstanding as at March 31, 2010 for a period of more than six months from the date they became payable *except Rs. 24.31 lacs payable under Central Sales Tax Act, 1956.*
 - b) According to the information and explanations given to us, there are no dues of Income Tax, Value Added Tax/Sales Tax, Custom Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute *except the following:*

Name of statute	Nature of dues	Amount (Rs. in lacs)	Period to which pertain	Forum where dispute is pending
Uttar Pradesh Entertainment & Betting Tax Act, 1979	Entertainment Tax	919.95	2003-2004 to 2006-2007	Allahabad High Court
Uttar Pradesh Entertainment & Betting Tax Act, 1979	Entertainment Tax	66.54	April 2006 to July 2009	Allahabad High Court
AP Value Added Tax Act, 2005	Value Added Tax including penalty and interest	344.47	March 2008 to September 2009	Andhra Pradesh High Court
UP Trade Tax Act	Value Added Tax	1.00	April 2006 to March 2007	Joint Commissioner (Appeals), Noida
UP Trade Tax Act	Value Added Tax	0.67	April 2005 to March 2006	Joint Commissioner (Appeals), Noida

- 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 however had incurred cash losses in the immediately preceding year.*
- xi. Based on our audit procedures and as per information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues including interest to Banks and Financial Institutions during the year considering reschedulement.
- xii. According to the information and explanations given to us, the Company has not granted any loans or 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 chit fund or a nidhi / mutual benefit fund / society.
- xiv. The Company has not dealt in or traded 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 loan taken by others from banks and financial institutions.
- xvi. According to the information and explanations given to us and based on overall examination of records, in our opinion, term loan availed by the Company has been applied for the purpose for which the loans were raised, *except Rs. 17,327.12 lacs raised during the preceding financial year is not used for the purposes it was raised.*
- xvii. On the basis of overall examination of Balance Sheet and the Cash Flow Statement of the Company and related

information as made available to us, we report that funds raised on short term basis have not been used for long-term investments.

- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix. The Company has not issued any secured debentures during the year.
- xx. The management has disclosed (at Note nos. 36 & 35) the end use of money raised through Global Depository Receipts issued during the year and proceeds of Rights issue made during the preceding financial year.
- xxi. Based on the audit procedures and according to the information and explanation given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

L. K. Shrishrimal

Partner

Membership No. 72664

For and behalf of

MGB & Co

Firm Registration No. 101169W

Chartered Accountants

Place : Noida

Dated : October 26, 2010

Balance Sheet as at March 31,

		(Currency : Indian Rupee)	
	Notes	2010	2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	2	1,062,070,492	687,297,599
Reserves and Surplus	3	15,282,337,772	2,792,321,328
		<u>16,344,408,264</u>	<u>3,479,618,927</u>
Loan Funds			
Secured Loans	4	3,627,770,795	2,696,204,935
Unsecured Loans	5	5,550,211,711	8,615,161,452
		<u>9,177,982,506</u>	<u>11,311,366,387</u>
TOTAL		<u>25,522,390,770</u>	<u>14,790,985,314</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	16,976,908,146	13,122,759,845
Less : Depreciation/Amortization		<u>6,826,373,857</u>	<u>4,316,329,372</u>
Net Block		10,150,534,289	8,806,430,473
Capital Work in Progress		<u>2,250,680,094</u>	<u>2,380,910,113</u>
		<u>12,401,214,383</u>	<u>11,187,340,586</u>
Investments	7	2,505,565,728	944,510,040
Current Assets, Loans and Advances			
Inventories	8	27,799,312	30,933,149
Sundry Debtors	9	338,472,722	506,571,541
Cash and Bank Balances	10	5,422,248,010	540,370,438
Loans and Advances	11	8,045,454,942	7,743,892,419
		<u>13,833,974,986</u>	<u>8,821,767,547</u>
Less: Current Liabilities and Provisions	12		
Current Liabilities		15,503,946,853	15,843,430,347
Provisions		<u>56,076,908</u>	<u>39,536,618</u>
		<u>15,560,023,761</u>	<u>15,882,966,965</u>
Net Current Assets		<u>(1,726,048,775)</u>	<u>(7,061,199,418)</u>
Profit and Loss Account	13	12,341,659,434	9,720,334,106
TOTAL		<u>25,522,390,770</u>	<u>14,790,985,314</u>
The accompanying notes form an integral part of these financial statements			

As per our attached Report of even date

L. K. Shrishrimal

Partner

Membership No. 72664

For and on behalf of

MGB & Co

Firm Registration No. 101169W

Chartered Accountants

Place : Noida

Dated : October 26, 2010

For and on behalf of the Board

Jawahar Lal Goel

Managing Director

B D Narang

Director

Rajeev K Dalmia

Chief Financial Officer

Ranjit Singh

Company Secretary

Profit and Loss Account for the year ended March 31,

(Currency : Indian Rupee)

	Notes	2010	2009
INCOME			
Sales and Services	14	10,847,944,445	7,376,944,910
Other Income	15	53,128,054	12,720,981
		<u>10,901,072,499</u>	<u>7,389,665,891</u>
EXPENDITURE			
Cost of Traded Goods	16	23,083,581	143,020,734
Operating Expenses	17	7,007,060,797	5,263,396,655
Personnel Cost	18	398,540,196	393,832,148
Administration and Other Expenses	19	454,239,948	417,848,773
Selling and Distribution Expenses	20	2,018,272,737	2,509,176,837
Financial Expenses (Net)	21	583,435,161	1,263,817,888
Depreciation/Amortization	6	3,037,946,316	2,154,074,838
		<u>13,522,578,736</u>	<u>12,145,167,873</u>
Profit/(Loss) before Tax		(2,621,506,237)	(4,755,501,982)
Provision for Taxation - Current Tax		-	-
- Deferred Tax (Refer Note 27)		-	-
- Fringe Benefit Tax		-	7,200,000
- Wealth Tax		77,479	71,603
- Excess Provision in earlier years		(258,388)	-
Profit/(Loss) after Tax		(2,621,325,328)	(4,762,773,585)
Profit/(Loss) for the year carried over to Balance Sheet	13	<u>(2,621,325,328)</u>	<u>(4,762,773,585)</u>
Basic and Diluted Earnings Per Share calculated on share of Re. 1 each fully paid up (Refer Note 40)		(3.19)	(10.02)
The accompanying notes form an integral part of these financial statements			

As per our attached Report of even date

L. K. Shrishimal

Partner

Membership No. 72664

For and on behalf of

MGB & Co

Firm Registration No. 101169W

Chartered Accountants

Place : Noida

Dated : October 26, 2010

For and on behalf of the Board

Jawahar Lal Goel

Managing Director

B D Narang

Director

Rajeev K Dalmia

Chief Financial Officer

Ranjit Singh

Company Secretary

Notes to Financial Statements as at March 31,

(Currency : Indian Rupee)

2. SHARE CAPITAL

Authorised

1,350,000,000 (1,000,000,000) Equity Shares of Re. 1 each

Issued, Subscribed and Paid-up

1,063,419,475 (946,372,395) Equity Shares of Re. 1 each fully paid up

Less: Calls in Arrear

TOTAL

Note:

- i) Of 1,063,419,475 Equity Shares as at March 31, 2010:
 - a) 249,300,890 Equity Shares of Re. 1 each fully paid up were allotted for consideration other than cash pursuant to the Scheme of Arrangement made effective on April 01, 2006.
 - b) 12,080 Equity Shares were issued during the year to employees under Employee Stock Option Plan i.e. ESOP 2007.
 - c) 117,035,000 (NIL) equity shares of Re 1 each fully paid up have been issued during the year, underlying 117,035 nos. of Global Depository Receipts (GDR). Each GDR represents 1,000 Equity Shares of Re 1 each.
- ii) Of 946,372,395 Equity Shares as at March 31, 2009:
 Represent 428,222,803 Equity Shares of Re. 1 each fully paid up and 518,149,592 Equity Shares of Re. 1 each partly paid up of Re 0.50 per Equity Share.
- iii) Refer Note 35 and 36 for Rights Issue and GDR Issue details.

3. RESERVES AND SURPLUS

Securities Premium (Refer Note 35 and 36)

As per Last Balance Sheet

Add: Received during the year

Less: Rights Issue/ GDR Issue Expenses

General Reserves

As per Last Balance Sheet *

Less: Debit balance in Profit and Loss Account per contra

*As per Scheme of Arrangement made effective on April 01, 2006

TOTAL

4. SECURED LOANS

(For Security and other details Refer Note 25)

Term Loan from Banks

Cash Credit from Bank

Vehicle Loan

Interest accrued and due

TOTAL

	2010	2009
Authorised		
1,350,000,000 (1,000,000,000) Equity Shares of Re. 1 each	<u>1,350,000,000</u>	<u>1,000,000,000</u>
Issued, Subscribed and Paid-up		
1,063,419,475 (946,372,395) Equity Shares of Re. 1 each fully paid up	<u>1,063,419,475</u>	<u>687,297,599</u>
Less: Calls in Arrear	<u>1,348,983</u>	<u>-</u>
TOTAL	<u><u>1,062,070,492</u></u>	<u><u>687,297,599</u></u>
Note:		
i) Of 1,063,419,475 Equity Shares as at March 31, 2010:		
a) 249,300,890 Equity Shares of Re. 1 each fully paid up were allotted for consideration other than cash pursuant to the Scheme of Arrangement made effective on April 01, 2006.		
b) 12,080 Equity Shares were issued during the year to employees under Employee Stock Option Plan i.e. ESOP 2007.		
c) 117,035,000 (NIL) equity shares of Re 1 each fully paid up have been issued during the year, underlying 117,035 nos. of Global Depository Receipts (GDR). Each GDR represents 1,000 Equity Shares of Re 1 each.		
ii) Of 946,372,395 Equity Shares as at March 31, 2009:		
Represent 428,222,803 Equity Shares of Re. 1 each fully paid up and 518,149,592 Equity Shares of Re. 1 each partly paid up of Re 0.50 per Equity Share.		
iii) Refer Note 35 and 36 for Rights Issue and GDR Issue details.		
RESERVES AND SURPLUS		
Securities Premium (Refer Note 35 and 36)		
As per Last Balance Sheet	<u>2,792,321,328</u>	<u>-</u>
Add: Received during the year	<u>12,530,899,727</u>	<u>2,849,822,756</u>
	<u>15,323,221,055</u>	<u>2,849,822,756</u>
Less: Rights Issue/ GDR Issue Expenses	<u>40,883,283</u>	<u>57,501,428</u>
	<u>15,282,337,772</u>	<u>2,792,321,328</u>
General Reserves		
As per Last Balance Sheet *	<u>1,695,856,798</u>	<u>1,695,856,798</u>
Less: Debit balance in Profit and Loss Account per contra	<u>1,695,856,798</u>	<u>1,695,856,798</u>
	<u>-</u>	<u>-</u>
*As per Scheme of Arrangement made effective on April 01, 2006		
TOTAL	<u><u>15,282,337,772</u></u>	<u><u>2,792,321,328</u></u>
SECURED LOANS		
(For Security and other details Refer Note 25)		
Term Loan from Banks	<u>3,590,700,000</u>	<u>2,590,700,000</u>
Cash Credit from Bank	<u>-</u>	<u>74,604,622</u>
Vehicle Loan	<u>3,571,669</u>	<u>3,227,266</u>
Interest accrued and due	<u>33,499,126</u>	<u>27,673,047</u>
TOTAL	<u><u>3,627,770,795</u></u>	<u><u>2,696,204,935</u></u>

Notes to Financial Statements as at March 31,

(Currency : Indian Rupee)

5. UNSECURED LOANS (Refer Note 26)

Term Loan from Bank
Buyer's Credit from Bank
Short Term Loan from Bank
Inter Corporate Deposit
Interest accrued and due
TOTAL

	2010	2009
	3,000,000,000	3,000,000,000
	2,517,694,577	2,163,024,160
	-	1,000,000,000
	-	2,438,218,875
	32,517,134	13,918,417
	5,550,211,711	8,615,161,452

6. FIXED ASSETS (At Cost)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at April 1, 2009	Additions	Sale/ Adjustment	As at March 31, 2010	Up to April 1, 2009	For the year	Sale/ Adjustment	Up to March 31, 2010	As at March 31, 2010	As at March 31, 2009
Intangible Assets										
Goodwill	451,177,637	-	-	451,177,637	203,029,936	90,235,527	-	293,265,463	157,912,174	248,147,701
License fees	117,362,250	-	-	117,362,250	57,604,338	13,472,450	-	71,076,788	46,285,462	59,757,912
Software	193,620,411	21,190,351	-	214,810,762	107,122,910	32,668,187	-	139,791,097	75,019,665	86,497,501
Total (A)	762,160,298	21,190,351	-	783,350,649	367,757,184	136,376,164	-	504,133,348	279,217,301	394,403,114
Tangible Assets										
Plant and Machinery	878,860,718	544,936,750	-	1,423,797,468	303,085,256	155,794,924	-	458,880,180	964,917,288	575,775,462
Consumer Premises										
Equipments	11,379,394,284	4,077,079,752	800,552,713	14,655,921,323	3,611,700,244	2,732,087,582	527,374,452	5,816,413,374	8,839,507,949	7,767,694,040
Computers	53,724,179	4,925,666	-	58,649,845	17,209,389	8,453,319	-	25,662,708	32,987,137	36,514,790
Office Equipments	11,848,475	1,845,084	44,980	13,648,579	1,849,014	709,716	1,998	2,556,732	11,091,847	9,999,461
Furniture and Fixtures	7,761,393	994,060	-	8,755,453	2,253,761	834,688	-	3,088,449	5,667,004	5,507,632
Vehicles	21,381,421	5,461,547	1,867,036	24,975,932	6,190,325	2,334,785	525,381	7,999,729	16,976,203	15,191,096
Leasehold Improvements	7,629,077	179,820	-	7,808,897	6,284,199	1,355,138	-	7,639,337	169,560	1,344,878
Total (B)	12,360,599,547	4,635,422,679	802,464,729	16,193,557,497	3,948,572,188	2,901,570,152	527,901,831	6,322,240,509	9,871,316,988	8,412,027,359
Total (A+B)	13,122,759,845	4,656,613,030	802,464,729	16,976,908,146	4,316,329,372	3,037,946,316	527,901,831	6,826,373,857	10,150,534,289	8,806,430,473
Previous Year	8,480,379,746	4,650,095,596	7,715,497	13,122,759,845	2,164,124,767	2,154,074,838	1,870,233	4,316,329,372	8,806,430,473	

Note:

- Refer Note 33 for details of assets given on Operating Lease and assets taken on Finance Lease.
- Refer Note 30.10.1 for foreign currency exchange difference capitalised/decapitalised during the year.

7. INVESTMENTS

Long Term (At Cost) - Unquoted In Subsidiaries

12,470,544 Equity Shares of Rs. 10 each fully paid up of Agrani Convergence Limited (Extent of holding 51%)
50,000 Equity Shares of Rs. 10 each fully paid up of Integrated Subscribers Management Services Limited (Wholly owned)
94,401,004 Equity Shares of Rs. 10 each fully paid up of Agrani Satellite Services Limited(Wholly owned)

Short Term - Unquoted

Mutual Fund # (Refer Note 28)
(Net Assets Value Rs. 1,565,478,734)

Less: Provision for diminution in the value
TOTAL

Aggregate Book value of unquoted investments
Includes Rs. 1,310,000,000 out of Rights Issue and Rs. 250,000,000 out of GDR Issue proceeds (Refer Note 35 and 36)

	2010	2009
	124,705,440	124,705,440
	500,000	500,000
	944,010,040	944,010,040
	1,561,055,688	-
	2,630,271,168	1,069,215,480
	124,705,440	124,705,440
	2,505,565,728	944,510,040
	2,505,565,728	944,510,040

Notes to Financial Statements as at March 31,

(Currency : Indian Rupee)

	2010	2009
8. INVENTORIES		
(As taken, valued and certified by the management)		
Stock in Trade (CPE & Accessories)	27,799,312	30,933,149
TOTAL	27,799,312	30,933,149
9. SUNDRY DEBTORS		
(Unsecured, considered good unless otherwise stated)		
More than Six Months [Includes doubtful Rs. 9,668,744 (Rs. 18,684,042)]	146,215,559	362,412,058
Others [Includes doubtful Rs. 9,982,526 (Rs. Nil)]	211,908,433	162,843,525
	358,123,992	525,255,583
Less: Provision for Doubtful Debts	19,651,270	18,684,042
TOTAL	338,472,722	506,571,541
10. CASH AND BANK BALANCES		
Cash in Hand	2,541,306	4,469,835
Balances with Scheduled Banks :		
In Current Account in Indian Rupees #	2,873,146,788	243,412,046
In Current Account in Foreign Currency *	4,654,050	-
In Fixed Deposit/Margin Account (Pledged/ under lien with banks and others)	380,366,319	292,389,981
Balances with Non-Scheduled Banks : * (Refer Note 30.11)		
In Current Account in Foreign Currency	130,904,330	-
In Fixed Deposit in Foreign Currency	2,029,558,944	-
Cheques in Hand	1,076,273	98,576
TOTAL	5,422,248,010	540,370,438
* Includes unutilised proceeds of GDR Issue (Refer Note 36)		
# includes Rs. 5,482,761 against Share Call Money		
11. LOANS AND ADVANCES (Refer Note 30.4)		
(Unsecured, considered good unless otherwise stated)		
Loans	1,025,766,183	957,267,575
Loans and advance to subsidiary companies	3,199,422,575	2,570,907,873
Advances:		
Indirect Taxes	932,452,344	722,517,099
Direct Taxes (net of provisions)	49,942,173	36,779,474
Other Advances*	1,902,047,141	4,500,739,063
Deposit with Financial Institution (Refer Note 30.12)	2,000,000,000	-
Deposits	161,867,835	181,724,644
	9,271,498,251	8,969,935,728
Less: *Provision for Doubtful Advances	1,226,043,309	1,226,043,309
TOTAL	8,045,454,942	7,743,892,419

Notes to Financial Statements as at March 31,

(Currency : Indian Rupee)

	2010	2009
12. CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities (Refer Note 30.2)		
Creditors for Goods	763,642,873	870,789,591
Creditors for Expenses and Other Liabilities (Refer Note 30.5)	5,063,153,228	6,425,976,888
Liability under Finance Lease (Refer Note 33.2)	1,256,712,340	-
Advances/Deposits Received	8,392,997,190	8,532,210,514
Share Call Money	5,482,761	-
Interest Accrued but not due	21,958,461	14,453,354
	15,503,946,853	15,843,430,347
Provisions		
For Taxation (net of advances)	77,479	131,697
For Retirement Benefits	55,999,429	39,404,921
	56,076,908	39,536,618
TOTAL	15,560,023,761	15,882,966,965
13. PROFIT AND LOSS ACCOUNT		
Balance as per last Balance Sheet	11,416,190,904	6,650,861,299
Add: Adjustment pursuant to adoption of option granted under AS-11 (Refer Note 30.10.2)	-	2,556,020
Add: Loss for the year transferred from Profit and Loss account	2,621,325,328	4,762,773,585
	14,037,516,232	11,416,190,904
Less: Adjusted against General Reserve per contra	1,695,856,798	1,695,856,798
TOTAL	12,341,659,434	9,720,334,106

Notes to Financial Statements for the year ended March 31,

(Currency : Indian Rupee)

	2010	2009
14. SALES AND SERVICES		
Income from DTH Subscribers :		
Subscription Revenue	8,352,918,277	5,897,360,176
Lease Rentals	1,500,742,489	1,007,177,287
Other Operating Income	19,694,129	1,776,835
Teleport Services	168,044,661	133,063,394
HITS Services	624,073,729	-
Bandwidth Charges	158,681,781	242,236,743
Sales-CPE, Accessories and Others	23,789,379	95,330,475
TOTAL	10,847,944,445	7,376,944,910
15. OTHER INCOME		
Exchange Difference (Net)	44,207,583	-
Profit on redemption of units of Mutual Funds	1,413,550	-
Other Income	7,506,921	12,720,981
TOTAL	53,128,054	12,720,981
16. COST OF TRADED GOODS		
Opening Stock	30,933,149	47,121,761
Purchases	19,949,744	126,832,122
	50,882,893	173,953,883
Less: Closing Stock	27,799,312	30,933,149
TOTAL	23,083,581	143,020,734
17. OPERATING EXPENSES		
Transponder Lease	961,699,706	477,304,543
License Fees	1,095,525,824	745,617,013
Uplink Charges	110,549,473	89,746,010
Programming and Other Costs	4,581,256,721	3,771,096,236
Entertainment Tax	258,029,073	178,494,721
Other Operating Charges	-	1,138,132
TOTAL	7,007,060,797	5,263,396,655
18. PERSONNEL COST		
Salary, Bonus and Allowances	360,330,419	352,993,682
Contribution to Provident and Other Funds	23,336,770	20,987,821
Staff Welfare	13,391,660	13,095,485
Recruitment and Training Expenses	1,481,347	6,755,160
TOTAL	398,540,196	393,832,148

Notes to Financial Statements for the year ended March 31,

(Currency : Indian Rupee)

	2010	2009
19. ADMINISTRATION AND OTHER EXPENSES		
Rent	39,677,556	39,914,124
Rates and Taxes	9,904,914	6,373,743
Electricity Charges	21,293,693	21,447,776
Insurance	807,255	5,197,659
Repairs and Maintenance - Plant and Machinery	7,037,597	13,494,075
- Building	3,297,912	2,929,235
- Others	3,592,450	6,393,097
Vehicles Expenses	1,587,151	2,028,335
Legal and Professional Fees	69,527,092	50,424,999
Director Sitting Fees	765,000	500,000
Printing and Stationary	33,373,022	29,848,836
Communication Expenses	26,450,955	36,722,162
Travelling and Conveyance	42,803,974	53,624,904
Miscellaneous Expenses	5,783,331	16,470,179
Balance Written Off (Net)	2,924,090	-
Service and Hire Charges	24,565,613	31,505,547
Freight, Cartage and Demurrage	69,905,862	88,588,303
Bad Debts	9,812,632	
Less: Transfer from Provision for Bad Debts	7,881,159	
Provision for Doubtful Debts	1,931,473	3,188,523
Loss on sale/ discard of Fixed Assets	8,848,387	-
TOTAL	80,162,621	9,197,276
	454,239,948	417,848,773
20 SELLING AND DISTRIBUTION EXPENSES		
Advertisement and Publicity Expenses	752,071,541	897,828,222
Business Promotion Expenses	17,447,179	21,454,480
Commission	943,199,127	1,126,323,468
Customer Support Service	305,554,890	463,570,667
TOTAL	2,018,272,737	2,509,176,837
21. FINANCIAL EXPENSES (NET)		
Interest on:		
- Fixed Loan	905,487,184	418,296,157
- Others	217,731,382	392,124,197
	1,123,218,566	810,420,354
Less : Interest Received (Gross)	632,943,242	83,410,511
[TDS Rs. 12,637,233 (Rs. 3,924,539)]		
	490,275,324	727,009,843
Exchange Difference (Net)	-	244,361,235
Bank and Other Financial Charges	93,159,837	292,446,810
TOTAL	583,435,161	1,263,817,888

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting Convention:

- i. The Company generally follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.
- ii. The financial statements have been prepared under the historical cost convention and in accordance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.

(b) Fixed Assets:

I. Intangible fixed assets

- i. Cost of computer software includes license fees, cost of implementation and system integration expenses. These costs are capitalized as intangible assets in the year in which related software is implemented.
- ii. License fees paid, including for acquiring license to operate Direct to Home (DTH) services, are capitalized as intangible asset.

II. Tangible fixed assets

- i. Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes capital cost, freight, installation cost, duties and taxes, borrowing cost and other incidental expenses incurred during the construction/ installation stage attributable to bringing the assets to working condition for its intended use.
- ii. All capital costs and incidental expenditure incurred during the pre operational period and advances paid for capital expenditure are shown as Capital work-in-progress.
- iii. Customer premises equipments are capitalized on activation.

(c) Depreciation/Amortization:

- i. Depreciation on tangible fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act 1956, except customer premises equipments on which depreciation is provided @ 20% based on useful life estimated by the Management.
- ii. Leasehold improvements are amortized over the period of primary lease.
- iii. Computer Software is amortized from the date of implementation on straight line method over a period of five years based on the management estimate of useful life or license period, whichever is shorter.
- iv. Goodwill on acquisition is amortised over a period of five years.
- v. License fee for DTH License is amortized over the period of license and other license fees are amortized over the management estimate of useful life of five years.

(d) Revenue Recognition:

- i. Subscription and other services revenues are recognized on the completion of the service.
- ii. Lease Rental is recognized as revenue as per the terms of the contract of operating lease.
- iii. Sale of goods is recognized when risk and rewards of ownership are passed on to the customer, which is generally on dispatch of goods.

(e) Investments:

Investments intended to be held for more than one year from the date of acquisition are classified as long term investments and are carried at cost. Provision for diminution in value of investments is made to recognize a decline other than temporary. Current investments are stated at cost or fair value, whichever is lower.

(f) Inventories:

Inventories of Customer Premises Equipments (CPE) and related accessories are valued at lower of cost or net realizable value. Cost is determined on weighted average basis.

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

(g) Retirement Benefits:

i. Defined Contribution Plan

The retirement benefits in the form of provident fund, the contribution payable by the Company is charged to Profit and Loss account of the year.

ii. Defined Benefit Plan

The Present value of defined benefit obligations and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. The defined benefit obligations are not funded.

Leave encashment:

Liability for leave encashment is provided on the basis of actuarial valuation at the balance sheet date.

Gratuity:

Liability for gratuity for the year is provided on the basis of actuarial valuation, as per defined benefit retirement plan covering eligible employees. The plan provides payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's salary and the terms of employment with the Company.

(h) Employees Stock Option Scheme:

In respect of stock option granted pursuant to the Company's Stock Options Scheme, the intrinsic value of the option is treated as discount and accounted as employee compensation cost over the vesting period.

(i) Foreign Currency Transactions:

- i. Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Current monetary assets and liabilities denominated in foreign currency are translated at the exchange rate prevailing at the balance sheet date and gains or losses on translation are recognized in Profit and Loss account. Non monetary foreign currency items are carried at cost.

Subsequent to adoption of revised accounting standard AS-11 as notified on 31.03.2009 long term foreign currency monetary items are translated at the exchange rate prevailing at the balance sheet date and gains or losses on translation, in so far as its relates to the acquisition of a depreciable capital asset is added to or deducted from the cost of the asset and in respect to others, the difference is taken to Foreign Currency Monetary Item Difference Account.

- ii. In respect of forward exchange contracts assigned to the foreign currency assets/liabilities, the difference due to change in exchange rate between the inception of forward contract and date of the Balance Sheet and the proportionate premium/discount for the period upto the date of Balance Sheet is recognized in the Profit and Loss Account. Any profit or loss arising on settlement/cancellation of forward contract is recognized as income or expense for the year in which they arise.

(j) Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as a part of such assets. All other borrowing costs are charged to revenue.

(k) Taxes on Income:

Tax expense comprise of current, deferred, wealth and fringe benefit tax. Current income tax, wealth tax and fringe benefit tax is measured as the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act for the period. Deferred Tax is recognized, subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates. At the balance sheet date the company assesses unrealized deferred tax assets to the extent they become reasonably certain or virtually certain of realization, as the case may be.

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

(l) Rights/ Global Depository Receipts (GDR) Issue Expenses:

Rights Issue and GDR Issue expenses are adjusted against Securities Premium in accordance with Section 78 of the Companies Act, 1956.

(m) Leases:

Operating Lease

Lease of the assets where all the risk and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments/revenue under operating lease are recognized as an expense/income on accrual basis in accordance with respective lease agreement.

Finance Lease

Assets acquired under finance lease and lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Initial cost incurred in connection with the specific leasing activities directly attributable to activities performed by the Company is included as part of the amount recognized as an asset under the lease. Finance charges are recognized as an expense in the Profit and Loss account.

(n) Earning Per Share:

Basic earnings per share is computed and disclosed using the weighted average number of common shares outstanding during the period. The weighted average numbers of shares are calculated after adjusting for bonus element in a right issue to the existing shareholders. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the year. Diluted earnings per share is computed and disclosed using the weighted average number of common and dilutive common equivalent share outstanding during the period except where the result would be anti dilutive.

(o) Impairment:

At each Balance Sheet date, the Company reviews the carrying amount of fixed assets to determine whether there is an indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

(p) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

22. Background

Dish TV India Limited is having registered office in the state of Delhi and is mainly in the business of providing Direct to Home (DTH) Satellite Television Service and Teleport Service.

23. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as of the date of the financial statements and the reported amount of revenue and expenses of the year. Actual results could differ from those estimates. Any revision to estimates is recognized prospectively over current and future periods.

24. Composite Scheme of Amalgamation and Arrangement (The Scheme)

Agrani Satellite Services Limited (ASSL), wholly owned subsidiary of Dish TV, was formed to own, establish and operate Ku band satellite system and to market and lease their bandwidth capacities. However, due to unfavorable market conditions, the satellite business is discontinued. Integrated Subscribers Management Services Limited (ISMSL), another wholly owned subsidiary of Dish TV, is in the business of providing services on commercial basis pertaining to subscriber's management including raising and collection of bills, collection and maintenance of subscriber's information, preparation of required report and call centre activities. In order to simplify the group structure and improve cost efficiency; the board of directors has approved the Scheme, wherein the Non-DTH related business (including equity shares in ASSL and Agrani Convergence Limited) of the Company is transferred to ISMSL followed by the merger of ASSL with ISMSL.

In terms of Composite Scheme of Amalgamation and Arrangement between the Company, Agrani Satellite Services Limited ('ASSL') Integrated Subscriber Management Services Limited ('ISMSL') and their respective shareholders and creditors ('Scheme'), it is proposed to demerge Non-DTH business of the Company into ISMSL, followed by merger of ASSL with ISMSL on appointed date i.e. March 31, 2010. In consideration of transfer of Non-DTH related business, ISMSL will issue and allot 1,00,000 equity shares of face value of Rs. 10 each to Dish TV.

The Scheme of Arrangement is subject to requisite consent, approval of the shareholders and creditors of the companies, the Hon'ble High Court of Judicature at Delhi and other statutory and regulatory authorities. The Scheme of Amalgamation and Arrangement under Section 391-394 of the Companies Act, 1956 has been filed with the Hon'ble High Court of Judicature at Delhi and is pending approval. Pending approval, no effect of the Scheme is considered in these financial statements.

Upon The Scheme becoming effective, the Company shall transfer the whole of the undertaking with assets and liabilities as on March 31, 2010 of the Non-DTH Business to ISMSL. The difference between the book value and the assets to be transferred and allotment of shares by ISMSL shall be transferred to General Reserve as under:

Particulars	Amount (Rs.)
Fixed Assets	432,447,828
Investments in ASSL	944,010,040
Advance including Share Application	367,066,075
Investments in ACL	124,705,440
Advance given	1,208,430,395
Total Assets	3,076,659,778
Less: Liabilities	
Provision for doubtful advances	1,208,430,395
Provision for diminution in the value of Investment	124,705,440
Security Deposits Received	231,500,000
Total Liabilities	1,564,635,835
Consideration to be received	
Allotment of shares by ISMSL	1,000,000
Net Loss on Business Restructuring to be Transferred to General Reserve as per The Scheme	1,511,023,943

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

25. SECURED LOANS

- 25.1 Term Loan from banks Rs. 2,590,700,000 (Rs. 2,590,700,000) is under syndicate debt facility and secured by all movable assets, uncalled capital, intellectual property, goodwill and all investments, all rights, title, interests of all insurance contracts (both present and future), all contracts, government approvals and licenses relating to direct to home services, all amounts in the accounts or other receivables liable to be credited to the accounts in the course of the business, all amounts and receivables from whomsoever person, both present and future in relation to direct to home service business, floating charge on other assets. Further the Company is required to maintain minimum reserve amount with the banks which is guaranteed by a related party.
- 25.2 Term Loan from a bank Rs. 1,000,000,000 (NIL) is secured by subservient hypothecation charge on whole of current assets, movable and immovable fixed assets of the company (present and future) and unconditional and irrevocable corporate guarantee by a related party. (Amount repayable within a year Rs. 375,000,000).
- 25.3 Cash Credit of Rs. Nil (Rs. 74,604,622) is secured by first pari passu charge by way of hypothecation on moveable fixed assets of the Company and pledge of shares owned by related parties.
- 25.4 Vehicle loans are secured against hypothecation of vehicles, (ROC charge not registered) (Amount repayable within a year Rs. 1,456,895).

26. Unsecured Loans

- 26.1 Buyer's credit from a bank Rs. 1,348,647,896 (Rs. 1,475,853,910) is guaranteed by a related party (Amount repayable within a year Rs. 546,717,624).
- 26.2 Buyer's credit from a bank of Rs. 1,169,046,681 (Rs. 687,170,250) is on undertaking provided by related party and the Company has to maintain minimum reserve equivalent to three months payments of principal and interest on outstanding amount, which is guaranteed by a related party.
- 26.3 Term Loan from a bank Rs. 3,000,000,000 (Rs. 3,000,000,000) is guaranteed by two directors and also collaterally secured by immovable property and corporate guarantee provided by related parties. The Company to maintain debt service reserve equivalent to three months installment and interest (Amount repayable within a year Rs. 900,000,000). Subsequent to balance sheet date, the loan is secured by second pari passu charge on entire fixed assets of the company.
- 26.4 Short Term Loan from bank Rs. Nil (Rs. 1,000,000,000) is guaranteed by a related party.

27. Taxes on Income

- 27.1 In the absence of taxable income as per Income Tax Act, 1961 provision for current tax is not required.
- 27.2 In accordance with the Accounting Standards-22 on "Accounting for Taxes on Income" deferred tax assets and liability should be recognized for all timing difference in accordance with the said standard. However, considering the present financial position and requirements of the accounting standard regarding certainty/virtual certainty, the same is not recognized. The same will be reassessed at a subsequent Balance Sheet date and will be recognised in the year when certainty / virtual certainty to be realized.

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

28. Investments

28.1 Following Investments were bought and sold during the year:

Sr. No.	Name of Fund/Plan	Face Value of each unit (Rs.)	Purchased during the year		Sale/ Redemption during the year	
			Units	Amount	Units	Amount
1	Reliance Liquid Fund-Treasury plan-Institutional option-Growth option-Growth Plan	10	145,648,940.7450	3,260,032,723	145,648,940.7450	3,260,502,722
2	Reliance Money Manager Fund-Institutional option-Growth plan	1000	992,042.3890	1,239,429,905	992,042.3890	1,240,267,677
3	DSP BlackRock Cash Manager Fund-Growth	1000	215,128.3230	250,000,000	215,128.3230	250,083,707
4	SBI-Magnum insta cash fund- Cash option	20	12,263,017.1928	250,000,000	12,263,017.1928	250,022,073

28.2 Balances in mutual funds as on March 31, 2010 are as follows:

Particulars	Face value	Balance as at 31 March 2010	
		No. of Units	Total Purchase Cost
Reliance Money Manager Fund-Institutional option-Growth plan	1000	951,918.5930	1,191,033,615
DSP BlackRock Floating Rate Fund-IP-Growth	1000	90,501.8530	120,000,000
SBI -SHDF-Short Term-IP-Growth	10	23,600,569.5190	250,022,073
Total			1,561,055,688

29. Fixed Assets and Capital Work-in-Progress

29.1 Capital Work in Progress comprises of equipments [including consumer premises equipment (CPE)] Rs. 1,940,585,528 (Rs. 1,801,948,889), capital goods in transit Rs. 241,002,460 (Rs. 468,421,511) and capital advances Rs. 69,092,106 (Rs. 110,539,713).

29.2 The Company has commissioned its facility namely "Headend In The Sky" (HITS) on April 1, 2009 for providing television channels in digital form directly to MSO and Cable Operators. The expenses incurred on the project during the construction and trial run period (net of revenue) till March 31, 2009 as per detail given below, have been capitalized over the related assets. The company has suspended its operations with effect from March 31, 2010. The fixed assets including capital work in progress of the HITS along with security deposits received are proposed to be transferred to its wholly owned subsidiary pursuant to the Scheme (Refer Note 24).

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

Particulars	2010	2009
Opening Balance	482,319,683	-
Transponder Charges	-	464,799,425
License Fees	-	106,68,542
Programming and Other Costs	-	5,303,516
Salary, Bonus and Allowances	-	1,665,414
Contribution to Provident and Other Fund	-	105,534
Staff Welfare	-	35,894
Rent	-	403,173
Electricity Charges	-	216,644
Communication Expenses	-	370,856
	482,319,683	483,568,998
Less: Revenue received during trial run period	-	1,249,315
Total	482,319,683	482,319,683
Less: Capitalized to fixed assets	482,319,683	-
Balance	-	482,319,683

30. Others Disclosures

- 30.1 Previous year figures have been regrouped, rearranged and recasted wherever considered necessary to confirm to current year presentation. Figures in brackets pertain to previous year.
- 30.2 As per the information available with the Company none of the creditors have confirmed to be registered under the 'Micro, Small and Medium' Enterprises Development Act, 2006.
- 30.3 Prior period income and expenses included in the respective heads are as under:

Particulars	2010	2009
A) Income		
Interest Income	22,849,593	8,053,946
Total Income	22,849,593	8,053,946
B) Expenses		
Electricity Charges	7,825	-
Communication Expenses	428	7,376
Miscellaneous Expenses	-	9,652,586
Advertisement and Publicity Expenses	-	2,902,237
Commission	1,314,379	89,247
Traveling and Conveyance	29,316	60,778
Repairs and Maintenance-Plant and Machinery	-	544
Interest	-	1,661,705
Freight, Cartage and Demurrage	72,700	5,847
Legal and Professional Fee	17,500	3,637
Rates and Taxes	46,336	52,842
Business Promotion Expenses	36,400	52,459
Depreciation / Amortization	45,172	-
Total Expenses	1,570,056	14,489,258
Net Income/(Expense) (A-B)	21,279,537	(6,435,312)

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

30.4 Loans and Advances

- 30.4.1 Loans and Advances to subsidiaries includes advance against share application money Rs. 865,665,043 (Rs. 630,003,231).
- 30.4.2 Other Advances includes Rs. 1,208,430,395 (Rs. 1,208,430,395) due from foreign companies acquired as part of multi mission satellite system project considered as doubtful in earlier years and provided for.
- 30.4.3 Loans includes Rs. 1,025,766,183 (Rs. 957,267,575) and Other Advances includes Rs. 240,018,763 (Rs. 216,317,469) are overdue. However, in the opinion of the management these amounts are recoverable.
- 30.4.4 Other Advances includes interest accrued Rs. 6,757,457 (Rs. 3,300,376).

30.5 Creditors for Expenses and Other Liabilities

- 30.5.1 Includes Rs. 925,164 (Rs. 926, 694) due to a Subsidiary Company.
- 30.5.2 Includes cheque overdrawn Rs. NIL (Rs.128,441,287).

30.6 Remuneration to the Directors

No commission is paid / payable to any director and hence the computation of profits under Section 198/349 of the Companies Act, 1956 is not required. Remuneration is paid/ payable to the Managing Director as per the approval of the Central Government.

Particulars	2010	2009
Salary and Allowances	5,536,123	5,181,000
Contribution to Provident Fund	311,845	288,000
Perquisites	739,064	705,000
Total	6,587,032	6,174,000

Note: Salary and allowances includes basic salary, house rent allowance and leave travel allowance but excludes leave encashment and gratuity.

30.7 Auditors Remunerations (Included in Legal and Professional Fees)

Particulars (excluding service tax)	2010	2009
Audit Fees	1,600,000	1,200,000
Tax Audit Fees	450,000	300,000
Certification, tax representation and other matters	2,647,419	1,647,233
Total	4,697,419	3,147,233*

* exclude Rs. 750,000 Certification for Rights Issue grouped in rights issue expenses.

30.8 Employee Stock Option Plan –ESOP-2007

The shareholders of the Company at the Annual General Meeting held on August 03, 2007 approved Employee Stock Option Plan i.e. ESOP 2007 ("The Scheme"). The Scheme provides for issue of 4,282,228 options (underlying equity share of Re.1 each) to the employees of the Company as well as that of its subsidiaries and also to non-executive directors including independent directors of the Company at the market price determined as per the SEBI (ESOS) Guidelines, 1999.

The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of options. Under the terms of the Scheme, 20% of the options will vest in the employee every year equally. The Option Grantee must exercise all vested options within a period of four years from the date of vesting. Once the options vest as per the Scheme, they would be exercisable by the Option Grantee at any time and the shares arising on exercise of such options shall not be subject to any lock-in period.

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

The Shareholders in their meeting held on August 28, 2008 have approved the re-pricing of outstanding options. Consequently the Remuneration Committee in its meeting held on August 28, 2008 has re-priced the exercise price at Rs.37.55 per option, determined as per SEBI (ESOS) Guidelines, 1999.

The Board of Directors decided not to make any price adjustment on account of rights issue as there was no material impact on options granted to employees of the Company.

The details of the options granted and movement is set out below:

Particulars	Lot 1			Lot 2		Lot 3		Lot 4	Lot 5
	2009-2010	2008-09	2007-08	2009-10	2008-09	2009-10	2008-09	2009-10	2009-10
Date of grant	August 21, 2007			April 24, 2008		August 28, 2008		May 28, 2009	October 27, 2009
Number of options granted	3,073,050			184,500		30,000		589,200	160,900
Market value on the date of grant (Rs.) (per share)	75.20	75.20	75.20	63.95	63.95	37.55	37.55	47.65	41.45
Exercise price (Rs.) (per share)	37.55	37.55	75.20	37.55	37.55	37.55	37.55	47.65	41.45
Re-pricing (Rs.) (per share)	37.55	37.55	37.55	37.55	37.55	-	-	-	-
Options outstanding at the beginning of the year (Nos.)	1,436,550	2,926,150	-	-	-	30,000	-	-	-
Add: Options granted (Nos.)	-	-	3,073,050	-	184,500	-	30,000	589,200	160,900
Less: Options exercised (Nos.)	12,080	-	-	-	-	-	-	-	-
Options cancelled (Nos.)	-	-	-	-	-	-	-	-	-
Options lapsed (Nos.)	18,120	1,489,600	146,900	-	184,500	-	-	132,150	-
Options forfeited (Nos.)	-	-	-	-	-	-	-	-	-
Options expired (Nos.)	-	-	-	-	-	-	-	-	-
Options outstanding at the year end (Nos.)	1,406,350	1,436,550	2,926,150	-	-	30,000	30,000	457,050	160,900

The options were granted to the employees at an exercise price, being the latest market price as per SEBI (ESOS) Guidelines, 1999. In view of this, there being no intrinsic value (being the excess of the market price of share under ESOS over the exercise price of the option), on the date of grant, hence the Company is not required to account the accounting value of option as per SEBI (ESOS) Guidelines, 1999.

30.9 Retirement Benefits

A) Defined Benefit Plans:

The present value of defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried at each balance sheet date. The defined benefit obligations are not funded.

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

30.9.1 The reconciliation of opening and closing balances of the present value of the defined obligation as at March 31,

Particulars	2010		2009	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Obligation at the year beginning	20,192,912	19,212,009	8,867,927	11,933,184
Service Cost	10,009,741	9,832,220	8,235,715	9,417,926
Interest Cost	1,615,433	1,536,961	709,434	954,655
Actuarial (Gain)/Loss	(707,605)	(1,617,971)	2,455,557	2,173,321
Employers Contribution	(80,339)	(3,993,932)	(75,721)	(5,267,077)
Obligation at the year end	31,030,142	24,969,287	20,192,912	19,212,009

30.9.2 Cost for the year :

Particulars	2010		2009	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Service Cost	10,009,741	9,832,220	8,235,715	9,417,926
Interest Cost	1,615,433	1,536,961	709,434	954,655
Net actuarial (gain)/loss	(707,605)	(1,617,971)	2,455,557	2,173,321
Net cost	10,917,569	9,751,210	11,400,706	12,545,902

30.9.3 Actuarial assumptions used :

Particulars	2010		2009	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount Rate	8%	8%	8%	8%
Expected Salary Escalation Rate	10%	10%	10%	10%
Mortality Table	LIC(1994-96) duly Modified	LIC(1994-96) duly Modified	LIC(1994-96) duly Modified	LIC(1994-96) duly Modified

B) Defined Contribution Plan:

Contribution to provident and other funds is recognized as an expense in Note 18 of the Profit and Loss Account.

30.10 Foreign Currency Transaction:

30.10.1 The foreign exchange gain (net) of Rs. 44,207,583 [loss (net) of Rs. 244,361,235] resulting from settlement and realignment of foreign exchange transaction has been adjusted to Profit and Loss Account. Foreign currency exchange gain of Rs. 245,009,386 is decapitalized (Rs. 146,851,075 is capitalized) under fixed assets and Rs. 1,453,273 decapitalized (Rs. 16,909,146 is Capitalized) under capital work in progress as explained below in Note 30.10.2.

30.10.2 The Company in the year ended March 31, 2009 has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules, 2009 on Accounting Standard 11 (AS-11) notified by Government of India on March 31, 2009. Accordingly in the current year the Company has decapitalized exchange gain of Rs. 246,462,659 (In previous year capitalized exchange loss of Rs. 163,760,221 including gain Rs. 2,556,020 pertaining to earlier periods adjusted through profit and loss account) with the cost of fixed assets/capital work in progress.

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

- 30.10.3 a) The Company has entered into currency and Interest swap transaction in respect of borrowing of US\$ 9,301,500 (US\$ 9,301,500) at fixed amount of Rs. 455,633,978 which will be settled at future date.
- b) Foreign Currency transaction outstanding as on balance sheet date that are not hedged by derivative instrument or otherwise:

Particulars	2010			2009		
	Value in USD \$	Value in GBP	Equivalent to INR	Value in USD \$	Value in GBP	Equivalent to INR
Bank Balances	47,964,495	-	2,165,117,321	-	-	-
Receivables	2,214,232	-	99,950,452	964,126	-	48,566,439
Payables	55,236,084	-	2,493,349,336	48,868,092	19,325	2,521,564,713

- 30.11 Details of Bank Balances as on Balance sheet date with Non-scheduled banks:

Name of the Bank	2010		2009	
	Balance outstanding	Maximum balance during the year	Balance outstanding	Maximum balance during the year
In Current account				
Credit Suisse (UK) Limited-Singapore	130,904,330	451,400,000	-	-
In Fixed Deposit				
Credit Suisse (UK) Limited-Singapore	451,429,822	451,429,822	-	-
RBS Coutts Bank Limited-Singapore	1,578,129,122	1,579,933,240	-	-

- 30.12 Deposit with financial institution Rs. 2,000,000,000 (NIL) represents deposit with SICOM Limited, which is deposited out of Rights Issue proceeds. Maximum outstanding during the year Rs. 2,000,000,000 (NIL).
- 30.13 Debit and Credit balances including of subscribers, distributors and dealers are subject to confirmation/reconciliation and few have confirm balances.
- 30.14 A subsidiary of the company has paid remuneration Rs. 1,050,000 to a relative of directors, which is subject to approval of shareholders in the ensuing annual general meeting.

30.15 Financial Statements of Subsidiaries

The Ministry of Corporate Affairs, Government of India vide its order no.47/116/2010-CL-III dated 18th March, 2010 issued under section 212 (8) of the Companies Act, 1956 ("The Act") has exempted the Company from attaching the Balance Sheets and Profit and Loss Accounts of its subsidiaries under Section 212 (1) of the Act. As per the Order, key details of each subsidiary are attached along with statements under Section 212 (1) of the Act.

- 30.16 The Ministry of Corporate Affairs, Government of India vide letter dated July 30, 2010 has granted extension of three months to hold its annual general meeting.

31. Capital Commitment

Estimated amount of contract remaining to be executed on capital account and not provided for (Net of advance) is Rs. 325,392,762 (Rs. 1,381,819,989).

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

32. Contingent Liability not provided for

32.1

Particulars	2010	2009
Guarantees given by Banks [includes Rs. 400,000,000 (Rs. 488,860,000) guaranteed by a related party]	400,455,000	5,02,615,000
Claim against the Company not acknowledged as debt	43,577,609	43,999,609
Sales Tax and Value Added Tax demands	89,864,314	33,734,094
Entertainment Tax demand	101,520,074	91,995,090
Legal cases against the Company	Unascertained	Unascertained

32.2 Service Tax Department has raised a demand of Rs. 668,271,072 (Rs. 669,438,287) for the period from June, 2005 to September, 2007. The Company has submitted its reply.

32.3 The Company entered into an agreement with its wholly owned subsidiary Agrani Satellite Services Limited (ASSL) for transponder capacity hiring. ASSL had entered into a satellite capacity agreement with a supplier for obtaining transponder capacity on a satellite to be launched. The Company provided a corporate guarantee to the supplier for utilizing the proposed transponder capacity and also to ensure due compliance of agreement between ASSL and the supplier. However, as the supplier failed to meet various obligations under the agreement, ASSL terminated the agreement.

The supplier disputed the said termination and initiated arbitration proceedings against ASSL in ICC International Court of Arbitration at Singapore by filing its claim of USD 190,630,000. This is contested by ASSL. Subsequent to the balance sheet date, both the parties have reached an amicable settlement and consequently, the arbitral proceeding shall be terminated in due course.

32.4 The Company had acquired transponder capacity for the HITS services under Transponder Capacity Agreement. Due to change in the government policy, the company terminated the Transponder Capacity Agreement with supplier under Force Majeure condition. The supplier claimed damages of USD 15,806,802.28. However, subsequent to the balance sheet, the company and supplier have settled the dispute under which both the parties will be released of all the liabilities. Formal settlement agreement is yet to be executed by the parties.

33. Leases

33.1 Operating Lease

33.1.1 In respect of assets taken 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 cancelable 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 51 months. The details of assets taken on operating lease during the year are as under:

Particulars	2010	2009
Lease rental charges for the year (net of shared cost)	1,111,926,735	606,944,447
Lease rental charges capitalized for the year	-	464,799,425
Sub-lease payment received	115,808,590	85,899,947
Future Lease Rental obligation payable (under non-cancelable lease)		
Not later than one year	1,138,492	374,684,107
Later than one year but not later than five years	1,237,434	334,848,848
More than five years	-	-

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

33.1.2 In respect of assets given under operating lease:

The Company has leased out assets by way of operating lease and as on March 31, 2010 the gross book value of such assets, its accumulated depreciation and depreciation for the year is as given below. The total lease income for the year is Rs. 1,500,742,489 (Rs. 1,007,177,287).

Particulars	2010	2009
Gross Value of the Assets	14,674,925,973	11,398,398,934
Accumulated Depreciation	5,828,203,859	3,621,525,649
Depreciation for the year	2,734,052,663	1,905,842,388
Future Lease Rental Receivable (under non-cancelable lease)		
Not later than one year	1,617,523,940	1,273,653,699
Later than one year but not later than five years	1,578,358,773	2,146,323,077
More than five years	-	-

33.2 Finance Lease:

33.2.1 The Company acquired assets on Finance Lease which have been accounted as per Accounting Standard 19 'Leases'. Minimum Lease payments under this Lease as at March 31, 2010 and their present value is as under:

Particulars	2010	2009
Minimum Lease Payments		
Not Later than one year	341,751,540	-
Later than one year and not later than five years	1,341,020,466	-
Total Minimum Lease payments	1,682,772,006	-
Less: Amount representing future interest	426,059,666	-
Present value of Minimum Lease payments	1,256,712,340	-

33.2.2 The details of assets (Consumer Premises Equipments) taken on finance lease are as under:

Particulars	2010	2009
a) Fixed Assets		
Gross Block of assets	582,942,170	-
Accumulated Depreciation	9,134,524	-
Written down value	573,807,646	-
Depreciation for the year	9,134,524	-
b) Capital work in progress	925,717,013	-

34. Borrowing Cost amounting to Rs. 3,779,976 (Rs. 8,651,696) has been capitalized to the cost of fixed assets/capital work in progress during the year.

35. Rights Issue:

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

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

Particulars	Total amount due (per share)	Towards Share Capital (per share)	Towards Securities Premium (per share)	Total Amount	Due on (after the date of allotment, at the option of the Company)	Date of making the Call
On Application	6.00	0.50	5.50	3,108,897,552	Along with application	N.A
On First Call	8.00	0.25	7.75	4,145,196,736	After 3 months but within 9 months	The Board at its meeting held on June 18, 2009 decided to make the First Call, payable on or before July 31, 2009
On Second Call	8.00	0.25	7.75	4,145,196,736	After 9 months but within 18 months	The Board at its meeting held on January 22, 2010 decided to make the Second and Final Call, payable on or before March 1, 2010
Total	22.00	1.00	21.00	11,399,291,024		

During the financial year ended March 31, 2010, the Company received Rs. 4,137,329,504 towards the first call money on 517,166,188 partly paid equity shares and Rs. 4,109,896,512 towards the second and final call money on 513,737,064 partly paid equity shares.

- 35.2 The Board of Directors of the Company, in its meeting held on May 28, 2009 approved revision in use of Rights Issue proceeds from the uses mentioned in the Letter of Offer. The utilization of the rights issue proceeds as per the revised uses aggregating to Rs. 11,356,123,568 (including Rs. 3,108,897,552 received along with application during the year ended March 31, 2009, Rs. 4,137,329,504 received against First Call money and Rs. 4,109,896,512 received against Second and Final Call money) is as under. The monitoring agency namely IDBI Bank Limited has submitted its reports on utilization of right issue proceeds, which are filed with the regulatory authorities.

Particulars	Till Mar 31,2010	Till Mar 31,2009
Repayment of Loans	2,842,144,315	2,842,144,315
Repayment of loans received after launch of the Rights Issue	2,430,000,000	—
Rights Issue expenses	54,451,867	31,951,867
Acquisition of consumer premises equipments	1,839,643,828	129,740,858
General corporate purpose	879,883,558	105,060,512
Total Utilization (A)	8,046,123,568	3,108,897,552
Unutilized amount lying with :		
Mutual Funds	1,310,000,000	—
Deposit with Financial Institution	2,000,000,000	—
Investment (B)	3,310,000,000	—
Total (A+B)	11,356,123,568	3,108,897,552

- 35.3 The Right Issue expenses Rs. NIL (Rs. 57,501,428) incurred during the year are adjusted against Securities Premium in accordance with section 78 of the Companies Act, 1956.

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

- 36.1 Pursuant to the approvals obtained by the Company and in accordance with the applicable law 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 November 23, 2009 at a price of US \$ 854.50 per GDR representing 1000 equity shares.

The pricing of the GDR as per the pricing formula prescribed under Clause 5 (4) (D) of the Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Mechanism) Scheme, 1993, as amended, was Rs. 39.80 per equity share and the relevant date for this purpose was November 23, 2009.

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

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

36.2 The utilization of the GDR proceeds aggregating to Rs. 4,658,446,900 received during the year is as under :

Particulars	2010
Acquisition of Fixed Assets includes Customer Premises Equipments	365,388,429
GDR Issue Expenses	34,462,652
Advance Against Share Application Money given to Subsidiaries	5,613,736
Repayment of Bank Loan	75,522,000
Operational Expenses including interest payments, Bank Charges and Exchange Fluctuations	1,692,321,248
Total (A)	2,173,308,065
Unutilized amount lying with:	
Increase in FDR and Margin Money	70,017,000
Investment in Mutual Fund	250,000,000
Balance with Non-Scheduled Banks*	2,165,121,835
Total unutilized balance as on 31 March 2010 (B)	2,485,138,835
Total (A + B)	4,658,446,900
*After adjustment for unrealized exchange loss of Rs. 69,369,904	

36.3 The GDR Issue expenses Rs. 40,883,283 incurred during the year are adjusted against Securities Premium in accordance with section 78 of the Companies Act, 1956.

37. Supplementary statutory information required to be given pursuant to Clause 32 of the Listing Agreement:

Sr. No	Name of the Enterprise	Balance as on March 31, 2010	Maximum Outstanding during the year	Balance as on March 31, 2009	Maximum Outstanding during the year
a)	Loans and Advances (including advance against share application money) to Subsidiaries				
1	Agrani Satellite Services Limited	2,403,731,466	2,403,731,466	2,002,100,325	2,002,100,325
2	Integrated Subscriber Management Services Limited	795,691,109	914,108,345	568,807,549	1,172,284,293
b)	Loans and Advances given to Companies in which Directors are interested				
	Rama Associate Limited	1,100,000	1,100,000	-	-
c)	Loans and Advances, where there is no repayment schedule				
1	Essel Agro Private Limited	1,095,580,278	2,263,395,148	2,263,395,148	2,263,395,148
2	ASC Telecommunication Limited	170,204,668	170,204,668	160,189,897	160,189,897

38. Related Party Disclosures

38.1 List of parties where control exists:

- Agrani Satellite Services Limited. (Wholly Owned Subsidiary)
- Integrated Subscriber Management Services Limited (Wholly owned Subsidiary)
- Agrani Convergence Limited. (Extent of holding 51%)

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

38.2 Other Related Parties with whom transactions have taken place during the year and balances outstanding as on last date of the year:

Afro Asian Satellite Communication (Gibraltar) Limited, Afro Asian Satellite Communication (U.K.) Limited, Agrani Satellite Communication (Gibraltar) Limited, ASC Telecommunication Limited, Asia Today Limited, Brio Academic infrastructure and Resources Management Private Limited, Churu Trading Company Private Limited, Essel International Limited, Essel Sports Private Limited, Dakshin Media Gaming Solutions Private Limited, Diligent Media Corporation Limited, E City Entertainment (I) Private Limited, E-city Property Management and Services Private Limited., Essel Agro Private Limited, Essel Corporate Services Private Limited, Essel Infraprojects Limited, Essel Shyam Technology Limited, ETC Networks Limited, Indian Cable Net Company Limited, Intrex Tradex Private Limited, ITZ Cash Card Limited, Mumbai Football Club Private Limited, Pan India Network Investment Private Limited, Prajatra Trading Company Private Limited, Procall Private Limited, Rama Associates Limited, Wire and Wireless (India) Limited, Taj Television India Private Limited, Zee Akash News Private Limited, Zee Entertainment Enterprises Limited, Zee News Limited, Zee Turner Limited.

Managing Director: - Mr. Jawahar Lal Goel

Non Executive Directors: - Mr. Subhash Chandra, Mr. B.D. Narang, Mr. Arun Duggal, Dr. Pritam Singh, Mr. Ashok Kurien, Mr. Eric Zinterhofer, Mr. Mintoo Bhandari (Alternate director to Mr. Eric Zinterhofer)

38.3 Transaction with Related Parties:

Particulars	2010		2009	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
(i) With Subsidiary Companies				
Purchase of Goods and Services:	999,974,887		970,806,636	
Integrated Subscriber Management Services Limited		999,974,887		970,806,636
Sales, Services and Recoveries (Net of Taxes)	-		92,000	
Integrated Subscriber Management Services Limited		-		92,000
Interest Received	245,823,909		10,636,172	
Agrani Satellite Services Limited		245,823,909		10,636,172
Loan, Advance and Deposit Given (including Share Application Money)	518,072,826		1,658,435,722	
Agrani Satellite Services Limited		260,789,266		1,482,196,000
Integrated Subscriber Management Services Limited		257,283,560		176,239,722
Refund Received against Loan, Advance and Deposit Given	125,400,000		123,500,000	
Agrani Satellite Services Limited		95,000,000		123,500,000
Integrated Subscriber Management Services Limited		30,400,000		-
(ii) With Other Related Parties:				
Sales, Services and Recoveries (Net of Taxes)	794,929,582		138,149,811	
Zee Entertainment Enterprises Limited		18,263,527		33,647,122
Zee News Limited		54,180,191		34,113,426
Asia Today Limited		86,479,990		52,080,294
Wire and Wireless India Limited		624,073,730		-
Others Related Parties		11,932,144		18,308,969
Purchase of Goods and Services	1,486,857,995		1,370,461,993	
Zee Turner Limited		937,712,772		960,000,062

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

Particulars	2010		2009	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
Zee Entertainment Enterprises Limited		322,813,783		208,461,371
ITZ Cash Card Limited		86,110,358		131,194,029
Others Related Parties		140,221,082		70,806,531
Rent Paid	28,450,604		27,683,088	
Zee Entertainment Enterprises Limited		25,132,320		25,132,320
Rama Associates Limited		2,805,840		2,550,768
Others Related Parties		512,444		-
Interest Paid	97,816,573		327,022,831	
Zee Entertainment Enterprises Limited		71,901,370		68,917,282
Essel International Limited		24,618,197		-
Rupee Finance and Management Private Limited		-		4,231,238
Churu Trading Company Private Limited		-		238,734,832
Others Related Parties		1,297,006		15,139,479
Interest Received	218,612,796		62,715,906	
Essel Agro Private Limited		207,268,837		53,537,828
ASC Telecommunication Limited		9,824,771		9,178,078
Others Related Parties		1,519,188		-
Purchase of Fixed Assets	1,594,082,029		72,073	
Essel International Limited		1,508,659,183		-
Wire and Wireless (India) Limited		85,422,846		72,073
Sharing of Expenses Payable	22,428,981		22,253,268	
Zee Entertainment Enterprises Limited		18,393,396		18,829,165
ITZ Cash Card Limited		2,527,450		-
Others Related Parties		1,508,135		3,424,103
Sharing of Expenses Receivable	867,932		813,217	
Zee Entertainment Enterprises Limited		-		631,000
Zee Turner Limited		691,130		178,578
ETC Networks Limited		79,102		-
Wire and Wireless Limited		97,700		-
Others Related Parties		-		3,639
Loan, Advance and Deposit Taken	-		4,215,105,685	
Zee Entertainment Enterprises Limited		-		2,430,000,000
Churu Trading Company Private Limited		-		617,855,685
Rupee Finance and Management Private Limited		-		250,000,000
Zee News Limited		-		692,500,000
Others Related Parties		-		224,750,000
Repayment of Loan, Advance and Deposit Taken	2,453,218,875		5,038,931,464	
Zee Entertainment Enterprises Limited		2,430,000,000		432,360,984
Churu Trading Company Private Limited		-		3,617,855,685
Rupee Finance and Management Private Limited		-		290,366,648
Zee News Limited		-		692,500,000
Others Related Parties		23,218,875		5,848,147

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

Particulars	2010		2009	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
Loan, Advance and Deposit Given	104,536,147		2,585,450,997	
ITZ Cash Card Limited		97,802,987		50,446,825
Churu Trading Company Private Limited		-		1,217,855,685
Essel Agro Private Limited		2,162,415		1,253,200,000
Others Related Parties		4,570,745		63,948,487
Refund Received against Loan, Advance and Deposit Given	1,275,365,912		1,277,405,685	
Churu Trading Company Private Limited		24,858,458		1,217,855,685
Essel Agro Private Limited		1,250,000,000		14,550,000
Others Related Parties		507,454		45,000,000
Collateral Security and Corporate Guarantee for Loan Taken from Bank provided by Essel Infraprojects Limited and Rama Associates Limited:	-		3,000,000,000	
Corporate Guarantee Received	1,000,000,000		2,852,950,000	
Zee Entertainment Enterprises Limited		1,000,000,000		2,852,950,000
Release of Corporate Guarantee Received	1,084,000,000		627,480,715	
Zee Entertainment Enterprises Limited		1,084,000,000		627,480,715
Balance Written Back	-		8,593,891	
Zee Turner Limited		-		8,205,850
Others Related Parties		-		388,041
Balance Written Off	1,721		352,907	
ITZ Cash Card Limited		-		352,907
Essel Shyam Technologies Limited		1,721		-
Balance at the end of year:				
With Subsidiary Companies:				
Investment	1,069,215,480		1,069,215,480	
Agrani Satellite Services Limited		944,010,040		944,010,040
Agrani Convergence Limited		124,705,440		124,705,440
Integrated Subscriber Management Services Limited		500,000		500,000
Loan, Deposit and Advances Given (including Share Application Money)	3,199,422,575		2,570,907,874	
Agrani Satellite Services Limited		2,403,731,466		2,002,100,325
Integrated Subscriber Management Services Limited		795,691,109		568,807,549
Creditors for Expenses and Other Liabilities	925,164		926,694	
Agrani Convergence Limited		925,164		926,694
With Other Related Parties:				
Loan, Deposit and Advances Given	2,693,421,150		3,792,929,347	
Afro Asian Satellite Communication (UK) Limited		376,881,821		376,881,821
Afro Asian Satellite Communication (Gib) Limited		827,708,050		827,708,050
Essel Agro Private Limited		1,095,580,278		2,263,395,148
Others Related Parties		393,251,001		324,944,328

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

Particulars	2010		2009	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
Provision Outstanding Against Advances Given	1,216,461,163		1,216,461,163	
Afro Asian Satellite Communication (UK) Limited		376,881,821		376,881,821
Afro Asian Satellite Communication (Gib) Limited		827,708,050		827,708,050
Others Related Parties		11,871,292		11,871,292
Loan, Deposit and Advances Taken	231,500,000		2,684,718,875	
Zee Entertainment Enterprises Limited		-		2,430,000,000
Wire and Wireless (India) Limited		231,500,000		246,500,000
Others Related Parties		-		8,218,875
Creditors for Expenses and Other Liabilities	2,898,054,162		2,173,691,770	
Zee Entertainment Enterprises Limited		112,640,129		53,025,251
Zee Turner Limited		1,374,542,186		2,107,062,984
Essel International Limited		1,287,501,644		-
Others Related Parties		123,370,203		13,603,535
Debtors	301,221,274		435,988,379	
Asia Today Limited		106,641,178		74,888,174
Zee News Limited		19,888,296		76,174,061
Zee Entertainment Enterprises Limited		51,243,292		236,530,896
Wire and Wireless (India) Limited		88,004,185		8,883,465
Others Related Parties		35,444,323		39,511,783
Corporate Guarantee Received	3,222,030,089		3,306,030,089	
Zee Entertainment Enterprises Limited		3,222,030,089		3,306,030,089
Collateral Security & Corporate Guarantee for Loan Taken from Bank provided by Essel Infraprojects Limited and Rama Associates Limited	3,000,000,000		3,000,000,000	

Notes

- 1) Major parties denotes who account for 10% or more of the aggregate amount for that category of transaction.
- 2) Details of managerial remuneration is disclosed in Note 30.6
- 3) Also Refer Note 32.3

39. ADDITIONAL INFORMATION PURSUANT TO PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956:

39.1 The Company is in the business of providing DTH services through satellite however, there is no licensed capacity. Further, the nature of business is such that the installed capacity is not quantifiable.

39.2 The details of Opening Stock, Purchases, Sales and Closing Stock of CPE goods and accessories are as under:

Particulars	2010		2009	
	Quantity (No.)	Amount	Quantity (No.)	Amount
Opening Stock				
Set Top Boxes, VGA Box and DVR	1,704	6,063,712	21,465	39,517,525
Cable, Dish and LNB		-		100,679
Spare Parts and Other Items		24,869,437		7,503,557
Total		30,933,149		47,121,761

Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

Particulars	2010		2009	
	Quantity (No.)	Amount	Quantity (No.)	Amount
Purchases #				
Set Top Boxes, VGA Box and DVR	1,370	2,977,003	30,018	50,748,055
Cable, Dish, LNB, VC and Other Items		2,801,011		40,292,497
Spare Parts and Other Items		14,171,730		32,180,526
Electronic Equipments		-	54	3,611,044
# Including transfer from capital work in progress				
Total		19,949,744		126,832,122
Sales				
Set Top Boxes, VGA Box and DVR	1,530	1,328,666	49,779	46,826,471
Cable, Dish, LNB, VC and Other Items		2,643,630		26,158,420
Spare Parts and Other Items		19,817,083		18,677,584
Electronic Equipment		-	54	3,668,000
Total		23,789,379		95,330,475
Closing Stock				
Set Top Boxes, VGA Box and DVR	1,544	5,830,701	1,704	6,063,712
Spare Parts and Other Items		21,968,611		24,869,437
Total		27,799,312		30,933,149

39.3 Other Information:

Particulars	2010	2009
A. CIF Value of Imports		
Capital Equipments	2,503,668,768	3,830,662,427
Trading Goods	8,461,922	7,694,480
B. Expenses in Foreign Currency		
Content Fees	9,548,598	6,056,819
Transponder Charges [including Security Rs. NIL (Rs. 22,431,299)]	525,307,248	530,882,924
Traveling Expenses	949,289	3,945,495
Interest Expenses [includes interest capitalized Rs. 3,779,976 (Rs. 8,651,696)]	74,565,724	68,267,843
Bank and Other Financial Charges	1,976,701	-
GDR Issue Expense (Adjusted against Securities Premium) :-		
Professional and Consultancy Charges	36,365,902	-
Others	828,756	-
C. Income in Foreign Currency		
Teleport Services	86,479,990	52,080,293
Interest Income	91,114	-



Notes to Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

40. Earning Per Share (EPS)

Particulars	2010	2009
Profit/(Loss) After Tax	(2,621,325,328)	(4,762,773,585)
Weighted Average number of Equity Shares of Re 1 each (Nos.)	820,536,923	475,362,442
Basic and diluted earning per share	(3.19)	(10.02)

Note: Potential conversion of the stock option granted is anti- dilutive and accordingly has not been considered in the calculation of diluted earning per share.

41. Segment Information As Per AS-17

The Company is in the business of providing Direct to Home (DTH) and teleport services. As the company's business activity primarily falls within a single business and geographical segment are insignificant, therefore no additional disclosures to be provided in terms of Accounting Standard 17 on "Segment Reporting"

As per our attached report of even date

L. K. Shrishrimal

Partner

Membership No. 72664

For and on behalf of

MGB & Co

Firm Registration No. 101169W

Chartered Accountants

Place: Noida

Date: October 26, 2010

For and on behalf of Board of Directors

Jawahar Lal Goel

Managing Director

B D Narang

Director

Rajeev K Dalmia

Chief Financial Officer

Ranjit Singh

Company Secretary

Cash Flow Statement for the year ended March 31,

(Currency : Indian Rupee)

Particulars	2010	2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before taxation	(2,621,506,237)	(4,755,501,982)
Adjustments for :		
Depreciation /Amortization	3,037,946,316	2,154,074,838
Loss on sale/ discard of Fixed Assets	80,162,621	9,197,276
Provision for Doubtful Debts	8,848,387	-
Profit on Redemption of units of Mutual Funds	(1,413,550)	-
Exchange Adjustments (Net)	65,807,834	101,441,388
Interest Expenses	1,123,218,566	810,420,354
Interest Income	(632,943,242)	(83,410,511)
Amount Written Off (Net)	2,924,090	-
Operating Profit/(Loss) before working capital changes	1,063,044,785	(1,763,778,637)
Adjustments for :		
(Increase)/Decrease in Inventories	3,133,837	16,188,612
(Increase)/Decrease in Trade and Other Receivables	2,339,231,311	(4,953,606,839)
Increase/(Decrease) in Trade and Other Payables	(1,343,074,114)	4,058,045,937
Cash Generated from Operations	2,062,335,819	(2,643,150,927)
Direct Taxes Paid (Net)	15,440,657	23,992,756
Net Cash flow from Operating Activities	2,046,895,162	(2,667,143,683)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets/ CWIP	(4,870,258,482)	(5,105,415,603)
Proceeds from Sale of Fixed Assets	738,984	2,860,148
Purchases of Investments	(6,560,518,316)	-
Proceeds from Sale of Investments	5,000,876,180	-
Loan given to Others	(1,405,000)	(520,000)
Deposit with Financial Institution	(2,000,000,000)	-
Advance Against Share Application Money given to Subsidiaries	(260,789,266)	(112,096,000)
Refund of Advance Against Share Application Money given to Subsidiaries	90,000,000	123,500,000
Refund of Loan by Subsidiaries	5,000,000	-
Interest received	326,550,678	11,169,599
Net Cash Flow from Investing Activities	(8,269,805,222)	(5,080,501,856)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(1,024,217,591)	(887,037,354)
Proceeds from Issue of Equity Share Capital including Securities Premium	12,905,672,620	3,108,897,552
Share Call Money	5,482,761	-
Share Issue Expenses	(66,432,844)	(31,951,867)
Proceeds from Long Term Borrowing	1,598,396,848	7,154,420,642
Proceeds from Lease Finance	1,271,099,989	-
Repayment of Lease Finance availed	(3,355,925)	-
Proceeds/(Repayment) of Vehicle Loan (Net)	344,403	12,001
Proceeds from Short Term Borrowing	339,109,410	5,131,267,612
Repayment of Short Term Borrowing	(3,851,932,907)	(6,387,015,714)
Net Cash Flow from Financing Activities	11,174,166,764	8,088,592,872
D. Effect of exchange difference on translation of foreign currency cash and cash equivalents	(69,379,132)	-
Net Cash Flow during the year (A+B+C+D)	4,881,877,572	340,947,333
Cash and Cash Equivalents at the beginning of the year	540,370,438	199,423,105
Cash and Cash Equivalents at the end of the year	5,422,248,010	540,370,438
Cash and Cash Equivalents at the end of the year comprises of :		
Cash in Hand	2,541,306	4,469,835
Balances with Scheduled Banks in Current Accounts in Indian Rupees	2,873,146,788	243,412,046
Balances with Scheduled Banks in Current Accounts in Foreign Currency	4,654,050	-
Balances with Scheduled Banks in Deposit Accounts	380,366,319	292,389,981
(Pledged/under lien with banks and others)	-	-
Balances with Non-Scheduled Banks in Current Accounts in Foreign Currency	130,904,330	-
Balances with Non-Scheduled Banks in Deposit Accounts in Foreign Currency	2,029,558,944	-
Cheques in hand	1,076,273	98,576
Total Cash and Cash Equivalents	5,422,248,010	540,370,438

Notes :

1. Previous year's figures have been regrouped, rearranged and recasted wherever considered necessary.
2. Balances with Scheduled Banks in Current Accounts includes Rs. 5,482,761 for Share Call Money

As per our attached Report of even date

L. K. Shrishrimal
Partner
Membership No. 72664
For and on behalf of
MGB & Co
Firm Registration No. 101169W
Chartered Accountants
Place : Noida
Dated : October 26, 2010

For and on behalf of the Board

Jawahar Lal Goel Managing Director	B D Narang Director
Rajeev K Dalmia Chief Financial Officer	Ranjit Singh Company Secretary

Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

(Rs. in '000)

Registration No.			1	0	1	8	3	6	State Code						5	5
Balance Sheet Date	3	1	0	3	2	0	1	0								
	Day		Month		Year											

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

Public Issue						N	I	L	Rights Issue			2	5	7	7	2	6
Bonus Issue						N	I	L	Private Placement			1	1	7	0	4	7

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities	2	5	5	2	2	3	9	1	Total Assets	2	5	5	2	2	3	9	1
-------------------	---	---	---	---	---	---	---	---	--------------	---	---	---	---	---	---	---	---

SOURCES OF FUNDS

Paid up Capital		1	0	6	2	0	7	0	Reserves & Surplus	1	5	2	8	2	3	3	8
Secured Loans		3	6	2	7	7	7	1	Unsecured Loans		5	5	5	0	2	1	2
Deferred Tax Liability						N	I	L									

APPLICATION OF FUNDS

Net Fixed Assets	1	2	4	0	1	2	1	4	Investments		2	5	0	5	5	6	6
Net Current Assets (-)		1	7	2	6	0	4	8	Miscellaneous Expenditure						N	I	L
Accumulated Loss	1	2	3	4	1	6	5	9									

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover	1	0	9	0	1	0	7	2	Total Expenditure	1	3	5	2	2	5	7	9
Profit/(Loss) Before Tax(-)		2	6	2	1	5	0	6	Profit/(Loss) After Tax(-)		2	6	2	1	3	2	5
Earning per Share in Rs.				-	3	.	1	9	Dividend Rate (%)						N	I	L

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

Item Code No. (ITC Code)							N	A
--------------------------	--	--	--	--	--	--	---	---

Product Description DTH Services, Trading & Transponder Teleport Activity

For and on behalf of the Board

Jawahar Lal Goel
Managing Director

Rajeev K Dalmia
Chief Financial Officer

B D Narang
Director

Ranjit Singh
Company Secretary

Place : Noida
Date : October 26, 2010

Auditors' Report

To
The Board of Directors
Dish TV India Limited

1. We have audited the attached Consolidated Balance Sheet of **Dish TV India Limited** ("the Company") and **its subsidiaries** ("the Group") as at March 31, 2010, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.
3. The financial statements of a subsidiary with total assets (net) of Rs. 1,110,432,570 as at March 31, 2010 and total revenues (net) of Rs. 12,599,118 for the year ended on that date have not been audited by us. The financial statements of the subsidiary has been audited by other auditor whose report has been furnished to us and our opinion in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditor.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of the Accounting Standard AS 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiaries.
5. a. *No provision is made for the loss on impairment of assets by holding company and a subsidiary as required by AS 28 "Impairment of assets". Had these adjustments made, loss for the year would have been higher by*

Rs. 15,120.24 lacs. However this loss is proposed to be adjusted against General Reserve as per the Composite Scheme of Amalgamation and Arrangement filed with the high court as referred in Note no 25.

- b. *In respect of a subsidiary, the auditors have qualified their report on preparing of the financial statements on going concern assumption and for not making adjustment relating to recoverability of recorded amounts and in respect to liability as might be necessary for compilation where the said subsidiary is not longer a going concern. Effect on the networth of the subsidiary is unascertained.*
6. *Subject to comments at para 5 above and based on our audit and on consideration of the reports of other auditors on separate financial statements of subsidiaries and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:*
 - (i) In the case of the Consolidated Balance Sheet of the consolidated state of affairs of the group as at March 31, 2010;
 - (ii) In the case of the Consolidated Profit and Loss Account of the consolidated results of operations of the group for the year ended on that date; and
 - (iii) In the case of the Consolidated Cash Flow Statement of the consolidated cash flows of the group for the year ended on that date.

L. K. Shrishrimal
Partner
Membership No. 72664

For and behalf of
MGB & Co
Firm Registration No. 101169W
Chartered Accountants

Place : Noida
Dated : October 26, 2010

Consolidated Balance Sheet as at March 31,

		(Currency : Indian Rupee)	
	Notes	2010	2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	2	1,062,070,492	687,297,599
Reserves and Surplus	3	15,282,337,772	2,792,321,328
		16,344,408,264	3,479,618,927
Loan Funds			
Secured Loans	4	3,628,484,511	2,697,237,865
Unsecured Loans	5	5,729,469,711	8,794,619,452
		9,357,954,222	11,491,857,317
Deferred Tax Liability (Net) (Refer Note 27.3)		-	5,817,386
TOTAL		25,702,362,486	14,977,293,630
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	18,344,077,245	14,211,049,705
Less : Depreciation/Amortization		7,297,895,506	4,600,210,007
Net Block		11,046,181,739	9,610,839,698
Capital Work in Progress		3,540,842,176	3,734,025,540
		14,587,023,915	13,344,865,238
Investments	7	1,561,081,188	25,500
Current Assets, Loans and Advances			
Inventories	8	27,799,312	32,154,439
Sundry Debtors	9	359,040,400	526,098,898
Cash and Bank Balances	10	5,550,223,331	805,302,304
Loans and Advances	11	6,965,541,781	6,680,458,357
		12,902,604,824	8,044,013,998
Less: Current Liabilities and Provisions	12		
Current Liabilities		15,859,650,695	16,310,854,383
Provisions		64,885,869	54,899,757
		15,924,536,564	16,365,754,140
Net Current Assets		(3,021,931,740)	(8,321,740,142)
Profit and Loss Account	13	12,576,189,123	9,954,143,034
TOTAL		25,702,362,486	14,977,293,630

The accompanying notes form an integral part of these financial statements

As per our attached Report of even date

L. K. Shrishrimal

Partner

Membership No. 72664

For and on behalf of

MGB & Co

Firm Registration No. 101169W

Chartered Accountants

Place : Noida

Dated : October 26, 2010

For and on behalf of the Board

Jawahar Lal Goel

Managing Director

B D Narang

Director

Rajeev K Dalmia

Chief Financial Officer

Ranjit Singh

Company Secretary

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

		(Currency : Indian Rupee)	
	Notes	2010	2009
INCOME			
Sales and Services	14	10,849,951,014	7,381,089,276
Other Income	15	65,274,936	12,790,712
		<u>10,915,225,950</u>	<u>7,393,879,988</u>
EXPENDITURE			
Cost of Traded Goods	16	23,586,955	146,975,195
Operating Expenses	17	6,901,961,552	5,292,529,702
Personnel Cost	18	515,971,506	543,359,666
Administration and Other Expenses	19	520,889,104	468,849,098
Selling and Distribution Expenses	20	1,770,752,393	2,162,147,803
Financial Expenses (net)	21	582,803,994	1,292,675,100
Depreciation/Amortization	6	3,227,304,830	2,288,598,834
		<u>13,543,270,334</u>	<u>12,195,135,398</u>
Profit/(Loss) before Tax		(2,628,044,384)	(4,801,255,410)
Provision for Taxation - Current Tax		-	-
- Deferred Tax (Refer Note 27)		(5,817,386)	(2,068,534)
- Fringe Benefit Tax		-	7,699,754
- Wealth Tax		77,479	71,603
- Short Provision in earlier years		(258,388)	-
Profit/(Loss) for the year carried over to Balance Sheet	13	<u>(2,622,046,089)</u>	<u>(4,806,958,233)</u>
Basic and Diluted Earnings Per Share calculated on share of Re. 1 each fully paid up (Refer Note 38)		(3.20)	(10.11)
The accompanying notes form an integral part of these financial statements			

As per our attached Report of even date

L. K. Shrishrimal

Partner

Membership No. 72664

For and on behalf of

MGB & Co

Firm Registration No. 101169W

Chartered Accountants

Place : Noida

Dated : October 26, 2010

For and on behalf of the Board

Jawahar Lal Goel

Managing Director

B D Narang

Director

Rajeev K Dalmia

Chief Financial Officer

Ranjit Singh

Company Secretary

Notes to Consolidated Financial Statements as at March 31,

(Currency : Indian Rupee)

2. SHARE CAPITAL

Authorised

1,350,000,000 (1,000,000,000) Equity Shares of Re. 1 each

Issued, Subscribed and Paid-up

1,063,419,475 (946,372,395) Equity Shares of Re. 1 each fully paid up

Less: Calls in Arrear

TOTAL

2010	2009
1,350,000,000	1,000,000,000
1,063,419,475	687,297,599
1,348,983	-
1,062,070,492	687,297,599

Note:

- Of 1,063,419,475 Equity Shares as at March 31, 2010:
 - 249,300,890 Equity Shares of Re. 1 each fully paid up were allotted for consideration other than cash pursuant to the Scheme of Arrangement made effective on April 01, 2006.
 - 12,080 Equity Shares were issued during the year to employees under Employee Stock Option Plan i.e. ESOP 2007.
 - 117,035,000 (NIL) equity shares of Re. 1 each fully paid up have been issued during the year underlying 117,035 nos. of Global Depository Receipts (GDR). Each GDR represents 1,000 Equity Shares of Re. 1 each.
- Of 946,372,395 Equity Shares as at March 31, 2009:
Represent 428,222,803 Equity Shares of Re. 1 each fully paid up and 518,149,592 Equity Shares of Re. 1 each partly paid up of Re. 0.50 per Equity Share.
- Refer Note 34 and 35 for Rights Issue and GDR Issue details.

3. RESERVES AND SURPLUS

Securities Premium (Refer Note 34 and 35)

As per Last Balance Sheet

Add: Received during the year

Less: Rights Issue/GDR Issue Expenses

General Reserves

As per Last Balance Sheet*

Less: Debit balance in Profit and Loss Account per contra

*As per Scheme of Arrangement made effective on April 01, 2006

TOTAL

2010	2009
2,792,321,328	-
12,530,899,727	2,849,822,756
15,323,221,055	2,849,822,756
40,883,283	57,501,428
15,282,337,772	2,792,321,328
1,695,856,798	1,695,856,798
1,695,856,798	1,695,856,798
-	-
15,282,337,772	2,792,321,328
3,590,700,000	2,590,700,000
-	74,604,622
4,285,385	4,260,196
33,499,126	27,673,047
3,628,484,511	2,697,237,865

4. SECURED LOANS

(For Security and other details Refer Note 26)

Term Loan from Banks

Cash Credit from Bank

Vehicle Loan

Interest accrued and due

TOTAL

Notes to Consolidated Financial Statements as at March 31,

(Currency : Indian Rupee)

5. UNSECURED LOANS (Refer Note 26)

Term Loan from Bank
Buyer's Credit from Bank
Short Term Loan from Banks
Inter Corporate Deposit
Interest accrued and due
TOTAL

	2010	2009
	3,000,000,000	3,000,000,000
	2,517,694,577	2,163,024,160
	-	1,000,000,000
	179,258,000	2,617,676,875
	32,517,134	13,918,417
	5,729,469,711	8,794,619,452

6. FIXED ASSETS (At Cost)

	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at April 1, 2009	Additions	Sale/ Adjustment	As at March 31, 2010	Up to March 31, 2009	For the year	Sale/ Adjustment	Up to March 31, 2010	As at March 31, 2010	As at March 31, 2009
Intangible Assets										
Goodwill	451,177,637	-	-	451,177,637	203,029,936	90,235,527	-	293,265,463	157,912,174	248,147,701
License fees	117,362,250	-	-	117,362,250	57,604,338	13,472,450	-	71,076,788	46,285,462	59,757,912
Software	193,653,479	21,190,351	-	214,843,830	107,154,668	32,668,187	-	139,822,855	75,020,975	86,498,811
Total (A)	762,193,366	21,190,351	-	783,383,717	367,788,942	136,376,164	-	504,165,106	279,218,611	394,404,424
Tangible Assets										
Plant and Machinery	1,877,594,758	826,274,557	-	2,703,869,315	575,341,594	338,223,493	-	913,565,087	1,790,304,228	1,302,253,164
Consumer Premises Equipments (CPE)	11,379,394,284	4,077,079,752	800,552,712	14,655,921,324	3,611,700,244	2,732,087,582	527,374,453	5,816,413,373	8,839,507,951	7,767,694,040
Computers	56,743,634	4,925,666	1,390,401	60,278,899	20,025,413	8,468,048	1,321,158	27,172,303	33,106,596	36,718,221
Equipments	46,371,280	1,895,428	504,318	47,762,390	5,092,321	2,305,035	198,773	7,198,583	40,563,807	41,278,959
Furniture and Fixtures	18,963,951	1,032,332	-	19,996,283	3,469,975	1,686,216	-	5,156,191	14,840,092	15,493,976
Vehicles	23,508,157	5,461,547	2,564,482	26,405,222	6,539,325	2,481,458	873,367	8,147,416	18,257,806	16,968,832
Leasehold Improvements	46,280,275	179,820	-	46,460,095	10,252,193	5,825,254	-	16,077,447	30,382,648	36,028,082
Total (B)	13,448,856,339	4,916,849,102	805,011,913	17,560,693,528	4,232,421,065	3,091,077,086	529,767,751	6,793,730,400	10,766,963,128	9,216,435,274
Total (A+B)	14,211,049,705	4,938,039,453	805,011,913	18,344,077,245	4,600,210,007	3,227,453,250	529,767,751	7,297,895,506	11,046,181,739	9,610,839,698
Previous Year	9,119,469,678	5,099,690,503	8,110,476	14,211,049,705	2,313,562,186	2,288,852,616	2,204,795	4,600,210,007	9,610,839,698	

Note:

- (1) Details of assets given on Operating Lease and Finance Lease are given in Note 33
(2) Depreciation for the year includes Rs. 148,420 (Rs 253,782) taken to pre-operative expenses (Refer Note 29.3)
(3) Refer Note 30.6 for foreign currency exchange difference capitalised/decapitalised during the year.

7. INVESTMENTS

Long Term (At Cost) - Unquoted (Non-Trade)

NSC VIII issue
(Pledged with Sales Tax Authorities)

Short Term - Unquoted

Mutual Fund* (Refer Note 28)
(Net Assets Value Rs. 1,565,478,734)

	2010	2009
	25,500	25,500
	1,561,055,688	-
	1,561,081,188	25,500
	1,561,081,188	25,500

Aggregate Book value of unquoted investments

* Includes Rs. 1,310,000,000 out of Rights Issue and Rs. 250,000,000 out of GDR Issue proceeds (Refer Note 34 and 35)

Notes to Consolidated Financial Statements as at March 31,

(Currency : Indian Rupee)

	2010	2009
8. INVENTORIES		
(As taken, valued and certified by the management)		
Stock in Trade (CPE and Accessories)	27,799,312	32,154,439
TOTAL	27,799,312	32,154,439
9. SUNDRY DEBTORS		
(Unsecured, considered good unless otherwise stated)		
More than Six Months [Includes doubtful Rs. 21,504,692 (Rs. 30,519,990)]	177,265,648	392,366,861
Others [Include doubtful Rs. 9,982,526 (Rs. Nil)]	213,261,970	164,252,027
TOTAL	390,527,618	556,618,888
Less: Provision for Doubtful Debts	31,487,218	30,519,990
TOTAL	359,040,400	526,098,898
10. CASH AND BANK BALANCES		
Cash in Hand	2,544,576	4,672,127
Balance with Scheduled Banks :		
In Current Account in Indian Rupees#	2,987,992,751	495,110,802
In Current Account in Foreign Currency*	4,654,050	-
In Short Term Deposit Account	993,643	973,172
In Fixed Deposit/Margin Account	390,663,319	304,447,627
(Pledged/ under lien with banks and others)		
Balance with Non-Scheduled Banks :* (Refer Note 30.8)		
In Current Account in Foreign Currency	130,904,330	-
In Fixed Deposit in Foreign Currency	2,029,558,944	-
Cheques in hand	2,911,718	98,576
TOTAL	5,550,223,331	805,302,304
* Includes unutilised proceeds of GDR Issue (Refer Note 35.2)		
# includes Rs. 5,482,761 against Share Call Money		
11. LOANS AND ADVANCES (Refer Note 30.5)		
(Unsecured, considered good unless otherwise stated)		
Loans	1,463,902,715	979,593,667
Advances:		
Indirect Taxes	934,852,207	722,517,099
Direct Taxes (Net of provisions)	144,643,493	82,321,125
Other Advances*	3,480,443,288	5,934,462,993
Deposit with Financial Institutions (Refer Note 30.9)	2,000,000,000	-
Deposits	167,743,387	187,606,782
	8,191,585,090	7,906,501,666
Less: * Provision for Doubtful Advances	1,226,043,309	1,226,043,309
TOTAL	6,965,541,781	6,680,458,357

Notes to Consolidated Financial Statements as at March 31,

(Currency : Indian Rupee)

12. CURRENT LIABILITIES AND PROVISIONS

Current Liabilities

	2010	2009
Creditors for Goods	765,762,029	873,007,206
Creditors for Expenses and Other Liabilities (Refer Note 30.4)	5,416,138,098	6,890,583,493
Liability under Finance Lease (Refer Note 33.2)	1,256,712,340	-
Advances/Deposits Received	8,393,597,006	8,532,810,330
Share Call Money	5,482,761	-
Interest Accrued but not due	21,958,461	14,453,354
	<u>15,859,650,695</u>	<u>16,310,854,383</u>

Provisions

For Taxation (Net of advances)	640,819	2,792,877
For Retirement Benefits	64,245,050	52,106,880
	<u>64,885,869</u>	<u>54,899,757</u>
TOTAL	<u>15,924,536,564</u>	<u>16,365,754,140</u>

13. PROFIT AND LOSS ACCOUNT

Balance as per last Balance Sheet	11,649,999,832	6,834,577,953
Add: Adjustment pursuant to adoption of option granted under AS-11 (Refer Note 30.6.2)	-	8,463,646
Loss for the year transferred from Profit and Loss account	2,622,046,089	4,806,958,233
	<u>14,272,045,921</u>	<u>11,649,999,832</u>
Less: Adjusted against General Reserves per contra	1,695,856,798	1,695,856,798
TOTAL	<u>12,576,189,123</u>	<u>9,954,143,034</u>

Notes to Consolidated Financial Statements for the year ended March 31,

(Currency : Indian Rupee)

	2010	2009
14. SALES AND SERVICES		
Income from DTH Subscribers :		
Subscription Revenue	8,352,918,277	5,897,360,176
Lease Rentals	1,500,742,489	1,007,177,287
Other Operating Income	19,694,129	1,776,835
Teleport Services	168,044,661	133,063,394
HITS Services	624,073,729	-
Bandwidth Charges	158,681,781	242,236,743
Sales-CPE, Accessories and Others	24,568,808	96,732,616
Call Center Charges	1,227,140	2,742,225
TOTAL	10,849,951,014	7,381,089,276
15. OTHER INCOME		
Exchange Difference (Net)	54,757,575	-
Profit on redemption of units of Mutual Funds	1,413,550	-
Profit on sale of Fixed Assets	-	81,987
Other Income	9,103,811	12,708,725
TOTAL	65,274,936	12,790,712
16. COST OF TRADED GOODS		
Opening Stock	32,154,439	58,316,913
Purchases	19,231,828	120,812,721
	51,386,267	179,129,634
Less: Closing Stock	27,799,312	32,154,439
TOTAL	23,586,955	146,975,195
17. OPERATING EXPENSES		
Transponder Lease	961,699,706	477,304,543
License Fees	1,095,525,824	745,617,013
Uplink Charges	110,549,473	89,746,010
Programming and Other Costs	4,131,530,398	3,478,984,063
Entertainment Tax	258,029,073	178,494,721
Other Operating Charges	344,627,078	322,383,352
TOTAL	6,901,961,552	5,292,529,702
18. PERSONNEL COST		
Salary, Bonus and Allowances	465,595,079	490,436,312
Contribution to Provident and Other Funds	32,351,734	29,398,133
Staff Welfare	15,099,810	14,860,858
Recruitment and Training Expenses	2,924,883	8,664,363
TOTAL	515,971,506	543,359,666

Notes to Consolidated Financial Statements for the year ended March 31,

(Currency : Indian Rupee)

	2010	2009
19. ADMINISTRATION AND OTHER EXPENSES		
Rent	49,297,875	49,120,965
Rates and Taxes	10,685,025	6,493,430
Electricity Charges	29,173,381	27,501,887
Insurance	833,774	5,257,809
Repairs and Maintenance - Plant and Machinery	7,037,597	13,494,075
- Building	3,305,411	3,658,059
- Others	14,597,290	14,984,189
Vehicles Expenses	1,600,924	2,072,826
Legal and Professional Fees	77,059,074	57,256,501
Director Sitting Fees	765,000	500,000
Printing and Stationary	33,620,921	30,392,363
Communication Expenses	34,558,712	39,498,429
Traveling and Conveyance	58,781,788	67,911,117
Miscellaneous Expenses	5,866,123	16,826,085
Balances Written Off (Net)	8,187,519	-
Service and Hire Charges	24,565,613	31,505,547
Freight, Cartage and Demurrage	69,941,137	88,632,481
Bad Debts	9,812,632	
Less: Transfer from Provision for Bad Debts	7,881,159	
Provision for Doubtful Debts	1,931,473	3,188,523
Loss on sale/ discard of Fixed Assets	8,848,387	1,357,536
TOTAL	80,232,080	9,197,276
	520,889,104	468,849,098
20. SELLING AND DISTRIBUTION EXPENSES		
Advertisement and Publicity Expenses	752,071,541	897,828,222
Business Promotion Expenses	17,447,179	21,457,580
Commission	943,199,127	1,126,323,468
Customer Support Service	58,034,546	116,538,533
TOTAL	1,770,752,393	2,162,147,803
21. FINANCIAL EXPENSES (NET)		
Interest on:		
- Fixed Loan	659,663,275	418,296,157
- Others	217,842,683	392,130,594
	877,505,958	810,426,751
Less : Interest Received (Gross)	387,907,641	73,451,576
[TDS Rs. 2,722,330 (Rs. 4,062,865)]	489,598,317	736,975,175
Exchange Difference (Net)	-	262,368,389
Bank and Other Financial Charges	93,205,677	293,331,536
TOTAL	582,803,994	1,292,675,100

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting Convention:

- i. The Group generally follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.
- ii. The financial statements have been prepared under the historical cost convention and in accordance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.

(b) Fixed Assets:

I. Intangible fixed assets

- i. Cost of computer software includes license fees, cost of implementation and system integration expenses. These costs are capitalized as intangible assets in the year in which related software is implemented.
- ii. Licence fees paid, including for acquiring license to operate Direct to Home (DTH) services, are capitalized as intangible assets.

II. Tangible fixed assets

- i. Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes capital cost, freight, installation cost, duties and taxes, borrowing cost and other incidental expenses incurred during the construction/installation stage attributable to bringing the assets to working condition for its intended use.
- ii. All capital costs and incidental expenditure incurred during the pre operational period and advances paid for capital expenditure are shown as Capital work-in-progress.
- iii. Customer premises equipments are capitalized on activation.

(c) Depreciation/Amortization:

- i. Depreciation is provided on tangible fixed assets including leased assets at the rates adopted in the accounts of respective subsidiaries as permissible under law, on straight line method from the time they are available for use, so as to write off their cost over estimated useful life of the assets.
- ii. Leasehold improvements are amortized over the period of primary lease.
- iii. Computer Software is amortized from the date of implementation on straight line method over a period of five years based on managements estimate of useful life or license period whichever is shorter.
- iv. Goodwill on acquisition is amortized over a period of five years.
- v. License fee for DTH License is amortized over the period of license and other license fees are amortized over the management estimate of useful life of five years.

(d) Revenue Recognition:

- i. Subscription and other services revenues are recognized on completion of the services.
- ii. Lease Rental is recognized as revenue as per the contract of operating lease.
- iii. Sale of goods is recognized when risk and rewards of ownership are passed on to the customer, which is generally on dispatch of goods.

(e) Investments:

Investments intended to be held for more than one year from the date of acquisition are classified as long-term investments and are carried at cost. Provision for diminution in value of investments is made to recognize a decline other than temporary. Current investments are stated at cost or fair value, whichever is lower.

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

(f) Inventories:

Inventories of Consumer Premises Equipments (CPE) and related accessories are valued at lower of cost or net realizable value. Cost is determined on weighted average basis.

(g) Retirement Benefits:

i. Defined Contribution Plan

In respect of retirement benefits in the form of provident fund, the contribution payable by the Company is charged to Profit and Loss account for the year.

ii. Defined Benefit Plan

The Present value of defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. The defined benefit obligations are not funded except in case of two Indian subsidiaries.

Leave encashment:

Liability for leave encashment is provided on the basis of actuarial valuation at the balance sheet date.

Gratuity:

Liability for gratuity for the year is provided on the basis of actuarial valuation, as per defined benefit retirement plan covering eligible employees. The plan provides payment, to vested employees on retirement, death or termination of employment of an amount based on the respective employee's salary and the terms of employment with the Company. In case of two Indian Subsidiaries, the gratuity benefit is provided through annual contribution to a fund managed by the Life Insurance Corporation of India (LIC).

(h) Employees Stock Option Scheme:

In respect of stock option granted pursuant to the Company's Stock Options Scheme, the intrinsic value of the option is treated as discount and accounted as employee compensation cost over the vesting period.

(i) Foreign Currency Transactions:

i. Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Current Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate prevailing at the balance sheet date and gains or losses on translation are recognized in Profit and Loss account. Non-monetary foreign currency items are carried at cost.

Subsequent to adoption of revised accounting standard AS-11 as notified on March 31, 2009 long term foreign currency monetary items are translated at the exchange rate prevailing at the balance sheet date and gains or losses on translation, in so far as it relates to the acquisition of a depreciable capital asset is added to or deducted from the cost of the asset and in related to others, the difference is taken to Foreign Currency Monetary Item Difference Account.

ii. In respect of forward exchange contracts assigned to the foreign currency assets/liabilities, the difference due to change in exchange rate between the inception of forward contract and date of the Balance Sheet and the proportionate premium/discount for the period upto the date of Balance Sheet is recognized in the Profit and Loss Account. Any profit or loss arising on settlement/cancellation of forward contract is recognized as income or expense for the year in which they arise.

(j) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of such assets. All other borrowing costs are charged to revenue.

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

(k) Taxes on Income:

Tax expense comprise of current, deferred, wealth and fringe benefit tax. Current income tax, wealth tax and fringe benefit tax is measured as the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act for the period. Deferred Tax is recognized, subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates. At the balance sheet date the Company assesses unrealized deferred tax assets to the extent they become reasonably certain or virtually certain of realization, as the case may be.

(l) Rights Issue and GDR Issue Expenses:

Rights Issue and GDR Issue expenses are adjusted against Securities Premium in accordance with Section 78 of the Companies Act, 1956.

(m) Leases:

Operating Lease:

Lease of the assets where all the risk and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments/revenue under operating lease are recognized as an expense/income on accrual basis in accordance with respective lease agreement.

Finance Lease:

Assets acquired under finance lease and/or lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Initial cost incurred in connection with the specific leasing activities directly attributable to activities performed by the Company is included as part of the amount recognized as an asset the lease. Finance charges are recognized as an expense in the Profit and Loss account.

(n) Earning Per Share:

Basic earnings per share is computed and disclosed using the weighted average number of common shares outstanding during the period. The weighted average numbers of shares are calculated after adjusting for bonus element in a right issue to the existing shareholders. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the year. Diluted earnings per share is computed and disclosed using the weighted average number of common and dilutive common equivalent share outstanding during the period except where the result would be anti dilutive.

(o) Impairment:

At each Balance Sheet date, the Company reviews the carrying amount of fixed assets to determine whether there is an indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

(p) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

22. Background

Dish TV India Limited (herein referred to as “the parent company”, “the Company” or “Dish”) along with its subsidiaries (collectively known as “the Group”) encompassing the Direct to Home (DTH) Satellite Television Service which includes teleport service, customer support, transponder space leasing etc.

The Group derives revenue mainly from subscribers of DTH Services, lease rent on customer premises equipment, teleport services.

23. Use of Estimates

The preparation of the CFS in accordance with the Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses of the year. Actual results could differ from those estimates. Any revision to estimates is recognized prospectively in the current and future periods.

24. Basis of Consolidation

24.1 The Consolidated Financial Statements (CFS) of the Group are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India and the Accounting Standard (AS) 21 on “Consolidated Financial Statements”, to the extent possible in the same format as that adopted by the parent company for its separate financial statements by regrouping, recasting or rearranging figures wherever considered necessary. The significant inconsistencies in accounting policies are disclosed wherever applicable and no adjustment are made in CFS for such inconsistencies.

The consolidation of the financial statements of the parent company and its subsidiaries is done to the extent possible on line to line basis by adding together like items of assets, liabilities, income and expenses. All significant intra group transactions, balances and unrealized inter company profits have been eliminated in the process of consolidation.

24.2 The parent company and its subsidiaries prepare its financial statements under the historical cost convention, in accordance with Generally Accepted Accounting Principles (GAAP) prevalent in India.

24.3 The CFS includes the Financial Statements of the parent company and the subsidiaries (all Indian companies) as listed in the table below. Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer/disposal. (Refer Note 25)

Name of the Subsidiaries	Extent of holding %
Integrated Subscriber Management Services Limited	100.00
Agrani Convergence Limited	51.00
Agrani Satellite Services Limited	100.00

24.4 Minority interest in subsidiary represents the minority shareholders proportionate share of the net assets and net income.

24.5 In the case of one of the subsidiaries, its management has decided in earlier years to close the major part of the business operation. In view of the closure plan, the fixed assets, current assets, loans and advances have been carried at estimated net realizable value.

25. Composite Scheme of Amalgamation and Arrangement (The Scheme)

In terms of Composite Scheme of Amalgamation and Arrangement between the Company, Agrani Satellite Services Limited (‘ASSL’) (wholly owned subsidiary of the Company), Integrated Subscriber Management Services Limited (‘ISMSL’) (wholly owned subsidiary of the Company) and their respective shareholders and creditors, it is proposed to demerge Non-DTH business of the Company into ISMSL, followed by merger of ASSL with ISMSL on appointed date i.e. March 31, 2010. ASSL, wholly owned subsidiary of Dish TV, was formed to own, establish and operate Ku band satellite system and to market and lease their bandwidth capacities. However, due to unfavorable market conditions, the satellite business is discontinued. ISMSL, another wholly owned subsidiary of Dish TV, is in the business of providing services on commercial basis pertaining to subscriber’s management including raising and collection of bills, collection and maintenance of subscriber’s information, preparation of required report and call centre activities.

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

In order to simplify the group structure and improve cost efficiency; the board of directors has approved the Scheme, wherein the Non-DTH related business (including equity shares in ASSL and Agrani Convergence Limited) of the Company is transferred to ISMSL followed by the merger of ASSL with ISMSL. In consideration of transfer of Non-DTH related business, ISMSL will issue and allot 100,000 equity shares of face value of Rs. 10 each to Dish TV.

The Scheme of Arrangement is subject to requisite consent, approval of the shareholders and creditors of the companies, the Hon'ble High Court of Judicature at Delhi and other statutory and regulatory authorities. The Scheme of Amalgamation and Arrangement under Section 391-394 of the Companies Act, 1956 has been filed with the Hon'ble High Court of Judicature at Delhi and is pending approval. Pending approval, no effect of the Scheme is considered in these financial statements.

Upon the Scheme becoming effective, the Company shall transfer the whole of the undertaking with assets and liabilities as on March 31, 2010 of the Non-DTH Business to ISMSL. The difference between the book value and the assets to be transferred and allotment of shares by ISMSL shall be transfer to General Reserve as under:

Particulars	Amount (Rs.)
Fixed Assets	432,447,828
Investments in ASSL	944,010,040
Advance including Share Application	367,066,075
Investments in ACL	124,705,440
Advance given	1,208,430,395
Total Assets	3,076,659,778
Less: Liabilities	
Provision for doubtful advances	1,208,430,395
Provision for diminution in the value of Investment	124,705,440
Security Deposits Received	231,500,000
Total Liabilities	1,564,635,835
Consideration to be received	
Allotment of shares by ISMSL	1,000,000
Net Loss on Business Restructuring to be Transferred to General Reserve as per The Scheme	1,511,023,943

26. Secured / Unsecured Loans

Secured Loans:

- 26.1 Term Loan from banks Rs. 2,590,700,000 (Rs. 2,590,700,000) is under syndicate debt facility and secured by all movable assets, uncalled capital, intellectual property, goodwill and all investments, all rights, title, interests of all insurance contracts (both present and future), all contracts, government approvals and licenses relating to direct to home services, all amounts in the accounts or other receivables liable to be credited to the accounts in the course of the business, all amounts and receivables from whomsoever person, both present and future in relation to project, floating charge on other assets. Further the Company is required to maintain minimum reserve amount with the banks which is guaranteed by a related party.
- 26.2 Term Loan from a bank Rs. 1,000,000,000 (NIL) is secured by subservient hypothecation charge on whole of current assets, movable and immovable fixed assets of the Company (present and future) and unconditional and irrevocable corporate guarantee by a related party. (Amount repayable within a year Rs. 375,000,000).
- 26.3 Cash Credit of Rs. NIL (Rs. 74,604,622) is secured by first pari passu charge by way of hypothecation on moveable fixed assets of the Company and pledge of shares owned by related parties.

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

26.4 Vehicle loans are secured against hypothecation of vehicles (ROC charge not registered) (Amount repayable within a year Rs. 1,807,969)

Unsecured Loans:

26.5 Buyer's credit from a bank Rs. 1,348,647,896 (Rs.1,475,853,910) is guaranteed by a related party (Amount repayable within a year Rs. 546,717,624).

26.6 Buyer's credit from a bank of Rs. 1,169,046,681 (Rs. 687,170,250) is on undertaking provided by a related party and the Company has to maintain minimum reserve equivalent to three months payments of principal and interest on outstanding amount, which is guaranteed by a related party.

26.7 Term Loan from a bank Rs. 3,000,000,000 (Rs. 3,000,000,000) is guaranteed by two directors and also collaterally secured by immovable property and corporate guarantee provided by related parties. The Company to maintain debt service reserve equivalent to three months' installment and interest (Amount repayable within a year Rs. 900,000,000). Subsequent to balance sheet date, the loan is secured by second pari passu charge on entire fixed assets of the Company.

26.8 Short Term Loan from bank Rs. Nil (Rs. 1,000,000,000) is guaranteed by a related party.

27. Taxes on Income

27.1 In the absence of taxable income as per Income Tax Act, 1961 provision for current tax is not required.

27.2 In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income" deferred tax assets and liabilities should be recognized for all timing difference in accordance with the said standard. However, considering the present financial position and requirements of the accounting standard regarding certainty/virtual certainty, the same is not recognized by the group except by one subsidiary. The same will be reassessed at a subsequent balance sheet date and will be recognized in the year when certainty/virtual certainty to be realized.

27.3 The components of the deferred tax balance in respect to one subsidiary are as under:

Particulars	2010	2009
Deferred Tax Assets		
Fiscal Allowances carried forward	183,055,167	156,339,867
Provision for Leave Encashment	1,298,632	—
Provision for Gratuity	1,249,264	—
Bonus	1,035,698	—
Total	186,638,761	156,339,867
Deferred Tax Liabilities		
Depreciation	167,270,768	162,157,253
Total	167,270,768	162,157,253
Deferred Tax Assets/(Liabilities)	19,367,993*	(5,817,386)

*Deferred tax assets has been recognized only to the extent of previous year deferred tax liabilities of Rs. 5,817,386.

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

28. Investments

28.1 Following Investments were bought and sold during the year:

Sr. No.	Name of Fund/Plan	Face Value of each unit (Rs.)	Purchased during the year		Sale/ Redemption during the year	
			Units	Amount	Units	Amount
1	Reliance Liquid Fund-Treasury plan-Institutional option-Growth option-Growth Plan	10	145,648,940.7450	3,260,032,723	145,648,940.7450	3,260,502,722
2	Reliance Money Manager Fund-Institutional option-Growth plan	1000	992,042.3890	1,239,429,905	992,042.3890	1,240,267,677
3	DSP BlackRock Cash Manager Fund-Growth	1000	215,128.3230	250,000,000	215,128.3230	250,083,707
4	SBI-Magnum insta cash fund- Cash option	20	12,263,017.1928	250,000,000	12,263,017.1928	250,022,073

28.2 Balances in mutual funds as on March 31, 2010 are as follows:

Particulars	Face value	Balance as at March 31, 2010	
		No. of Units	Total Purchase Cost
Reliance Money Manager Fund-Institutional option-Growth plan	1000	951,918.5930	1,191,033,615
DSP BlackRock Floating Rate Fund-IP-Growth	1000	90,501.8530	120,000,000
SBI-SHDF-Short Term-IP-Growth	10	23,600,569.5190	250,022,073
Total			1,561,055,688

29. Fixed Assets and Capital Work-in-Progress

29.1 Capital Work-in-Progress comprises of equipments [including consumer premises equipment (CPE)] Rs. 1,950,807,663 (Rs. 1,893,584,184), capital goods in transit Rs. 241,002,460 (Rs. 468,421,511) and capital advances Rs. 69,092,106 (Rs. 113,939,713) and pre-operative expenses Rs. 1,279,939,943 (Rs. 1,258,080,132).

29.2 The Company has commissioned a facility namely "Headend In The Sky" (HITS) on April 1, 2009 for providing television channels in digital form directly to MSO and Cable Operators. The expenses incurred on the project during the construction and trial run period (net of revenue) till March 31, 2009 as per detail given below, have been capitalized over the related assets. The Company has suspended its operations with effect from March 31, 2010 and surrendered the license. The fixed assets including capital work-in-progress of the HITS along with security deposits received are proposed to be transferred to its wholly owned subsidiary pursuant to the Composite Scheme of Amalgamation and Arrangement (Refer Note 25).

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

Particulars	2010	2009
Opening Balance	482,319,683	NIL
Transponder Charges	-	464,799,425
License Fees	-	106,68,542
Programming and Other Costs	-	5,303,516
Salary, Bonus and Allowances	-	1,665,414
Contribution to Provident and Other Funds	-	105,534
Staff Welfare	-	35,894
Rent	-	403,173
Electricity Charges	-	216,644
Communication Expenses	-	370,856
	482,319,683	483,568,998
Less: Revenue received during trial run period	-	1,249,315
Total	482,319,683	482,319,683
Less: Capitalized to fixed assets	482,319,683	-
Balance	-	482,319,683

29.3 Capital Work-in-Progress includes pre-operative expenses of Rs. 1,279,939,943 (Rs. 1,258,080,132) related to one of the subsidiaries which was implementing the satellite service project, as per detail given below. All the expenses for implementing the satellite project are taken to preoperative expenses.

Particulars	2010	2009
Expenditure upto Previous Year	1,258,080,132	1,259,771,320
Salary and Allowances	3,839,739	8,282,910
Contribution to Provident and Other Funds	92,873	215,141
Staff Welfare Expenses	40,577	142,639
Rent	194,208	460,294
Rates and Taxes	15,596	108,387
Insurance	1,600	43,713
Communication Expenses	88,609	157,040
Electricity Charges	44,223	87,809
Printing and Stationery	41,392	93,711
Repair and Maintenance – Others	41,327	4,316
Legal and Professional Expenses	1,221,501	1,243,944
Travelling and Conveyance Expenses	191,108	1,632,065
Depreciation	148,420	253,782
Loss on sale/discard of Fixed Assets	325,856	39,017
Miscellaneous Expenses (Net)	1,317,717	1,282,421
Remuneration to Auditors		
For Audit fees	110,300	145,050
For other matters	100,373	28,678
Interest Expenses	245,823,909	-
Other Financial Charges	1,532,943	2,014,953
Business Promotion Expenses	-	50,804
Provision for Fringe Benefit Tax	-	126,854
Provision for Income Tax	-	7,992,872
	1,513,252,403	1,284,177,720
Less: Interest received	223,409,742	26,097,588
Less: Liability Written Back	1,909,846	-
Less: Excess Provision for Previous Year Income Tax written back	7,992,872	-
Total	1,279,939,943	1,258,080,132

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

30. Other Disclosures

30.1 Previous year figures have been regrouped, rearranged and recasted wherever considered necessary to confirm to current year presentation. Figures in brackets pertain to previous year.

30.2 Prior period expenses included in the respective expense heads are as under:

Particulars	2010	2009
A) Income		
Interest Income	-	8,053,946
Total Income	-	8,053,946
B) Expenses		
Electricity Charges	7,825	-
Communication Expenses	428	(31,383)
Miscellaneous Expenses	-	9,652,586
Advertisement and Publicity Expenses	-	2,902,237
Commission	1,314,379	89,247
Travelling and Conveyance	29,316	60,778
Repairs and Maintenance-Plant and Machinery	-	544
Interest	-	1,661,705
Freight, Cartage and Demurrage	72,700	5,847
Legal & Professional Expenses	103,692	3,637
Fees, Rates and Taxes	46,336	52,842
Business Promotion Expenses	36,400	52,459
Depreciation / Amortization	45,172	-
Total Expenses	1,656,248	14,450,499
Net Income/(Expense) (A-B)	(1,656,248)	(6,396,553)

30.3 Debit and Credit balances of parties including of subscribers, distributors and dealers' are subject to confirmation/reconciliation and few have confirmed balances.

30.4 Creditors for Expenses and Other Liabilities includes cheque overdrawn Rs. NIL (Rs. 128,441,287).

30.5 Loans and Advances

30.5.1 Other Advances includes Rs. 1,208,430,395 (Rs. 1,208,430,395) due from foreign companies acquired as part of multi mission satellite system project considered as doubtful in earlier years and provided for.

30.5.2 Loans include Rs. 1,025,766,183 (Rs. 957,267,575) and Other Advances includes Rs. 240,018,763 (Rs. 216,317,469) are overdue. However in the opinion of the management these amounts are recoverable.

30.5.3 Other Advances includes Rs. 1,570,066,165 (Rs. 1,411,441,164) paid to a related party under an agreement for arranging security for loan avail from bank.

30.6 Foreign Currency Transaction:

30.6.1 The foreign exchange gain (net) of Rs. 54,757,575 [loss (net) of Rs. 262,368,389] resulting from settlement and realignment of foreign exchange transaction has been adjusted to Profit and Loss Account. Foreign currency exchange gain of Rs. 27,094,647 is decapitalized (exchange loss of Rs. 178,083,500 is capitalized) under fixed assets and gain of Rs. 1,577,484 decapitalized (loss of Rs. 18,846,610 capitalized) under capital work-in-progress as explained below in Note 30.6.2.

30.6.2 The Group has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 (AS-11) notified by Government of India on March 31, 2009. Accordingly the group has decapitalized exchange gain of Rs. 275,134,790 [capitalized exchange loss of Rs. 196,930,110 (including gain Rs. 8,463,646 pertaining to earlier periods adjusted through profit and loss account.)] with the cost of fixed assets/capital work-in- progress.

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

30.7 Employee Stock Option Plan – ESOP-2007

The shareholders of the Company at the Annual General Meeting held on August 3, 2007 approved Employee Stock Option Plan i.e. ESOP 2007 ("The Scheme"). The Scheme provides for issue of 4,282,228 options (underlying equity share of Re. 1 each) to the employees of the Company as well as that of its subsidiaries and also to non-executive directors including independent directors of the Company at the market price determined as per the SEBI (ESOS) Guidelines, 1999.

The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of options. Under the terms of the Scheme, 20% of the options will vest in the employee every year equally. The Option Grantee must exercise all vested options within a period of four years from the date of vesting. Once the options vest as per the Scheme, they would be exercisable by the Option Grantee at any time 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 August 28, 2008 have approved the re-pricing of outstanding options. Consequently the Remuneration Committee in its meeting held on August 28, 2008 has re-priced the exercise price at Rs. 37.55 per option, determined as per SEBI (ESOS) Guidelines, 1999.

The Board of Directors decided not to make any price adjustment on account of rights issue as there was no material impact on options granted to employees of the Company.

The details of the options granted and movement is set out below:

Particulars	Lot 1			Lot 2		Lot 3		Lot 4	Lot 5
	2009-2010	2008-09	2007-08	2009-10	2008-09	2009-10	2008-09	2009-10	2009-10
Date of grant	August 21, 2007			April 24, 2008		August 28, 2008		May 28, 2009	October 27, 2009
Number of options granted	3,073,050			184,500		30,000		589,200	160,900
Market value on the date of grant (Rs.) (per share)	75.20	75.20	75.20	63.95	63.95	37.55	37.55	47.65	41.45
Exercise price (Rs.) (per share)	37.55	37.55	75.20	37.55	37.55	37.55	37.55	47.65	41.45
Re-pricing (Rs.) (per share)	37.55	37.55	37.55	37.55	37.55	-	-	-	-
Options outstanding at the beginning of the year (Nos.)	1,436,550	2,926,150	-	-	-	30,000	-	-	-
Add: Options granted (Nos.)	-	-	3,073,050	-	184,500	-	30,000	589,200	160,900
Less: Options exercised (Nos.)	12,080	-	-	-	-	-	-	-	-
Options cancelled (Nos.)	-	-	-	-	-	-	-	-	-
Options lapsed (Nos.)	18,120	1,489,600	146,900	-	184,500	-	-	132,150	-
Options forfeited (Nos.)	-	-	-	-	-	-	-	-	-
Options expired (Nos.)	-	-	-	-	-	-	-	-	-
Options outstanding at the year end (Nos.)	1,406,350	1,436,550	2,926,150	-	-	30,000	30,000	457,050	160,900

The options were granted to the employees at an exercise price, being the latest market price as per SEBI (ESOS) Guidelines, 1999. In view of this, there being no intrinsic value (being the excess of the market price of share under ESOS over the exercise price of the option), on the date of grant, hence the Company is not required to account the accounting value of option as per SEBI (ESOS) Guidelines, 1999.

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

30.8 Details of Bank Balances as on Balance sheet date with Non-scheduled banks:

Name of the Bank	2010		2009	
	Balance outstanding	Maximum balance during the year	Balance outstanding	Maximum balance during the year
In Current account				
Credit Suisse (UK) Limited-Singapore	130,904,330	451,400,000	-	-
In Fixed Deposit				
Credit Suisse (UK) Limited-Singapore	451,429,822	451,429,822	-	-
RBS Coutts Bank Limited-Singapore Branch	1,578,129,122	1,579,933,240	-	-

30.9 Deposit with financial institution Rs. 2,000,000,000 (NIL) represents deposit with SICOM Limited, which is deposited out of Rights Issue proceeds. Maximum outstanding during the year Rs. 2,000,000,000 (NIL).

30.10 A subsidiary of the company has paid remuneration Rs. 1,050,000 to a relative of directors, which is subject to approval of shareholders in the ensuing annual general meeting.

30.11 Financial Statements of Subsidiaries

The Ministry of Corporate Affairs, Government of India vide its order No. 47/116/2010-CL-III dated March 18, 2010 issued under Section 212 (8) of the Companies Act, 1956 ("The Act") has exempted the Company from attaching the Balance Sheets and Profit and Loss Accounts of its subsidiaries under Section 212 (1) of the Act. As per the Order, key details of each subsidiary are attached along with statements under Section 212 (1) of the Act.

30.12 The Ministry of Corporate Affairs, Government of India vide letter dated July 30, 2010 has granted extension of three months to hold its annual general meeting.

31. Capital Commitment

Estimated amount of contract remaining to be executed on capital account and not provided for (Net of advance) is Rs. 325,421,062 (Rs. 1,560,397,695).

32. Contingent Liabilities not provided for

32.1 Particulars	2010	2009
Guarantees given by Banks [Includes Rs. 400,000,000 (Rs. 488,860,000) guaranteed by a related party]	400,455,000	604,615,000
Claim against the Company not acknowledged as debt	43,577,609	43,999,609
Sales Tax and Value Added Tax demands	89,864,314	36,878,365
Entertainment Tax demands	101,520,074	91,995,090
Legal cases against the Company	Unascertained	Unascertained

32.2 Service Tax Department has raised a demand of Rs. 668,271,072 (Rs. 669,438,287) for the period from June, 2005 to September, 2007. The Company has submitted its reply.

32.3 The Company entered into an agreement with its wholly owned subsidiary Agrani Satellite Services Limited (ASSL) for transponder capacity hiring. ASSL had entered into a satellite capacity agreement with a supplier for obtaining transponder capacity on a satellite to be launched. The Company provided a corporate guarantee to the supplier for utilizing the proposed transponder capacity and also to ensure due compliance of agreement between ASSL and the supplier. However, as the supplier failed to meet various obligations under the agreement, ASSL terminated the agreement.

The supplier disputed the said termination and initiated arbitration proceedings against ASSL in ICC International Court of Arbitration at Singapore by filing its claim of USD 190,630,000. This is contested by ASSL. Subsequent to the balance sheet date, both the parties have reached an amicable settlement and consequently, the arbitral proceeding shall be terminated in due course.

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

32.4 The Company had acquired transponder capacity for the HITS services under Transponder Capacity Agreement. Due to change in the government policy, the company terminated the Transponder Capacity Agreement with supplier under Force Majeure condition. The supplier claimed damages of USD 15,806,802.28. However, subsequent to the balance sheet, the company and supplier have settled the dispute under which both the parties will be released of all the liabilities. Formal settlement agreement is yet to be executed by the parties.

33. LEASES

33.1 Operating Lease

33.1.1 In respect of assets taken 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 108 months. The details of assets taken on operating lease during the period are as under:

Particulars	2010	2009
Lease rental charges for the year(net of shared cost)	1,121,069,935	615,695,743
Lease rental charges capitalized during the year	-	464,799,425
Sub-lease payment received	115,808,590	85,899,947
Future Lease Rental obligation payable (under non-cancellable lease)		
Not later than one year	11,300,163	383,756,707
Later than one year but not later than five years	46,095,748	377,361,320
More than five years	15,366,081	27,222,458

33.1.2 In respect of assets given under operating lease:

The Company has leased out assets by way of operating lease and as on March 31, 2010 the gross book value of such assets, its accumulated depreciation and depreciation for the year is as given below. The total lease income for the year is Rs. 1,500,742,489 (Rs. 1,007,177,287).

Particulars	2010	2009
Gross Value of the Assets	14,674,925,973	11,398,398,934
Accumulated Depreciation	5,828,203,859	3,621,525,649
Depreciation for the year	2,734,052,663	1,905,842,388
Future Lease Rental Receivable (under non-cancelable lease)		
Not later than one year	1,730,913,587	1,273,653,699
Later than one year but not later than five years	1,658,630,420	2,146,323,077
More than five years	-	-

33.2 Finance Lease:

33.2.1 The Company acquired assets on Finance Lease which have been accounted as per Accounting Standard 19 on 'Leases'. Minimum Lease payments under this Lease as at March 31, 2010 and their present value is as under:

Particulars	2010	2009
Minimum Lease Payments		
Not Later than one year	341,751,540	-
Later than one year and not later than five years	1,341,020,466	-
Total Minimum Lease payments	1,682,772,006	-
Less: Amount representing future interest	426,059,666	-
Present value of Minimum Lease payments	1,256,712,340	-

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

33.2.2 The details of assets (Consumer Premises Equipments) taken on finance lease are as under:

Particulars	2010	2009
a) Fixed Assets		
Gross Block of assets	582,942,170	-
Accumulated Depreciation	9,134,524	-
Written down value	573,807,646	-
Depreciation for the year	9,134,524	-
b) Capital work-in-progress	925,717,013	-

33.3 Borrowing Cost amounting to Rs. 3,779,976 (Rs. 8,651,696) has been capitalized to the cost of fixed assets/capital work-in-progress during the year.

34. Rights Issue

34.1 The Company during the financial year ended March 31, 2009 issued 518,149,592 partly paid up equity shares of Re. 1 each at a premium of Rs. 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 Share Capital (per share)	Towards Securities Premium (per share)	Total Amount	Due on (after the date of allotment, at the option of the Company)	Date of making the Call
On Application	6.00	0.50	5.50	3,108,897,552	Along with application	N.A
On First Call	8.00	0.25	7.75	4,145,196,736	After 3 months but within 9 months	The Board at its meeting held on June 18, 2009 decided to make the First Call, payable on or before July 31, 2009
On Second Call	8.00	0.25	7.75	4,145,196,736	After 9 months but within 18 months	The Board at its meeting held on January 22, 2010 decided to make the Second and Final Call, payable on or before March 1, 2010
Total	22.00	1.00	21.00	11,399,291,024		

During the financial year ended March 31, 2010, the Company received Rs. 4,137,329,504 towards the first call money on 517,166,188 partly paid equity shares and Rs. 4,109,896,512 towards the second and final call money on 513,737,064 partly paid equity shares.

34.2 The Board of Directors of the company, in its meeting held on May 28, 2009 approved revision in use of Rights Issue proceeds from the uses mentioned in the Letter of Offer. The utilization of the rights issue proceeds as per the revised uses aggregating to Rs. 11,356,123,568 (including Rs. 3,108,897,552 received along with application during the year ended March 31, 2009, Rs. 4,137,329,504 received against First Call money and Rs. 4,109,896,512 received against Second and Final Call money) is as under. The monitoring agency namely IDBI Bank Limited has submitted its reports on utilization of rights issue proceeds, which are filed with the regulatory authorities.

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

Particulars	Till March 31, 2010	Till March 31, 2009
Repayment of Loans	2,842,144,315	2,842,144,315
Repayment of loans received after launch of the Rights Issue	2,430,000,000	—
Rights Issue expenses	54,451,867	31,951,867
Acquisition of consumer premises equipments	1,839,643,828	129,740,858
General corporate purpose	879,883,558	105,060,512
Total Utilization (A)	8,046,123,568	3,108,897,552
Unutilized amount lying with :		
Mutual Funds	1,310,000,000	—
Deposit with Financial Institution	2,000,000,000	—
Investment (B)	3,310,000,000	—
Total (A+B)	11,356,123,568	3,108,897,552

34.3 The Rights Issue expenses Rs. NIL (Rs. 57,501,428) incurred during the year are adjusted against Securities Premium in accordance with section 78 of the Companies Act, 1956.

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

35.1 Pursuant to the approvals obtained by the Company and in accordance with the applicable law including the Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipts Mechanism) Scheme, 1993, as amended, the Global Depository Receipts (GDR) Offer of the Company for 117035 GDR's opened for subscription on November 23, 2009 at a price of US \$ 854.50 per GDR representing 1000 equity shares.

The pricing of the GDR as per the pricing formula prescribed under Clause 5 (4) (D) of the Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Mechanism) Scheme, 1993, as amended, was Rs. 39.80 per equity share and the relevant date for this purpose was November 23, 2009.

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

35.2 The utilization of the GDR proceeds aggregating to Rs. 4,658,446,900 received during the year is as under:

Particulars	2010
Acquisition of Fixed Assets includes Consumer Premises Equipments	365,388,429
GDR Issue Expenses	34,462,652
Advance Against Share Application Money given to Subsidiaries	5,613,736
Repayment of Bank Loan	75,522,000
Operational Expenses including interest payments, Bank Charges and Exchange Fluctuations	1,692,321,248
Total (A)	2,173,308,065
Unutilized amount lying with:	
Increase in FDR and Margin Money	70,017,000
Investment in Mutual Fund	250,000,000
Balance with Non-Scheduled Banks*	2,165,121,835
Total unutilized balance as on March 31, 2010 (B)	2,485,138,835
Total (A+B)	4,658,446,900

*After adjustment for unrealized exchange loss of Rs. 69,369,904

35.3 The GDR Issue expenses Rs. 40,883,283 incurred during the year are adjusted against Securities Premium in accordance with Section 78 of the Companies Act, 1956.

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

36. Supplementary statutory information required to be given pursuant to Clause 32 of the Listing Agreement:

Sr. No	Name of the Enterprise	Balance as on March 31, 2010	Maximum Outstanding during the year	Balance as on March 31, 2009	Maximum Outstanding during the year
a)	Loans and Advances given to Companies in which Directors are interested				
	Rama Associate Limited	1,100,000	1,100,000	-	-
b)	Loans and Advances, where there is no repayment schedule				
1	Essel Agro Private Limited	1,095,580,278	2,263,395,148	2,263,395,148	2,263,395,148
2	ASC Telecommunication Limited	170,204,668	170,204,668	160,189,897	160,189,897

37. Related Party Disclosures

37.1 List of parties where control exists:

- Agrani Satellite Services Limited (Wholly owned Subsidiary)
- Integrated Subscriber Management Services Limited (Wholly owned Subsidiary)
- Agrani Convergence Limited (Extent of holding 51%)

37.2 Other Related Parties with whom transactions have taken place during the year and balances outstanding as on last date of the year:

Afro Asian Satellite Communication (Gibraltar) Limited, Afro Asian Satellite Communication (U.K.) Limited, Agrani Satellite Communication (Gibraltar) Limited, Agrani Telecom Limited, ASC Telecommunication Limited, Asia Today Limited, Brio Academic infrastructure and Resources Management Private Limited, Churu Trading Company Private Limited, Cornershop Entertainment Company Private Limited, Essel International Limited, Essel Sports Private Limited, Dakshin Media Gaming Solutions Private Limited, Diligent Media Corporation Limited, E City Entertainment (I) Private Limited, E-city Property Management and Services Private Limited., Essel Agro Private Limited, Essel Corporate Services Private Limited, Essel Infraprojects Limited, Essel Shyam Technology Limited, ETC Networks Limited, Indian Cable Net Company Limited, Interactive Tradex India Private Limited, Intrex Tradex Private Limited, ITZ Cash Card Limited, Intrex India Limited, Mumbai Football Club Private Limited, Pan India Network Investment Private Limited, Pan India Network Private Limited, Prajatra Trading Company Private Limited, Premier Finance & Trading Co. Limited, Procall Private Limited, Quickcalls Private Limited, Rama Associates Limited, Wire and Wireless (India) Limited, Taj Television India Private Limited, Zee Akash News Private Limited, Zee Entertainment Enterprises Limited, Zee Multimedia Worldwide Mauritius Limited, Zee News Limited, Zee Turner Limited.

Managing Director: - Mr. Jawahar Lal Goel

Non-Executive Directors: - Mr. Subhash Chandra, Mr. B.D. Narang, Mr. Arun Duggal, Dr. Pritam Singh, Mr. Ashok Kurien, Mr. Eric Zinterhofer, Mr. Mintoo Bhandari (Alternate director to Mr. Eric Zinterhofer)

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

37.3 Transaction with Related Parties:

Particular	2010		2009	
	Total Amount (Rs.)	Amount for Major Parties	Total Amount (Rs.)	Amount for Major Parties
With Other Related Parties:				
Sales, Services & Recoveries (Net of Taxes)	172,082,992		140,664,282	
Zee Entertainment Enterprises Limited		18,263,527		33,805,402
Zee News Limited		54,180,191		34,113,426
Asia Today Limited		86,479,990		52,080,294
Wire and Wireless India Limited		-		-
Others Related Parties		13,159,284		20,665,160
Purchase of Goods & Services	1,491,289,153		1,370,548,005	
Zee Turner Limited		937,712,772		960,000,062
Zee Entertainment Enterprises Limited		322,813,783		208,547,383
ITZ Cash Card Limited		86,110,358		131,194,029
Others Related Parties		144,652,240		70,806,531
Rent Paid	27,938,160		27,683,088	
Zee Entertainment Enterprises Limited		25,132,320		25,132,320
Rama Associates Limited		2,805,840		2,550,768
Others Related Parties		-		-
Interest Paid	73,198,376		327,022,831	
Zee Entertainment Enterprises Limited		71,901,370		68,917,282
Rupee Finance and Management Private Limited		-		4,231,238
Churu Trading Company Private Limited		-		238,734,832
Others Related Parties		1,297,006		15,139,479
Interest Received	441,587,112		86,981,752	
Essel Agro Private Limited		207,268,837		53,537,828
ASC Telecommunication Limited		9,824,771		9,178,078
Pan India Network Private Limited		222,974,316		20,139,134
Others Related Parties		1,519,188		4,126,712
Purchase of Fixed Assets	85,422,846		72,073	
Essel International Limited		-		-
Wire and Wireless India Limited		85,422,846		72,073
Sharing of Expenses Payable	22,251,531		28,938,170	
ASC Telecommunication Limited		2,350,000		6,684,902
Zee Entertainment Enterprises Limited		18,393,396		18,829,165
ITZ Cash Card Limited		-		-
Others Related Parties		1,508,135		3,424,103
Sharing of Expenses Receivable	867,932		912,467	
Zee Entertainment Enterprises Limited		-		631,000
Zee Turner Limited		691,130		178,578
ITZ Cash Card Limited		-		-
Others Related Parties		176,802		102,889

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

Particular	2010		2009	
	Total Amount (Rs.)	Amount for Major Parties	Total Amount (Rs.)	Amount for Major Parties
Loan, Advance and Deposit Taken	875,000		4,394,865,685	
Zee Entertainment Enterprises Limited		-		2,430,000,000
Churu Trading Company Private Limited		-		617,855,685
Rupee Finance and Management Private Limited		-		250,000,000
Zee News Limited		-		692,500,000
Others Related Parties		875,000		404,510,000
Repayment of Loan, Advance and Deposit Taken	2,456,413,030		5,218,141,293	
Churu Trading Company Private Limited		-		3,617,855,685
Zee Entertainment Enterprises Limited		2,430,000,000		432,360,984
Rupee Finance and Management Private Limited		-		290,366,648
Zee News Limited		-		692,500,000
Others Related Parties		26,413,030		185,057,976
Loan, Advance and Deposit Given	577,327,834		4,783,792,105	
ITZ Cash Card Limited		99,922,142		50,446,825
Churu Trading Company Private Limited		470,000,000		2,835,255,685
Essel Agro Private Limited		2,162,415		1,253,200,000
Others Related Parties		5,243,277		644,889,595
Refund Received against Loan, Advance and Deposit Given	1,372,873,889		2,065,696,685	
Churu Trading Company Private Limited		119,858,458		1,425,255,685
Pan India Network Infravest Private Limited		-		248,391,000
Essel Agro Private Limited		1,250,000,000		14,550,000
Others Related Parties		3,015,431		377,500,000
Corporate Guarantee received	1,000,000,000		2,852,950,000	
Zee Entertainment Enterprises Limited		1,000,000,000		2,852,950,000
Release of Corporate Guarantee received	1,084,000,000		627,480,715	
Zee Entertainment Enterprises Limited		1,084,000,000		627,480,715
Collateral Security & Corporate Guarantee for Loan Taken from Bank provided by Essel Infraprojects Limited and Rama Associates Limited:	-		3,000,000,000	
Amount Written Back	5,401,750		8,593,891	
Zee Turner Limited		-		8,205,850
Zee Multimedia Worldwide Mauritius Limited		5,401,750		-
Others Related Parties		-		388,041
Amount Written Off	3,243,874		352,907	
ITZ Cash Card Limited		-		352,907
Zee Turner Limited		-		-
Wire and Wireless India Limited		3,242,153		-
Others Related Parties		1,721		-

Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

Particular	2010		2009	
	Total Amount (Rs.)	Amount for Major Parties	Total Amount (Rs.)	Amount for Major Parties
Remuneration to Key Management Personnel	6,587,032		6,174,000	
Jawahar Lal Goel (Managing Director)		6,587,032		6,174,000
Balance at the end of period:				
With Other Related Parties:				
Loan, Deposit and Advances Given	4,696,110,481		5,224,649,137	
Afro Asian Satellite Comm. (UK) Limited		376,881,821		376,881,821
Afro Asian Satellite Comm. (Gib.) Limited		827,708,050		827,708,050
Essel Agro Private Limited		1,095,580,278		2,263,395,148
Churu Trading Company Private Limited		1,987,118,049		1,436,299,622
Others Related Parties		408,822,283		320,364,496
Provision outstanding against advances given & Debtors	1,226,597,671		1,226,597,671	
Afro Asian Satellite Comm. (UK) Limited		376,881,821		376,881,821
Afro Asian Satellite Comm. (Gib.) Limited		827,708,050		827,708,050
Interactive Tradex Private Limited		10,136,508		10,136,508
Others Related Parties		11,871,292		11,871,292
Loan, Deposit and Advances Taken	411,379,634		2,870,200,259	
Churu Trading Company Private Limited		-		-
Zee Entertainment Enterprises Limited		231,521,818		2,430,021,818
Others Related Parties		179,857,816		440,178,441
Creditors for expenses and other liabilities	1,624,315,585		2,186,077,413	
Zee Entertainment Enterprises Limited		121,734,980		65,120,441
Zee Turner Limited		1,374,542,186		2,107,062,984
Essel International Limited		-		-
Others Related Parties		128,038,419		13,893,988
Debtors	292,585,241		461,250,407	
Asia Today Limited		106,641,178		74,888,174
Zee News Limited		19,888,296		76,174,061
Zee Entertainment Enterprises Limited		51,749,233		236,530,896
Wire and Wireless India Limited		-		8,883,465
Others Related Parties		114,306,534		64,773,811
Collateral Security & Corporate Guarantee for Loan Taken from Bank provided by Essel Infraprojects Limited and Rama Associates Limited	3,000,000,000		3,000,000,000	
Corporate Guarantee Received	3,222,030,089		3,306,030,089	
Zee Entertainment Enterprises Limited		3,222,030,089		3,306,030,089

Note: Major Parties denote who account for 10% or more of the aggregate for that category of transaction.



Notes to Consolidated Financial Statements for the year ended March 31, 2010

(Currency : Indian Rupee)

38. Earning per Share (EPS)

Particulars	2010	2009
Profit/(Loss) After Tax	(2,622,046,089)	(4,806,958,233)
Weighted Average Number of Equity Shares of Re. 1 each (Nos.)	820,536,923	475,362,442
Basic and Diluted earnings per share	(3.20)	(10.11)

Note: Potential conversion of the stock option granted is anti-dilutive and accordingly has not been considered in the calculation of diluted earnings per share.

39. Segment Information as per AS 17

The Company is in the business of providing Direct to Home (DTH) and teleport services. As the company's business activity primarily falls within a single business and geographical segment are insignificant, therefore no additional disclosures to be provided in terms of Accounting Standard 17 on "Segment Reporting"

As per our attached report of even date

For and on behalf of Board of Directors

L. K. Shrishrimal

Partner

Membership No. 72664

For and on behalf of

MGB & Co

Firm Registration No. 101169W

Chartered Accountants

Place : Noida

Dated : October 26, 2010

Jawahar Lal Goel

Managing Director

B D Narang

Director

Rajeev K Dalmia

Chief Financial Officer

Ranjit Singh

Company Secretary

Consolidated Cash Flow Statement for the year ended March 31,

(Currency : Indian Rupee)

Particulars	2010	2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before taxation	(2,628,044,384)	(4,801,255,410)
Adjustments for :		
Depreciation /Amortization	3,227,304,830	2,288,598,834
Loss on sale/ discard of Fixed Assets	80,232,080	9,197,276
Profit on Sale of Fixed Assets	-	(81,987)
Provision for Doubtful Debts	8,848,387	1,357,536
Profit on Redemption of units of Mutual Funds	(1,413,550)	-
Exchange Adjustments (Net)	65,622,221	101,441,388
Interest Expenses	877,505,958	810,426,751
Interest Income	(387,907,641)	(73,451,576)
Amount Written Off (Net)	8,187,519	-
Operating Profit/(Loss) before working capital changes	1,250,335,420	(1,663,767,188)
Adjustments for :		
(Increase)/Decrease in Inventories	4,355,128	26,162,474
(Increase)/Decrease in Trade and Other Receivables	2,571,460,454	(4,843,713,657)
Increase/(Decrease) in Trade and Other Payables	(1,459,065,032)	4,180,917,503
Cash Generated from Operations	2,367,085,970	(2,300,400,868)
Direct Taxes Paid (Net)	36,383,800	24,492,510
Net Cash Flow from Operating Activities	2,330,702,170	(2,324,893,378)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets/ CWIP	(5,096,250,161)	(5,476,529,271)
Proceeds from Sale of Fixed Assets	1,024,934	2,963,535
Direct Taxes Paid for Investing purpose (Net)	(22,401,147)	(6,068,310)
Purchases of Investments	(6,560,518,316)	-
Proceeds from Sale of Investments	5,000,876,180	-
Deposit with Financial Institutions	(2,000,000,000)	-
Loan Given to Others	(471,405,000)	(581,935,040)
Loan Repaid by Others	96,835,445	580,891,000
Interest Received	316,752,780	9,264,610
Net Cash Flow from Investing Activities	(8,735,085,285)	(5,471,413,476)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(979,181,867)	(887,043,752)
Proceeds from Issue of Equity Share Capital including Securities Premium	12,905,672,620	3,108,897,552
Share Call Money	5,482,761	-
Share Issue Expenses	(66,432,844)	(31,951,867)
Proceeds from Long Term Borrowing	1,598,396,848	7,154,420,642
Proceeds from Lease Finance	1,271,099,989	-
Repayment of Lease Finance availed	(3,355,925)	-
Proceeds/(Repayment) of Vehicle Loan (Net)	25,189	909,659
Proceeds from Short Term Borrowing	339,984,410	5,311,022,612
Repayment of Short Term Borrowing	(3,853,007,907)	(6,566,095,714)
Net Cash Flow from Financing Activities	11,218,683,274	8,090,159,132
D. Effect of exchange difference on translation of foreign currency cash and cash equivalents	(69,379,132)	-
Net Cash Flow during the year (A + B + C + D)	4,744,921,027	293,852,278
Cash and Cash Equivalents at the beginning of the year	805,302,304	511,450,026
Cash and Cash Equivalents at the end of the year	5,550,223,331	805,302,304
Cash and Cash Equivalents at the end of the year comprises of :		
Cash in Hand	2,544,576	4,672,127
Balances with Scheduled Banks in Current Accounts in Indian Rupees	2,987,992,751	495,110,802
Balances with Scheduled Banks in Current Accounts in Foreign Currency	4,654,050	-
Balances with Scheduled Banks in Deposit Accounts	993,643	973,172
Balances with Scheduled Banks in Fixed Deposit/Margin Accounts	390,663,319	304,447,627
(Pledged/ under lien with banks and others)	-	-
Balances with Non-Scheduled Banks in Current Accounts in Foreign Currency	130,904,330	-
Balances with Non-Scheduled Banks in Deposit Accounts in Foreign Currency	2,029,558,944	-
Cheques in hand	2,911,718	98,576
Total Cash and Cash Equivalents	5,550,223,331	805,302,304

Notes :

1. Previous year's figures have been regrouped, rearranged and recasted wherever considered necessary.
2. Balances with Scheduled Banks in Current Accounts includes Rs. 5,482,761 for Share Call Money

As per our attached Report of even date

L. K. Shrishrimal

Partner

Membership No. 72664

For and on behalf of

MGB & Co

Firm Registration No. 101169W

Chartered Accountants

Place : Noida

Dated : October 26, 2010

For and on behalf of the Board

Jawahar Lal Goel

Managing Director

Rajeev K Dalmia

Chief Financial Officer

B D Narang

Director

Ranjit Singh

Company Secretary

DISH TV INDIA LIMITED

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

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Name and Address of Equity Shareholder (IN BLOCK LETTERS): _____

Name and Address of the Proxy (IN BLOCK LETTERS, to be filled in by the proxy attending instead of the Equity Shareholder): _____

I hereby record my presence at the 22nd Annual General Meeting of the Company, convened on Thursday, the 16th day of December, 2010 at Seven Seas, B-28, Ring Road, Lawrence Road, Industrial Area, Delhi -110 035 at 11:30 A.M.

Reg. Folio No : _____

DP ID No. : _____

Client ID No : _____

No. of Shares : _____

Signature of the Equity Shareholder / Proxy

NOTE: Equity Shareholders attending the Meeting in person or through Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

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DISH TV INDIA LIMITED

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

FORM OF PROXY

I/We _____ of _____ being
a member/members of Dish TV India Limited, hereby appoint _____

_____ of _____ failing him

_____ of _____ as my/our proxy to attend and vote for me/us on
my/our behalf at the Annual General Meeting of the Company to be held on Thursday, the 16th day of December, 2010 at 11:30
A.M. at Seven Seas, B-28, Ring Road, Lawrence Road, Industrial Area, Delhi -110 035 and/or at any adjournment(s) thereof.

Dated this _____ day of _____, 2010

Name: _____

Address: _____

Reg. Folio No : _____

DP ID No. : _____

Client ID No : _____

No. of Shares : _____

Affix Re. 1/-
Revenue
Stamp

Signature of Shareholder / Proxy

- Notes:
1. The Proxy Form must be deposited at the Registered Office of the Company at Essel House B-10, Lawrence Road, Industrial Area, Delhi – 110 035 at least 48 hours before the time for holding the meeting. The proxy need not be a member of the Company.
 2. All alterations made in the Proxy Form should be initialed.
 3. In case of multiple proxies, proxy later in time shall be treated as valid and accepted.

