

DISH TV INDIA LIMITED

Regd. Office : Essel House, B-10, Lawrence Road Industrial Area, Delhi - 110035
Corporate Office : FC - 19, Sector 16A, Film City, Noida, U.P. - 201301
Unaudited standalone financial results for the quarter ended 30 June 2014



Part I

(Rs. In Lacs)

Particulars	Quarter-ended			Year ended
	Unaudited	Audited *	Unaudited	Audited
	30.06.2014	31.03.2014	30.06.2013 (Restated, refer note 3)	31.03.2014
Income from operations				
1. a) Net sales/ income from operations (Refer notes 3 and 5)	63,893	63,485	64,549	249,905
b) Other operating income	176	206	189	993
Total income from operations (net)	64,069	63,691	64,738	250,898
2. Expenses				
a) Purchase of stock-in-trade	234	36	310	635
b) Changes in inventories of stock-in-trade	(26)	108	(16)	113
c) Employee benefits expense	2,559	2,102	2,419	8,907
d) Depreciation and amortization expense	14,525	14,908	14,438	59,731
e) Programming/ content and other costs	20,139	20,157	19,155	77,844
f) License fees (Refer notes 3 and 5)	6,644	6,698	6,704	26,138
g) Other operating costs	6,924	8,238	6,292	28,848
h) Selling and distribution expenses				
i) Commission	5,412	5,065	3,969	18,367
ii) Other selling and distribution expenses	3,786	3,266	5,032	14,842
i) Other expenses	2,691	5,127	2,491	12,591
Total expenses	62,888	65,705	60,794	248,016
3. Profit / (loss) from operations before other income, finance costs, exceptional items, prior period items and tax (1-2)	1,181	(2,014)	3,944	2,882
4. Other income	1,162	2,009	2,773	6,602
5. Profit / (loss) from ordinary activities before finance costs, exceptional items, prior period items and tax (3+4)	2,343	(5)	6,717	9,484
6. Finance costs	3,948	3,263	3,544	13,268
7. Profit / (loss) from ordinary activities after finance costs but before, exceptional items, prior period items and tax (5-6)	(1,605)	(3,268)	3,173	(3,784)
8. Exceptional items	-	-	-	-
9. Profit / (loss) from ordinary activities before prior period items and tax (7+8)	(1,605)	(3,268)	3,173	(3,784)
10. Prior period items (refer note 5)	-	11,637	-	11,637
11. Profit / (loss) from ordinary activities before tax (9-10)	(1,605)	(14,905)	3,173	(15,421)
12. Tax expense/ (write back)	-	-	-	-
13. Net profit / (loss) from ordinary activities after tax (11-12)	(1,605)	(14,905)	3,173	(15,421)
14. Extraordinary item	-	-	-	-
15. Net profit / (loss) for the period (13-14)	(1,605)	(14,905)	3,173	(15,421)
16. Paid-up equity share capital (Face value Re. 1) (#)	10,650	10,650	10,649	10,650
17. Reserves (excluding revaluation reserves, if any)				(41,541)
18. Basic earning/ (loss) per share (not annualised) (In Rs.)	(0.15)	(1.40)	0.30	(1.45)
19. Diluted earning/ (loss) per share (not annualised) (In Rs.)	(0.15)	(1.40)	0.30	(1.45)
Part II				
A) Particulars of shareholding				
1) Public shareholding				
Number of equity shares of Re.1 each	378,076,705	378,076,705	388,180,905	378,076,705
Percentage of shareholding				
- Calculated on total number of issued shares	35.50	35.50	36.45	35.50
- Calculated on the paid-up capital	35.50	35.50	36.45	35.50
2) Promoters and promoter group shareholding (calculated on total number of issued shares)				
a) Pledged / encumbered				
i) Number of shares	462,643,575	461,599,575	441,517,886	461,599,575
ii) Percentage of shares (% of the total shareholding of promoters and promoter group)	67.35	67.20	65.24	67.20
iii) Percentage of shares (% of the total share capital of the company)	43.44	43.34	41.46	43.34
b) Non-encumbered				
i) Number of shares	224,234,485	225,278,485	235,229,174	225,278,485
ii) Percentage of shares (% of the total shareholding of promoters and promoter group)	32.65	32.80	34.76	32.80
iii) Percentage of shares (% of the total share capital of the company)	21.05	21.15	22.09	21.15

See accompanying notes to the financial results.

Particulars	Quarter ended
	30.06.2014
B) Investor complaints	
Pending at the beginning of the quarter	-
Received during the quarter	2
Disposed off during the quarter	2
Remaining unresolved at the end of the quarter	-

* Figures for the three months ended 31 March 2014 are the balancing figures between audited figures in respect of full previous financial year and the published year to date figures upto the third quarter of the previous financial year. Also, the figures upto the end of the third quarter of the previous financial year were only reviewed and not subject to audit.

Comprises 1,064,902,570 (1,064,902,570 as on 31 March 2014, 1,064,875,649 shares as on 30 June 2013) fully paid up equity shares of Re. 1 each ; 22,193 (22,193 as on 31 March 2014, 22,314 shares as on 30 June 2013) partly paid up equity shares of Re. 0.75 each; and 30,002 (30,002 as on 31 March 2014, 30,002 shares as on 30 June 2013) partly paid up equity shares of Re. 0.50 each.

Notes to financial results for the quarter ended 30 June 2014

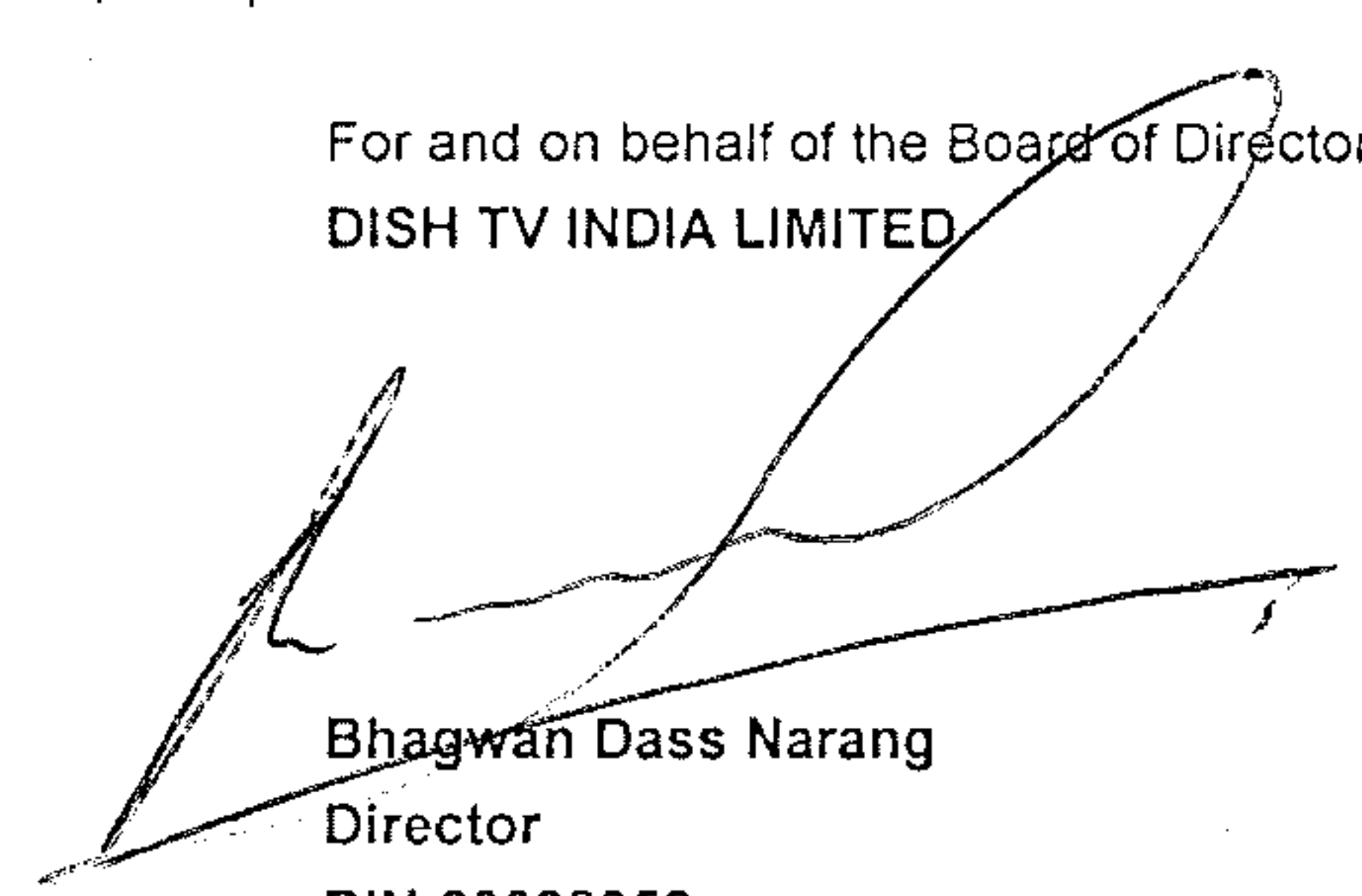
1. The above financial results for the quarter ended 30 June 2014 have been reviewed by the Audit Committee and were approved by the Board of Directors in their meeting held on 22 July 2014.
2. The Statutory Auditors of the Company have carried out a Limited Review of the above financial results for the quarter ended 30 June 2014. The report of statutory auditors is being filed with BSE Ltd. and National Stock exchanges and is also available on the Company's website (www.dishtv.in).
3. Hitherto, upto the year ended 31 March 2013, the Company recognized a portion of the activation fees over the estimated period of subscription/ the life of the CPE. During the year ended 31 March 2014, the Company reassessed its position of recognition of above activation fees, together with the level of service already rendered on activation, the corresponding cost incurred and consideration charged for the subsequent continuing services etc. Considering that the Company incurs significant upfront cost upto the stage of activation of CPE and charges separate consideration for subsequent continuing services, the Company, during the year ended 31 March 2014, in order to make better and appropriate presentation, amended its policy of revenue recognition of activation fee on an upfront basis.

The above change had resulted into additional activation / subscription revenue of Rs. 9,936 lacs for the year ended 31 March 2014 (including Rs 4,614 lacs in relation to the period upto 31 March 2013) with a corresponding increase in license fees of Rs. 994 lacs (including Rs. 461 lacs in relation to the period upto 31 March 2013). As a consequence, the loss after tax for the year ended 31 March 2014 was lower by Rs 8,942 lacs. Further, the revenue for the quarter ended 31 March 2014 was higher by Rs 1,107 lacs with a corresponding increase in license fee by Rs. 111 lacs, and the loss after tax for the quarter ended 31 March 2014 being lower by Rs. 996 lacs.

In terms of clause 41 of the listing agreement, a change in the policy needs to be effected from the first quarter of the financial year. Accordingly, the figures for the quarter ended 30 June 2013 have been restated to include the impact of the above change. As a result the loss after tax of Rs.3,037 lacs for the quarter ended 30 June 2013 has been restated to profit after tax of Rs.3,173 lacs (Revenue being restated from Rs. 57,649 lacs to Rs. 64,549 lacs; license fee restated from Rs. 6,014 lacs to Rs. 6,704 lacs and loss per share restated from Rs. 0.29 to profit per share Rs. 0.30). Restated revenue for the quarter ended 30 June 2013 includes revenue of Rs. 5,638 lacs pertaining to the financial year 2012-13 on account of change in accounting policy, with a corresponding license fee of Rs. 564 lacs.
- 4a). The Company's net-worth as at 30 June 2014 is eroded by its accumulated losses. However, the management has prepared the financial results assuming that the Company will continue as a going concern considering that the Company has adequate resources in the form of operating cash flows, sanctioned credit facilities from lenders and bank deposits to adequately meet its obligations.
- 4b). The Company's DTH license was valid upto 30 September 2013. The Company has, before the expiry of the license, approached the relevant authorities, who have extended the validity for an interim period till the time final policy with regard to the terms and conditions for renewal of DTH license are laid down by the Government. The Company has given an understanding that they shall comply with that policy during the interim period and any financial obligations arising from the change in policy shall be honoured by the Company. According to us, no significant financial adjustment is expected in this regard.
- 4c). During the year 2013-14, the Company received a demand notice from the Ministry of Information and Broadcasting ('MIB') whereunder a demand of Rs. 62,420 lacs (including interest) has been raised towards the DTH License Fee. The Company has challenged the demand before the Hon'ble Telecom Dispute Settlement Appellate Tribunal ('TDSAT') and the TDSAT has directed the MIB not to enforce the demand till the next order.
5. The life of the Consumer Premises Equipment (CPE) for the purposes of depreciation has been estimated by the management as five years, which as per the management, best represents the period of expected use, and is different from the life indicated by the Schedule II of the Companies Act, 2013. Upto 31 March 2012, in certain cases, the one-time advance contribution towards the CPEs in the form of rental was being recognized over a period of three years from the activation date.

However, such practice, with effect from 1 April 2012, was changed to five years in respect of CPEs activated on or after 1 April 2012. During the year ended 31 March 2014, the Company amended its policy in respect of CPEs activated upto 31 March 2012 also in order to align the same with the CPEs installed thereafter. During the year ended 31 March 2014, the correction in the policy had resulted in reversal of excess revenue of Rs. 12,930 lacs and excess provisions of license fee of Rs 1,293 lacs recognised upto 31 March 2013. This also resulted in revenue for the year ended 31 March 2014 being higher by Rs. 3,702 lacs and license fee being higher by Rs. 370 lacs. The above correction had resulted into the net loss for the year and for the quarter ended 31 March 2014 being higher by Rs. 8,305 lacs. Since the correction was carried out during the quarter ended 31 March 2014, the figures for the quarter ended 30 June 2013 are not restated and are not comparable.
6. The Audit Committee and Board of Directors noted the utilisation of the proceeds of Rights Issue for the six months period ended 30 June 2014 which is in line with revised utilisation schedule approved by the Board of Directors. The unutilised amount as on 30 June 2014 is Rs. 15,000 lacs.
7. The Company is in the business of providing Direct to Home (DTH) and Teleport services primarily in India. As the Company's business activities primarily fall within a single business and geographical segment, no additional disclosures are required in terms of Accounting Standard 17 on "Segment Reporting".
8. Xingmedia Distribution Private Limited ('Xingmedia') was incorporated on February 13, 2014 under the Companies Act, 1956. Consequent upon the approval of the Board of Directors and Shareholders of the Company, the entire share capital of Xingmedia, comprising of 10,000 equity shares having face value of Rs. 10 each, was acquired by the Company at Rs. 100,000. Accordingly, Xingmedia became the wholly owned subsidiary of the Company on March 24, 2014. Subsequently, upon the approval of the Board of Directors, the Company has subscribed to an additional 118,000,000 equity shares of Xingmedia at Rs. 10 per equity share. Xingmedia shall undertake activities for the Company which would include providing support services for satellite based communication services, broadcasting content services, management of hard assets like CPEs and their installation, value added services, etc. to achieve its objective. Xingmedia has entered into an arrangement with Cyquator Media Services Private Limited ('Cyquator') to provide backend services including provision of call centre services and has paid business advance of Rs.11,800 lacs to Cyquator to enable Cyquator to ramp up and make necessary arrangement to be in position to provide above mentioned services to Xingmedia.
9. The previous period/ year's figures have been regrouped / reclassified, wherever necessary, to make them comparable, except as stated in note 5 above.

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


Bhagwan Dass Narang
Director
DIN-00038052

Place: Noida
Dated: 22 July 2014