

# Auditors' Report

To,  
The Members of,  
**Dish TV India Limited**

1. We have audited the attached Balance Sheet of Dish TV India Limited ('the Company') as at 31 March 2011 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to 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 the Cash Flow Statement, dealt with by this report, are in agreement with the books of account;
  - (d) *subject to our comment in paragraphs 4 (f) and (g) below regarding non compliance, primarily in relation to Accounting Standard (AS) 13 'Accounting for Investments'; AS 28 'Impairment of Assets'; and AS 19 'Leases', in our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report, comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable;*
  - (e) on the basis of written representations received from the directors of the Company as on 31 March 2011 and taken on record by the Board of directors, we report that none of the directors is disqualified as on 31 March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
  - (f) *the life of the Consumer Premise Equipment (CPE) for the purposes of depreciation has been estimated by the management as five years. However, in certain cases, the one-time advance contributions towards the CPEs in the form of rentals are recognized as revenue over a period of three years, which is not in line with the estimated life of such assets, in terms of AS-19 'Leases', though the impact of which on the financial statements has not been ascertained by the management [Refer to note 16 (b) of schedule 22]; and*
  - (g) *attention is invited to note 4 of schedule 22 which explains in details the accounting treatment followed by the Company on implementation of the Composite Scheme of Amalgamation and Arrangements between the Company and two of its subsidiary companies ('the Scheme'), duly approved by the High Court of Delhi. In terms of the Scheme, the excess of the book value of net assets of non- DTH related business, transferred to a subsidiary company, over the consideration received, has been adjusted directly in the 'General reserve' during the current year, instead of accounting for impairment of fixed assets transferred, as required by AS 28, and*

providing for diminution in the value of investment transferred, as required by AS 13, in the Profit and Loss Account in the previous year. Had the Company followed the above Standards in the previous year, the loss on impairment of the above fixed assets/ provision for diminution in the value of investments would have been adjusted in the Profit and Loss Account and loss for the previous year and the debit balance in the Profit and Loss Account as at 31 March 2010 would have been higher by ₹ 1,743,523,943.

Since the aforesaid loss on impairment of fixed assets/diminution in the value of investment have not been recognised even in the current year as a prior period item, which together with the impact of the transfer of other net assets/ liabilities in the current year, net of consideration received, have been adjusted in General Reserve directly as mentioned above, the loss for the year and the debit balance in the Profit and Loss Account at the end of the year are lower by ₹ 1,743,523,943. However, on implementation of the Scheme, the above net loss stands adjusted directly in the General Reserve in accordance with the accounting treatment prescribed in the Scheme approved by the High Court of Delhi.

This was a subject matter of qualification in the audit report on the financial statements for the year ended 31 March 2010 also; and

- (h) during the year, the Company received a demand notice for income tax and interest thereon aggregating ₹ 4,05,614,101 in relation to an earlier year. The matter pertains to short deduction of tax at source on certain payments and interest thereon for delayed period. The Company has disputed the abovesaid demand and has filed an appeal against the same with the tax authorities. The Company, based on a legal

view obtained in the matter, has not made any provision in the financial statements and has not assessed the impact of the above position on the subsequent years. Pending final conclusion, we are unable to comment on the matter and its consequent impact on the Profit and Loss Account for the year and the debit balance in the Profit and Loss Account at the end of the year [Refer to note 3 (b) of schedule 22]

Subject to our comments in paragraphs 4 (f), (g) and (h) above, the impact if which, to the extent ascertained, has been explained therein, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2011;
- (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For B S R & Co.**

*Chartered Accountants*

Firm Registration No.: 101248 W

**Kaushal Kishore**

*Partner*

Membership No.: 090075

Place : Gurgaon

Date : 23 May 2011

**Annexure referred to in paragraph 3 of the Auditors' Report to the Members of Dish TV India Limited on the accounts for the year ended 31 March 2011**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets, other than consumer premises equipment (CPE), installed at the customer premises and those in transit or lying with the distributors, have been physically verified by the management as per a phased programme to cover over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. Discrepancies noticed on such verification were not significant and have been properly dealt with in the books of account. According to the information and explanations given to us, the existence of CPEs lying at the customer premises is considered on the basis of the 'active user status' of the CPE.
- (c) According to the information and explanations given to us, the assets disposed off during the current year including those pursuant to the Composite Scheme of Amalgamation and Arrangement between the Company, Agrani Satellite Services Ltd ('ASSL'), Integrated Subscriber Management Services Ltd ('ISMSL') and their respective shareholders and creditors ('the Scheme') were not substantial and do not effect the going concern assumption.
- (ii) (a) According to the information and explanations given to us, physical verification has been conducted by the management at reasonable intervals during the year in respect of inventory of stock in trade consisting of CPEs and accessories in the Company's possession. In our opinion, the frequency of physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(b) to (g) of the Order are not applicable.
- (iv) According to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods/ services sold are for the specialised requirements of the buyers and suitable alternative sources are generally not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any major weaknesses in the aforesaid internal control system.
- (v) (a) In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of

contracts or arrangements referred to in para (v) (a) above, and exceeding the value of ₹ 5 lakhs with any party during the year have made at price which are reasonable having regard to the prevailing market price except for certain transactions which are for the specialized requirements of the respective parties and for which suitable alternate sources are not available to obtain comparable quotations.

- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of Sections 58A and 58AA or other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/

accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues, as applicable, have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues, as applicable, were in arrears as at 31 March 2011 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

(Amount in ₹)

Name of the Statute	Nature of the dues	Amount involved	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Delhi Value Added Tax Act, 2004	Value Added Tax	16,045,548	-	January 2007 to March 2007	Special Commissioner-I, New Delhi
		668,627	668,627	March 2010	Special Commissioner-I, New Delhi
	Value Added Tax (including penalty and interest)	24,446,261	-	April 2007 to March 2008	Special Commissioner-I, New Delhi
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax (including interest)	34,447,104*	1,818,709	March 2008 to September 2008	Andhra Pradesh High Court
	Value Added Tax (including penalty and interest)	28,608,770	28,608,770	2006-08	State Tribunal Appellate Authority, Hyderabad
Bihar Value Added Tax Act, 2005	Value Added Tax	4,749,874	4,701,344	2008-09	Commercial Tax Officer, Patna

Name of the Statute	Nature of the dues	Amount involved	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
UP Trade Tax Act, 1948	Value Added Tax (including interest)	67,388	-	April 2005 to March 2006	Joint Commissioner (Appeal),
	Value Added Tax	100,000	100,000	2006-07	Additional Commissioner Appeal-1, Noida
		272,712	272,712	2006-07 and 2007-08	Deputy Commissioner, Noida
		413,250	413,250	2009-10	Additional Commissioner (Commercial Tax), Noida
		36,000	36,000	2010-11	Deputy Commissioner- 3, Noida
Income-tax Act, 1961	Income tax and interest	4,05,614,101	-	Assessment year 2009-10	The Assistant Commissioner of Income Tax, Noida.
Indian Customs Act, 1962	Special Additional Duty	149,406,086	-	April 2008 to June 2009	The Commissioner, ICD

\* Including disputed dues aggregating ₹ 34,447,104 in respect of Value Added Tax which have been stayed by the respective authorities.

- (x) *The accumulated losses of the Company are more than fifty percent of its net worth at the end of the year.* The Company has not incurred cash losses during the year and in the immediately preceding year.
- (xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institutions or debenture-holders during the year.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) According to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions during the year.
- (xvi) According to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have been used for long-term investments primarily for acquisition of fixed assets for ₹ 6,828,844,657.
- (xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year. The Company has only received outstanding call money against the rights issue made in the previous year.
- (xxi) Based on the audit procedures performed and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

**Kaushal Kishore**  
*Partner*  
 Membership No.: 090075

Place: Gurgaon  
 Date: 23 May 2011

# Balance Sheet as at 31 March 2011

(All amounts in Rupees)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>Sources of Funds</b>			
<b>Shareholders' funds</b>			
Share capital	1	1,062,975,747	1,062,070,492
Reserves and surplus	2	15,314,033,961	15,282,337,772
		<u>16,377,009,708</u>	<u>16,344,408,264</u>
<b>Loan funds</b>			
Secured loans	3	10,762,715,809	9,142,218,238
<b>Total</b>		<u>27,139,725,517</u>	<u>25,486,626,502</u>
<b>Application of Funds</b>			
<b>Fixed Assets</b>			
Gross block	4	23,520,474,433	16,976,908,146
Less: accumulated depreciation/amortisation		9,883,300,704	6,826,373,857
Net block		13,637,173,729	10,150,534,289
Capital work-in-progress including capital advances		4,580,307,506	2,250,348,293
		<u>18,217,481,235</u>	<u>12,400,882,582</u>
<b>Investments</b>	5	2,001,500,000	4,505,565,728
<b>Current assets, loans and advances</b>			
Inventories	6	44,401,825	27,799,312
Sundry debtors	7	215,377,158	338,472,722
Cash and bank balances	8	3,201,862,369	5,422,248,010
Other current assets	9	19,025,301	6,757,457
Loans and advances	10	3,168,450,264	6,039,029,286
		<u>6,649,116,917</u>	<u>11,834,306,787</u>
<b>Less: Current liabilities and provisions</b>			
Current liabilities	11	12,471,158,287	13,887,051,744
Provisions	12	3,006,803,291	1,708,736,286
		<u>15,477,961,578</u>	<u>15,595,788,030</u>
<b>Net current liabilities</b>		<u>(8,828,844,661)</u>	<u>(3,761,481,243)</u>
<b>Debit balance in Profit and Loss Account</b>	13	15,749,588,943	12,341,659,435
<b>Total</b>		<u>27,139,725,517</u>	<u>25,486,626,502</u>
<b>Significant accounting policies and notes to the accounts</b>	22		

The accompanying schedules form an integral part of the financial statements.

As per our report attached

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

For and on behalf of the Board of Directors of  
**Dish TV India Limited**

**Kaushal Kishore**  
Partner  
Membership No. 090075

**Jawahar Lal Goel**  
Managing Director

**B. D. Narang**  
Director

**Rajeev K. Dalmia**  
Chief Financial Officer

**Ranjit Singh**  
Company Secretary

Place : Gurgaon  
Dated : 23 May 2011

Place : Noida  
Dated : 23 May 2011

# Profit and Loss Account for the year ended 31 March 2011

(All amounts in Rupees)

	Schedule	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>Income</b>			
Sales and services	14	14,365,518,337	10,847,944,445
Other income *	15	880,294,665	686,071,296
		<b>15,245,813,002</b>	<b>11,534,015,741</b>
<b>Expenditure #</b>			
Cost of traded goods	16	22,650,214	23,083,581
Operating expenses	17	7,858,096,824	7,007,060,797
Personnel cost	18	566,423,122	398,540,196
Administration and other expenses	19	683,068,756	454,317,427
Selling and distribution expenses	20	2,847,076,550	2,018,272,737
Financial expenses	21	1,511,373,867	1,216,378,403
Depreciation/amortisation	4	3,654,029,234	3,037,946,316
		<b>17,142,718,567</b>	<b>14,155,599,457</b>
<b>Loss before taxation</b>		<b>1,896,905,565</b>	<b>2,621,583,716</b>
Provision for taxation			
- Excess provision in earlier years written back		-	(258,388)
<b>Loss for the year</b>	13	<b>1,896,905,565</b>	<b>2,621,325,328</b>
Basic and diluted earnings per equity share (in ₹) [Face value ₹ 1 each]		<b>(1.79)</b>	<b>(3.19)</b>
<b>Significant accounting policies and notes to the accounts</b>	22		

The accompanying schedules form an integral part of the financial statements.

\* includes prior period income of ₹ Nil (previous year ₹ 22,849,593), refer to note 24 of schedule 22

# includes prior period expenses of ₹ 9,898,687 (previous year ₹ 1,570,056), refer to note 24 of schedule 22

As per our report attached to the Balance Sheet

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

For and on behalf of the Board of Directors of  
**Dish TV India Limited**

**Kaushal Kishore**  
Partner  
Membership No. 090075

**Jawahar Lal Goel**  
Managing Director

**B. D. Narang**  
Director

**Rajeev K. Dalmia**  
Chief Financial Officer  
Place : Noida  
Dated : 23 May 2011

**Ranjit Singh**  
Company Secretary

Place : Gurgaon  
Dated : 23 May 2011

# Cash Flow Statement for the year ended 31 March 2011

(All amounts in Rupees)

	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>A. Cash flows from operating activities</b>		
Net loss before tax	(1,896,905,565)	(2,621,583,716)
<b>Adjustments for:</b>		
Depreciation/amortisation	3,654,029,234	3,037,946,316
Loss on sale/discard of fixed assets	170,956,741	80,162,621
Profit on sale/discard of fixed assets	(2,318)	-
Profit on redemption of units of mutual funds	(35,672,797)	(1,413,550)
Foreign exchange fluctuation (net)	38,188,383	65,807,835
Provision for marked to market loss on derivatives	12,448,574	-
Interest expenses	1,279,650,713	1,123,218,566
Interest incomes	(733,784,247)	(632,943,242)
Amount written off	1,016,574	2,924,090
<b>Operating Loss before working capital changes</b>	<b>2,489,925,292</b>	<b>1,054,118,920</b>
<b>Adjustments for:</b>		
(Increase)/decrease in Inventories	(16,602,514)	3,133,837
Decrease in sundry debtors	123,095,564	163,273,452
Decrease in loans and advances	1,273,541,908	2,184,806,246
Increase/(decrease) in trade and other payables	(236,379,619)	(1,343,074,114)
<b>Cash generated from operations</b>	<b>3,633,580,631</b>	<b>2,062,258,341</b>
Income taxes paid	82,206,499	15,363,180
<b>Net cash flow from operating activities</b>	<b>3,551,374,132</b>	<b>2,046,895,161</b>
<b>B. Cash flows from investing activities</b>		
Purchases of fixed assets (including capital work-in-progress)	(10,047,559,972)	(3,602,514,418)
Proceeds from sale of fixed assets	1,909,507	738,984
Purchases of investments	(5,924,095,575)	(6,560,518,316)
Proceeds from sale of investments	7,520,824,060	5,000,876,180
Loan given to body corporates	(7,900,000)	(1,405,000)
Refund of loans given to body corporates	875,561,515	-
Deposit with financial institution	-	(2,000,000,000)
Advance against share application money given to subsidiaries	-	(260,789,266)
Refund of advance against share application money given to subsidiaries	452,999,895	90,000,000
Refund of loan by subsidiaries	-	5,000,000
Interest received	712,023,511	326,550,678
<b>Net Cash flow used in investing activities</b>	<b>(6,416,237,059)</b>	<b>(7,002,061,158)</b>
<b>C. Cash flows from financing activities</b>		
Interest paid	(1,151,703,288)	(1,024,217,591)
Proceeds from issue of capital/call money received	32,601,444	12,905,672,620
Advance call money on shares	23,434,715	5,482,761
Share issue expenses	-	(66,432,844)
Proceeds from long term borrowings	3,578,752,214	1,598,396,848
Repayments of long-term borrowings	(1,817,941,896)	-
Proceeds/(repayment) of vehicle loans	(1,987,695)	344,403
Proceeds from short-term borrowings	-	339,109,410
Repayments of short-term borrowings	-	(3,851,932,906)
<b>Net cash flow from financing activities</b>	<b>663,155,494</b>	<b>9,906,422,701</b>
<b>D. Effect of exchange difference on translation of foreign currency cash and cash equivalents</b>	<b>(18,678,208)</b>	<b>(69,379,132)</b>
<b>Net cash flows [increase/(decrease)] during the year (A + B + C + D)</b>	<b>(2,220,385,641)</b>	<b>4,881,877,572</b>
<b>Cash and cash equivalents at beginning of the year (refer to Schedule 8)</b>	<b>5,422,248,010</b>	<b>540,370,438</b>
<b>Cash and cash equivalents at end of the year (refer Schedule 8) #</b>	<b>3,201,862,369</b>	<b>5,422,248,010</b>

Significant accounting policies and notes to the accounts

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

# include ₹ 31,038,506 (previous year ₹ 5,482,761) against share call money in respect of rights issue; unutilised proceeds of GDR issue amounting to ₹ 1,731,984,526 (previous year ₹ 2,165,121,837); and ₹ 481,164,551 (previous year ₹ 380,336,319) fixed deposits pledged with banks

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

For and on behalf of the Board of Directors of  
**Dish TV India Limited**

**Kaushal Kishore**  
Partner  
Membership No. 090075

**Jawahar Lal Goel**  
Managing Director

**B. D. Narang**  
Director

**Rajeev K. Dalmia**  
Chief Financial Officer

**Ranjit Singh**  
Company Secretary

Place : Gurgaon  
Dated : 23 May 2011

Place : Noida  
Dated : 23 May 2011

# Schedules to the accounts

(All amounts in Rupees)

	As at 31 March 2011	As at 31 March 2010
<b>1. Share capital</b>		
<b>Authorised</b>		
1,350,000,000 (previous year 1,350,000,000) equity shares of ₹ 1 each	<u>1,350,000,000</u>	<u>1,350,000,000</u>
<b>Issued, subscribed and paid-up</b>		
1,063,976,535 (previous year 1,063,419,475) equity shares of ₹ 1 each fully paid up *	<u>1,063,976,535</u>	1,063,419,475
Less: calls in arrear		
- By others	<u>1,000,788</u>	1,348,983
	<u><u>1,062,975,747</u></u>	<u><u>1,062,070,492</u></u>

**Notes:**

\* Of 1,063,976,535 (previous year 1,063,419,475) equity shares includes:

- 249,300,890 (previous year 249,300,890) equity shares of ₹ 1 each fully paid up were allotted for consideration other than cash pursuant to the Scheme of Arrangement made effective from 1 April 2006.
- 569,140 (previous year 12,080) equity shares issued to the employees under Employee Stock Option Plan i.e. ESOP 2007.
- 117,035,000 (previous year 117,035,000) equity shares of ₹ 1 each fully paid-up, for underlying 117,035 nos. (previous year 117,035 nos.) Global Depository Receipts (GDR). Each GDR represents 1,000 Equity Shares of ₹ 1 each.

	As at 31 March 2011	As at 31 March 2010
<b>2. Reserves and surplus</b>		
<b>Securities premium</b>		
Opening balance	15,282,337,772	2,792,321,328
Add: received during the year	<u>31,696,189</u>	<u>12,530,899,727</u>
	<u>15,314,033,961</u>	15,323,221,055
Less: applied against rights issue/GDR expenses	-	40,883,283
	<u>15,314,033,961</u>	<u>15,282,337,772</u>
<b>General reserves</b>		
Opening balance	1,695,856,798	1,695,856,798
Less: adjustment pursuant to the Composite Scheme of Amalgamation and Arrangements (refer to note 4 of schedule 22)	<u>1,511,023,943</u>	-
	<u>184,832,855</u>	1,695,856,798
Less: debit balance in Profit and Loss Account per contra	<u>184,832,855</u>	1,695,856,798
	-	-
	<u><u>15,314,033,961</u></u>	<u><u>15,282,337,772</u></u>

# Schedules to the accounts

(All amounts in Rupees)

	As at 31 March 2011	As at 31 March 2010
<b>3. Secured loans</b>		
Loans and advances from banks:		
- Term loans	5,315,700,000	6,590,700,000
- Buyer's credits	5,445,431,835	2,481,930,309
- Vehicle loans	701,016	1,638,985
- Interest accrued and due	-	66,016,260
Loans and advances from others:		
- Vehicle loans	882,958	1,932,684
	<b>10,762,715,809</b>	<b>9,142,218,238</b>

## Notes:

### Term loans

- (a) Term loan of ₹ 2,590,700,000 (previous year ₹ 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 and 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. Due within a year ₹ 485,756,250 (previous year ₹ Nil).
- (b) Term loan from a bank ₹ 625,000,000 (previous year ₹ 1,000,000,000) 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. Due within a year ₹ 500,000,000 (previous year ₹ 375,000,000).
- (c) Term loan of ₹ 2,100,000,000 (previous year ₹ 3,000,000,000) is secured by second *pari passu* charge on entire fixed assets of the Company and is guaranteed by two directors and also collaterally secured by immovable property and corporate guarantee provided by related parties. Due within a year ₹ 2,100,000,000 (previous year ₹ 900,000,000).

### Buyer's credits

- (d) Buyer's credit of ₹ 762,894,854 (previous year ₹ Nil) is secured by *pari passu* first charge on the movable and immovable fixed assets and current assets of the Company. Due within a year ₹ Nil (previous year ₹ Nil).
- (e) Buyer's credit of ₹ 1,699,406,237 (previous year ₹ Nil) is secured by *pari passu* charge on all present and future tangible movable and immovable current assets of the Company including proceeds account; exclusive charge on reserve account; assignment of rights, titles and interest of the Company in all the contracts, authorisations, approvals, and licenses (to the extent the same are capable of being assigned); and assignment of all insurance policies. Due within a year ₹ Nil (previous year ₹ Nil).
- (f) Buyer's credit of ₹ 1,068,925,018 (previous year ₹ Nil) is secured by *pari passu* charge on all present and future movable and immovable assets, including but not limited to inventory of set-top-box and accessories etc., book debts, operating cash flows, receivables, commissions, revenue and on all intangibles assets including but not limited to goodwill and uncalled capital of the Company. Due within a year ₹ Nil (previous year ₹ Nil).
- (g) Buyer's credit of ₹ 757,849,183 (previous year ₹ 1,312,883,628) is secured by exclusive charge by way of hypothecation on consumer premises equipment imported under buyer's credit facility including spares, tools, accessories, software, whether installed or not, be in or about the hypothecator's factories, premises and godowns. Due within a year ₹ 757,849,183 (previous year ₹ 546,717,624).

# Schedules to the accounts

(All amounts in Rupees)

- (h) Buyer's credit of ₹ 1,156,356,543 (previous year ₹ 1,169,046,681) is secured by first *pari passu* charge on entire stocks of raw materials, semi-finished and finished goods, consumable stores, capital goods and spares and such other movables including book debts, bills whether documentary or clean outstanding monies, receivables both present and future. Due within a year ₹ 594,961,250 (previous year ₹ Nil).

## Vehicle loan

- (i) Vehicle loans are secured against hypothecation of vehicles. Due within a year ₹ 803,780 (previous year ₹ 1,456,895).

## 4. Fixed assets

Particulars	Gross block				Depreciation/amortisation				Net block	
	As at 31 March 2010	Additions	Sale/adjustment	As at 31 March 2011	Up to 31 March 2010	For the year	Sale/adjustment	Up to 31 March 2011	As at 31 March 2011	As at 31 March 2010
<b>Intangible assets</b>										
Goodwill	451,177,637	-	-	451,177,637	293,265,463	90,235,527	-	383,500,990	67,676,647	157,912,174
License fees	117,362,250	-	-	117,362,250	71,076,788	13,472,450	-	84,549,238	32,813,012	46,285,462
Software	214,810,762	187,881	1,946,914	213,051,729	139,791,097	35,562,720	4,914	175,348,903	37,702,826	75,019,665
<b>Total intangible assets</b>	<b>783,350,649</b>	<b>187,881</b>	<b>1,946,914</b>	<b>781,591,616</b>	<b>504,133,348</b>	<b>139,270,697</b>	<b>4,914</b>	<b>643,399,131</b>	<b>138,192,485</b>	<b>279,217,301</b>
<b>Tangible assets</b>										
Plant and machinery	1,423,797,468	388,521,753	482,323,433	1,329,995,788	458,880,180	131,224,749	49,874,160	540,230,769	789,765,019	964,917,288
Consumer premises equipments	14,655,921,323	7,429,742,259	821,354,383	21,264,309,199	5,816,413,374	3,368,794,229	541,201,463	8,644,006,140	12,620,303,059	8,839,507,949
Computers	58,649,845	15,626,848	167,104	74,109,589	25,662,708	10,542,544	142,202	36,063,050	38,046,539	32,987,137
Office equipments	13,648,579	3,982,058	493,404	17,137,233	2,556,732	938,976	114,754	3,380,954	13,756,279	11,091,847
Furniture and fixtures	8,755,453	12,206,713	441,202	20,520,964	3,088,449	559,182	129,262	3,518,369	17,002,595	5,667,004
Vehicles	24,975,932	8,768,766	5,550,979	28,193,719	7,999,729	2,635,381	2,443,060	8,192,050	20,001,669	16,976,203
Leasehold improvements	7,808,897	-	3,192,572	4,616,325	7,639,337	63,476	3,192,572	4,510,241	106,084	169,560
<b>Total tangible assets</b>	<b>16,193,557,497</b>	<b>7,858,848,397</b>	<b>1,313,523,077</b>	<b>22,738,882,817</b>	<b>6,322,240,509</b>	<b>3,514,758,537</b>	<b>597,097,473</b>	<b>9,239,901,573</b>	<b>13,498,981,244</b>	<b>9,871,316,988</b>
<b>Grand Total</b>	<b>16,976,908,146</b>	<b>7,859,036,278</b>	<b>1,315,469,991</b>	<b>23,520,474,433</b>	<b>6,826,373,857</b>	<b>3,654,029,234</b>	<b>597,102,387</b>	<b>9,883,300,704</b>	<b>13,637,173,729</b>	
Previous Year	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
Capital work-in-progress (including capital advances ₹ 159,364,019 (previous year ₹ 69,092,106))									4,580,307,506	2,250,348,293
									<b>18,217,481,235</b>	<b>12,400,882,582</b>

Foot notes:

- (1) refer to note 16 of schedule 22 for details of assets given on operating and finance leases.  
(2) refer to note 16(b) of schedule 22 regarding depreciation on consumer premises equipment.  
(3) refer to note 25 of schedule 22 for foreign currency difference capitalised/adjusted during the year.  
(4) refer to note 13 of schedule 22 for amount adjusted on account of adjustment of borrowing cost in previous years.

## 5. Investments

### Long-term investments (at cost) - unquoted

#### Trade investments

#### In subsidiary companies (fully paid-up)

Integrated Subscribers Management Services Limited  
150,000 (previous year 50,000) equity shares of ₹ 10 each fully paid-up  
[includes 100,000 (previous year Nil) equity shares of ₹ 10 each fully paid up acquired in pursuance to Scheme (refer to note 4 of schedule 22) during the year]

As at  
31 March 2011

1,500,000

As at  
31 March 2010

500,000

# Schedules to the accounts

(All amounts in Rupees)

	As at 31 March 2011	As at 31 March 2010
<b>5. Investments (Contd.)</b>		
Agrani Satellite Services Limited Nil (previous year 94,401,004) equity shares of ₹ 10 each fully paid-up [transferred pursuant to Scheme (refer to note 4 of schedule 22)]	-	944,010,040
Agrani Convergence Limited Nil (previous year 12,470,544) equity shares of ₹ 10 each fully paid-up [transferred pursuant to Scheme (refer to note 4 of schedule 22)]	-	124,705,440
	<u>1,500,000</u>	<u>1,069,215,480</u>
<u>Non trade investments</u>		
Balance of unutilised monies raised by issue		
Certificate of deposit**	<u>2,000,000,000</u>	<u>2,000,000,000</u>
	<u>2,000,000,000</u>	<u>2,000,000,000</u>
** represents deposit with SICOM Limited (a financial institution). Maximum outstanding during the year ₹ 2,000,000,000 (previous year ₹ 2,000,000,000), refer note 22 of schedule 22.		
<b>Current investments (at cost) - unquoted</b>		
<u>Non trade investments</u>		
<b>Investments in Liquid/ Floater scheme of Mutual funds *#</b>		
DSP BlackRock mutual fund		
DSP Black Rock Floating Rate Fund-Institutional Plan-Growth Nil (previous year 90,502) units of ₹ 1,000 per unit	-	120,000,000
Reliance mutual fund		
Reliance Money Manager Fund-Institutional option-Growth plan Nil (previous year 951,919) units of ₹ 1,000 per unit	-	1,191,033,615
SBI mutual fund		
SBI-SHDF-Short Term – Institutional Plan – Growth Nil (previous year 23,600,570) units of ₹ 10 per unit	-	250,022,073
	<u>-</u>	<u>1,561,055,688</u>
* Net assets value ₹ Nil (previous year ₹ 1,565,478,734), (for movements refer to note 10 of schedule 22)		
# Include ₹ Nil (₹ 1,310,000,000) out of Rights Issue and ₹ Nil (₹ 250,000,000) out of GDR Issue proceeds (refer note to 22 and 23 of schedule 22)		
	<u>2,001,500,000</u>	<u>4,630,271,168</u>
Provision for diminution in the value of investment in Agrani Convergence Limited	<u>-</u>	<u>(124,705,440)</u>
	<u>2,001,500,000</u>	<u>4,505,565,728</u>
Aggregate book value of unquoted investments	<u>2,001,500,000</u>	<u>4,505,565,728</u>

# Schedules to the accounts

(All amounts in Rupees)

	As at 31 March 2011	As at 31 March 2010
<b>6. Inventories</b>		
<i>(At lower of cost and net realisable value)</i>		
Stock in trade (customer premises equipment and accessories)	44,401,825	27,799,312
	<u>44,401,825</u>	<u>27,799,312</u>
<b>7. Sundry debtors</b>		
<i>(Unsecured and considered good, unless otherwise stated)</i>		
Debts outstanding for a period exceeding six months		
- Considered good	125,425,588	136,546,815
- Considered doubtful	2,958,466	9,668,744
Other debts		
- Considered good	89,951,570	201,925,907
- Considered doubtful	-	9,982,526
	<u>218,335,624</u>	<u>358,123,992</u>
Provision for doubtful debts	<u>(2,958,466)</u>	<u>(19,651,270)</u>
	<u>215,377,158</u>	<u>338,472,722</u>
<b>8. Cash and bank balances</b>		
Cash in hand	561,833	2,541,306
Balances with scheduled banks:		
- in current accounts #	987,760,690	2,877,800,838
- in fixed deposits/margin accounts ##	481,164,551	380,366,319
Balances with other banks:		
- in current accounts in foreign currency	-	130,904,330
- in fixed deposits/margin accounts in foreign currency **	1,731,984,526	2,029,558,944
Cheques in hand	390,769	1,076,273
	<u>3,201,862,369</u>	<u>5,422,248,010</u>

# include ₹ 31,038,506 (previous year ₹ 5,482,761) against share call money in respect of rights issue

\* includes unutilised proceeds of GDR Issue amounting to ₹ 1,731,984,526 (previous year ₹ 2,165,121,837). Refer note 23 to schedule 22

## fixed deposits pledged with banks

\*\* refer to note 27 of schedule 22 for the balances with unscheduled banks

	As at 31 March 2011	As at 31 March 2010
<b>9. Other current assets</b>		
Income accrued but not due on fixed deposits and others	19,025,301	6,757,457
	<u>19,025,301</u>	<u>6,757,457</u>

# Schedules to the accounts

(All amounts in Rupees)

	As at 31 March 2011	As at 31 March 2010
<b>10. Loans and advances</b>		
(good unless otherwise stated)		
Considered good		
Loans and advances to subsidiary companies*	774,572,153	3,199,422,575
Advances recoverable in cash or in kind or for value to be received	690,476,297	669,578,176
Balances with customs, excise and sales tax authorities	1,040,188,994	932,452,344
Advance tax [net of provision ₹ 7,029,966; (previous year ₹ 12,833,946)]	131,139,652	49,942,173
Loans to body corporates	167,597,560	1,025,766,183
Deposits with government authorities	121,487,779	77,596,035
Deposits others	242,987,829	84,271,800
Considered doubtful		
Advances recoverable in cash or in kind or for value to be received	5,828,275	1,226,043,309
	<b>3,174,278,539</b>	<b>7,265,072,595</b>
Provision for doubtful advances	<b>(5,828,275)</b>	<b>(1,226,043,309)</b>
	<b>3,168,450,264</b>	<b>6,039,029,286</b>
* includes advance against share application money to subsidiary of ₹ Nil (previous year ₹ 865,665,043)		
<b>11. Current liabilities</b>		
Sundry creditors (other than micro and small enterprises)*	5,455,533,486	4,051,255,826
Book overdraft	99,928,628	-
Amounts due to subsidiary companies	-	925,164
Liability under deferred payment plan/finance lease (refer to note 16(c) of schedule 22)	-	1,256,712,340
Advance revenue/deposits received	6,317,968,462	8,392,997,190
Advance share call money pending adjustment	28,889,665	5,454,950
Interest accrued but not due	39,231,405	21,958,461
Other liabilities	477,788,005	121,983,545
Forward cover payable on derivatives#	51,818,636	35,764,268
	<b>12,471,158,287</b>	<b>13,887,051,744</b>
* refer to note 28 of schedule 22		
# including provision for marked to market loss on derivative instruments amounting to ₹ 12,448,574 (previous year ₹ Nil), refer to note 25(b) of schedule 22		
<b>12. Provisions</b>		
Regulatory dues*	2,932,886,159	1,652,659,378
Retirement benefits		
- Gratuity	42,613,292	31,030,142
- Vacation pay	31,218,807	24,969,287
Wealth tax [net of advance tax ₹ 77,479 (previous year ₹ Nil)]	85,033	77,479
	<b>3,006,803,291</b>	<b>1,708,736,286</b>
* refer to note 19 of schedule 22		
<b>13. Profit and Loss Account</b>		
Opening balance	14,037,516,233	11,416,190,905
Loss for the year	1,896,905,565	2,621,325,328
	<b>15,934,421,798</b>	<b>14,037,516,233</b>
Less: adjusted against General Reserve per contra (refer to schedule 2 also)	184,832,855	1,695,856,798
Net debit balance in Profit and Loss Account taken to the Balance Sheet	<b>15,749,588,943</b>	<b>12,341,659,435</b>

# Schedules to the accounts

(All amounts in Rupees)

	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>14. Sales and services</b>		
Income from DTH subscribers:		
- Subscription revenue	11,927,025,803	8,352,918,277
- Lease rentals	1,985,345,059	1,500,742,489
Teleport services	107,190,417	168,044,661
Head-end in the sky (HITS) services	-	624,073,729
Bandwidth charges	255,892,431	158,681,781
Sales of customer premises equipment (CPE), accessories and others	33,466,053	23,789,379
Advertisement Income	36,750,544	10,995,976
Other operating income	19,848,030	8,698,153
	<u>14,365,518,337</u>	<u>10,847,944,445</u>
<b>15. Other income</b>		
Interest income from [tax deducted at source ₹ 69,058,729 (previous year ₹ 12,637,233)]:		
- fixed deposits/margin accounts	240,786,502	24,495,256
- others	492,997,745	608,447,986
Foreign exchange fluctuation	73,160,897	44,207,583
Profit on redemption of units of mutual funds (non trade, current)	35,672,797	1,413,550
Liabilities written back	35,763,323	6,556,848
Miscellaneous income	1,913,401	950,073
	<u>880,294,665</u>	<u>686,071,296</u>
<b>16. Cost of traded goods</b>		
Opening stock	27,799,312	30,933,149
Purchases	39,252,727	19,949,744
	<u>67,052,039</u>	<u>50,882,893</u>
Less: Closing stock	44,401,825	27,799,312
	<u>22,650,214</u>	<u>23,083,581</u>
<b>17. Operating expenses</b>		
Transponder lease	617,187,490	961,699,706
License fees	1,498,976,019	1,095,525,824
Uplinking charges	55,384,419	110,549,473
Programming and other costs	5,168,184,284	4,581,256,721
Entertainment tax	518,364,612	258,029,073
	<u>7,858,096,824</u>	<u>7,007,060,797</u>

# Schedules to the accounts

(All amounts in Rupees)

	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>18. Personnel cost</b>		
Salary, bonus and allowances	523,245,038	368,451,287
Contribution to provident and other funds	31,144,143	23,336,770
Staff welfare	5,685,787	5,270,792
Recruitment and training expenses	6,348,154	1,481,347
	<u>566,423,122</u>	<u>398,540,196</u>
<b>19. Administration and other expenses</b>		
Rent	41,913,094	39,677,556
Rates and taxes	5,175,644	9,982,393
Electricity charges	25,006,551	21,293,693
Insurance	1,563,491	807,255
Repairs and maintenance		
- Plant and machinery	10,107,302	7,037,597
- Building	1,738,036	3,297,912
- Others	5,699,458	3,592,450
Vehicle running	988,241	1,587,151
Legal and professional fees	94,455,451	69,527,092
Director's sitting fees	1,210,000	765,000
Printing and stationery	60,682,482	33,373,022
Communication expenses	52,949,892	26,450,955
Travelling and conveyance	60,964,913	42,803,974
Service and hire charges	26,595,178	24,565,613
Freight, cartage and demurrage	117,260,467	69,905,862
Bad debts and balances written off	-	4,855,563
Provision for doubtful debts	-	8,848,387
Loss on sale/discard of fixed assets	170,956,741	80,162,621
Miscellaneous expenses	5,801,815	5,783,331
	<u>683,068,756</u>	<u>454,317,427</u>
<b>20. Selling and distribution expenses</b>		
Advertisement and publicity expenses	782,324,718	752,071,541
Business promotion expenses	60,257,998	17,447,179
Commission	1,590,300,850	943,199,127
Customer support services	414,192,984	305,554,890
	<u>2,847,076,550</u>	<u>2,018,272,737</u>
<b>21. Financial expenses</b>		
Interest on:		
- Term loans	818,071,016	845,860,320
- Buyer's credits	65,455,848	59,626,864
- Finance lease charges/interest on deferred payment, refer to note 16(c) of schedule 22	144,722,770	24,618,197
- Others	251,401,080	193,113,185
Bank and other financial charges	231,723,153	93,159,837
	<u>1,511,373,867</u>	<u>1,216,378,403</u>

# Schedules forming part of the accounts

(All amounts in Rupees)

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## Schedule 22: Significant accounting policies and notes to the accounts

### 1. Background

Dish TV India Limited ('Dish TV' or 'the Company') was incorporated on 10 August 1988. The Company is engaged in the business of Direct to Home ('DTH') and Teleport services. The DTH services are rendered to the customer through Consumer Premise Equipment (CPE), used for receiving and broadcasting DTH signals to the subscriber. Also refer to Note 4 below.

### 2. Significant accounting policies

#### a) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, on accrual basis of accounting, in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the mandatory Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and the presentational requirements of the Companies Act, 1956.

#### b) Use of estimates

The preparation of financial statements in conformity with the GAAP in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Examples of such estimates include estimated useful life of fixed assets, estimate of future obligations under employee retirement benefits, etc. Differences between the actual results and estimates are recognised in the year in which such results are known/ materialized. Any revision to accounting estimates is recognised in accordance with the requirements of the respective Accounting Standards, generally prospectively, in current and future periods.

#### c) Fixed assets

##### Intangible assets

Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. These assets are valued at cost which comprises the purchase price and any directly attributable expenditure on making the asset ready for its intended use.

License fees paid, including fee paid for acquiring license to operate DTH services, is capitalized as intangible asset.

Cost of computer software includes license fees, cost of implementation and appropriate system integration expenses. These costs are capitalized as intangible assets in the year in which related software is implemented.

##### Tangible assets

Fixed assets are recorded at the cost of acquisition, net of Cenvat credit, including all incidental expenses attributable to the acquisition and installation of assets, upto the date when the assets are ready for use.

CPEs are capitalized on activation of the same.

#### d) Depreciation/amortisation

##### Intangible assets

Goodwill on acquisition is amortised over a period of five years.

DTH license fee is amortized over the period of license and other license fees are amortized over the management estimate of useful life of five years.

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

# Schedules forming part of the accounts

(All amounts in Rupees)

## Tangible assets

Depreciation on tangible fixed assets, except CPEs, is provided on the straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956. CPEs are depreciated over their useful life of five years, as estimated by the management. (also refer to Note 16 (b) of this schedule)

Leasehold land and cost of leasehold improvements are amortised over the period of lease or their useful lives, whichever is shorter.

Assets individually costing upto ₹ 5,000 are fully depreciated in the year of purchase.

## e) **Impairment**

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

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, had no impairment loss been recognised.

## f) **Borrowing costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent that they relate to the period till such assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to profit and loss account.

## g) **Inventories**

Inventories of CPEs and related accessories are valued at the lower of cost and net realisable value. Cost of inventories includes all costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

## h) **Revenue recognition**

### i) **Service income**

- Subscription and other service revenues are recognized on an accrual basis on rendering of the service.
- Lease rental is recognized as revenue as per the terms of the contract of operating lease over the period of lease on a straight line basis.

### ii) **Sale of goods**

- Revenue from sale of products is recognised when the products are dispatched against orders to the customers in accordance with the contract terms, which coincides with the transfer of risks and rewards.
- Sales are stated inclusive of excise duty and net of rebates, trade discounts, sales tax and sales returns.

### iii) **Interest income**

Income from deployment of surplus funds is recognised using the time proportion method, based on interest rates implicit in the transaction.

# Schedules forming part of the accounts

(All amounts in Rupees)

## i) Foreign currency transactions and forward contracts

### Foreign currency transactions

- i) Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing at the date of the balance sheet. All exchange differences, other than in relation to acquisition of fixed assets and other long term foreign currency monetary liabilities are dealt with in the profit and loss account.
- ii) In accordance with the notification No. GSR 225 (E) dated 31 March 2009 of the Ministry of Corporate Affairs, exchange differences arising in respect of long-term foreign currency monetary items used for acquisition of depreciable capital asset, are added to or deducted from the cost of asset and are depreciated over the balance life of asset.
- iii) The premium or discount arising on entering into a forward exchange contract for hedging underlying assets and liabilities is measured by the difference between the exchange rate at the date of the inception of the forward exchange contract and the forward rate specified in the contract and is amortised as expense or income over the life of the contract. Exchange difference on a forward exchange contract is the difference between:
  - the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and;
  - the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date.

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

### iv) Derivatives

The Company enters into derivative transactions for hedging purposes. In respect of interest rate swaps, which are not covered by Accounting Standard 11 'the effects of changes in foreign exchange rates', such contracts are marked to market and provision for net loss, if any, is recognised in the profit and loss account. Resultant gains, if any, on account of mark to market are ignored. The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

## j) Investments

Investments are classified as long-term or current based on the intent of the management at the time of acquisition.

Long-term investments are carried at cost. The carrying value of such investments is adjusted for other than temporary diminution in value, where necessary. Current investments are valued at the lower of cost and fair value.

## k) Employee benefits

### i) Short-term employee benefits

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

### ii) Post employment benefit

#### Defined contribution plan

The Company deposits the contributions for provident fund to the appropriate government authorities and these contributions are recognised in the profit and loss account in the financial year to which they relate.

# Schedules forming part of the accounts

(All amounts in Rupees)

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## Defined benefit plan

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out at the end of the year by an independent actuary, using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government Securities for relevant maturity. Actuarial gains and losses are recognized immediately in the profit and loss account.

### iii) Other long-term employee benefits

Benefits under the Company's leave encashment constitute other long-term employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognised immediately in the profit and loss account.

### l) **Employee stock option scheme**

The Company calculates the compensation cost based on the intrinsic value method wherein the excess of value of underlying equity shares as on the date of the grant of options over the exercise price of the options given to employees under the employee stock option schemes of the Company, is recognised as deferred stock compensation cost and amortised over the vesting period on a graded vesting basis.

### m) **Leases**

#### Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the profit and loss account on a straight line basis.

#### Finance lease

Assets and liabilities acquired under finance leases are recognised at the fair value of leased asset at inception of the lease. However, in cases where the fair value of the leased asset from the standpoint of the lessee exceeds the present value of minimum lease payments, the asset is recognised at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

### n) **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### o) **Taxation**

Income tax expense comprises current tax and deferred tax charge or credit. Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions under the Income tax Act, 1961. The deferred tax charge or credit and the corresponding deferred tax liability and assets are recognised using the tax rates that have been enacted or substantively enacted on the balance sheet date.

Deferred tax assets arising from unabsorbed depreciation or carry forward losses are recognised only if there is virtual certainty of realisation of such amounts. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets are reviewed at

# Schedules forming part of the accounts

(All amounts in Rupees)

each balance sheet date to reassess their realisability and are written down or written up to reflect the amount that is reasonably/virtually certain, as the case may be.

p) **Provisions and contingent liabilities**

The Company recognises a provision when there is a present obligation as a result of a past event and it is more likely than not that there will be an outflow of resources embodying economic benefits to settle such obligations and the amount of such obligation can be reliably estimated. Provisions are not discounted to their present value and are determined based on the management's estimation of the outflow required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events, not wholly within the control of the Company. Contingent liabilities are also disclosed for the present obligations in respect of which it is not possible that there will be an outflow of resources or a reliable estimate of the amount of obligation cannot be made.

When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 3. Capital commitments and contingent liabilities

a) **Capital commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 3,469,882,668 (previous year ₹ 325,392,762).

b) **Contingent liabilities not provided for**

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Claim against the Company not acknowledged as debt	48,301,037	43,577,609
Income-tax Act, 1961*	4,05,614,101	-
Sales Tax and Value Added Tax demands	109,855,534	89,864,314
Indian Customs Act, 1962	149,406,086	-
Entertainment Tax demands #	118,223,928	101,520,074
Legal cases against the Company	Unascertained	Unascertained

\* During the year, the Company received a demand notice for income tax and interest thereon aggregating ₹ 4,05,614,101 in relation to an earlier year. The matter pertains to alleged short deduction of tax at source on certain payments and interest thereon for delayed period. The Company has disputed the issue and has filed an appeal against the abovesaid demand with the tax authorities. The Company, supported by a legal view in the matter, is of the view that no provision is necessary till the dispute is finally concluded by the appropriate authorities.

# The Company has also received notices in various States on applicability of Entertainment Tax, for which no demands have been received. The Company has contested these notices at various Appellate Forums/ Courts and the matter is subjudice.

### 4. Composite Scheme of Amalgamation and Arrangements ('the Scheme')

- i) Agrani Satellite Services Limited ('ASSL'), a wholly owned subsidiary of the Company, was formed to own, establish and operate Ku band satellite system and to market and lease their bandwidth capacities. However, due to unfavorable market conditions, the satellite business was discontinued in the previous year. Integrated Subscriber Management Services Limited ('ISMSL'), another wholly owned subsidiary of the Company, 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 reports and call centre activities.

# Schedules forming part of the accounts

(All amounts in Rupees)

- ii) In order to simplify the group structure and improve cost efficiency, the Board of Directors had approved a Composite Scheme of Amalgamation and Arrangement between the Company, ASSL, ISMSL and their respective shareholders and creditors ('the Scheme') at their meeting held on 11 June 2010. The Scheme envisaged transfer of the Company's non-DTH related business [including equity shares in ASSL and in Agrani Convergence Limited ('ACL'), another subsidiary company], to ISMSL followed by the merger of ASSL with ISMSL on 31 March 2010, the appointed date. As consideration for transfer of non-DTH related business, ISMSL would issue and allot 100,000 equity shares of the face value of ₹ 10 each, fully paid up, to the Company.
- iii) The above Scheme has been approved by the Hon'ble High Court of Delhi, vide its Order dated 3 March 2011 and corrigendum dated 31 March 2011 and became effective on 31 March 2011 on filing the Order of the Court with the Registrar of Companies, NCT of Delhi and Haryana.
- iv) To give effect to the Scheme and the Order of the Hon'ble High Court, the Company has transferred its undertaking, along with assets and liabilities as on 31 March 2010, relating to the non-DTH business to ISMSL. In accordance with the Scheme, the excess of the book value of net assets transferred as at 31 March 2010, over the consideration received has been directly adjusted in the General Reserve as under:

Particulars		Amount
Fixed assets	432,447,828	
Investments in ASSL	944,010,040	
Advances including share application money in ASSL	367,066,075	1,743,523,943
Investments in ACL		124,705,440
Other loans and advances		1,208,430,395
<b>Total assets</b>		<b>3,076,659,778</b>
<b>Less: liabilities</b>		
Provision for doubtful advances		1,208,430,395
Provision for diminution in the value of investment in ACL		124,705,440
Security deposits received		231,500,000
<b>Total liabilities</b>		<b>1,564,635,835</b>
<b>Book value of net assets transferred</b>		<b>1,512,023,943</b>
Consideration received by way of equity shares in ISMSL		1,000,000
<b>Excess of book value of net assets over the consideration received, adjusted in General Reserve</b>		<b>1,511,023,943</b>

- v) The non-DTH business, transferred as above and which has been excluded from the financial statements of the Company after 31 March 2010, did not have any operations during the year.
- vi) While the Company has followed the accounting treatment prescribed in the Scheme, duly approved by the Hon'ble High Court of Delhi, it has resulted in certain deviations as compared to the Generally Accepted Accounting Principles (GAAP) in India. Had the Company followed the GAAP, the impairment of fixed assets/ diminution in the value of investment (in accordance with Accounting Standard ('AS') 28 and AS 13 respectively) would have been recognised in the Profit and Loss Account of the previous year and, accordingly, loss for the previous years and the debit balance in the Profit and Loss Account as at 31 March 2010 would have been higher by ₹ 1,743,523,943.

Since the aforesaid impairment of fixed assets/diminution in the value of investment have not been recognised in the current year as a prior period item, which together with the impact of the transfer of other net assets/ liabilities in the current year, net of consideration received, have been adjusted in General Reserve directly, the loss for the year and the debit balance in the Profit and Loss Account at the end of the year is lower by ₹ 1,511,023,943. However, on implementation of the Scheme, the above net loss stands adjusted directly in the General Reserve in accordance with the accounting treatment approved in the Scheme by Hon'ble High Court of Delhi.

# Schedules forming part of the accounts

(All amounts in Rupees)

## 5. Particulars in respect of trading goods purchased for resale

Classification of goods	Opening stock		Purchase		Sales		Closing stock	
	Qty (Nos.)	Value	Qty (Nos.)	Value	Qty (Nos.)	Value	Qty (Nos.)	Value
Set Top Box, Visual Graphic Adapter Box and Digital Video Recorder	1,544 (1,704)	5,830,701 (6,063,712)	107 (1,370)	806,847 (2,977,003)	252 (1,530)	673,920 (1,328,666)	1,399 (1,544)	6,208,316 (5,830,701)
CPE Accessories [refer footnote (ii) below]		-		7,319,469 (2,801,011)		10,202,878 (2,643,630)		-
Spare parts and other items [refer footnote (ii) below]		21,968,611 (24,869,437)		31,126,411 (14,171,730)		22,589,255 (19,817,083)		38,193,509 (21,968,611)
		<b>27,799,312</b> <b>(30,933,149)</b>		<b>39,252,727</b> <b>(19,949,744)</b>		<b>33,466,053</b> <b>(23,789,379)</b>		<b>44,401,825</b> <b>(27,799,312)</b>

i) Figures in brackets are for previous year.

ii) It is not practicable to furnish quantitative information in view of the considerable number of items, diverse in size and nature. Also, no individual item exceeds ten percent of total value.

## 6. Managerial remuneration

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Salaries and allowances	6,907,200	5,536,123
Contribution to provident fund	388,800	311,845
Perquisites	849,000	739,064
	<b>8,145,000</b>	<b>6,587,032</b>
Sitting fee (paid to non-executive directors)	1,210,000	765,000
<b>Total</b>	<b>9,355,000</b>	<b>7,352,032</b>

The Company has also provided the liability for gratuity and leave encashment on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.

## 7. Earnings in foreign currency (accrual basis)

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Teleport services	-	86,479,990
Interest income	42,246,308	91,114
Carriage income	22,333,954	27,031,852

# Schedules forming part of the accounts

(All amounts in Rupees)

## 8. CIF value of imports

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Components and spare parts	27,946,742	8,461,922
Capital equipments	7,550,458,093	2,503,668,768
Others	4,535,717	-

## 9. Expenditure in foreign currency (accrual basis)

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Content cost	278,234,256	9,548,598
Transponder charges	-	525,307,248
Professional and consultancy charges	5,852,676	36,365,902
Travelling expenses	724,282	949,289
Interest expenses	81,887,450	74,565,724
Bank and other finance charges	661,698	1,976,701
Others	314,000	828,756

## 10. Investments purchased and sold during the year

(Non-trade, current and un-quoted)

	Purchased No. of Units	Amount	Sold No. of Units	Amount
Reliance Liquid Fund-Treasury Plan-Institutional Option-Growth Option- Growth Plan	84,817,431 (145,648,941)	1,930,349,861 (3,260,032,723)	84,817,431 (145,648,941)	1,930,747,176 (3,260,505,722)
Reliance Liquidity Fund Growth Option	133,688,012 (-)	1,941,125,161 (-)	133,688,012 (-)	1,942,789,558 (-)
Reliance Money Manager Fund - Institutional Option-Growth Plan	823,931 (992,042)	1,050,192,907 (1,239,429,905)	1,775,850 (992,042)	2,257,436,944 (1,240,267,677)
DSP BlackRock Liquidity Fund - Institutional Plan Growth	146,715 (215,128)	200,000,000 (250,000,000)	146,715 (215,128)	201,889,135 (250,083,707)
DSP BlackRock Floating Rate Fund-Institutional Plan - Growth	112,932 (-)	150,000,000 (-)	203,434 (-)	273,443,270 (-)
SBI-SHDF-Short Term - Institutional Plan Growth	- (12,263,017)	- (250,000,000)	23,600,570 (12,263,017)	256,355,923 (250,022,073)
IDBI Ultra Short Term Fund - Growth	25,184,588 (-)	252,427,645 (-)	25,184,588 (-)	254,390,323 (-)
IDBI Liquid Fund - Growth	24,975,774 (-)	250,000,000 (-)	24,975,774 (-)	252,427,645 (-)
Edelweiss Ultra Short Term Bond Fund - Institutional - Growth Plan	8,928,579 (-)	100,000,000 (-)	8,928,580 (-)	100,745,628 (-)
Kotak Flexi Debt Scheme Institutional - Growth	4,410,143 (-)	50,000,000 (-)	4,410,143 (-)	50,598,456 (-)
<b>Total</b>		<b>5,924,095,574</b> <b>(4,999,462,628)</b>		<b>7,520,824,058</b> <b>(5,000,879,179)</b>

Foot notes: Figures in brackets are for previous year.

# Schedules forming part of the accounts

(All amounts in Rupees)

## 11. Employee stock option plan (ESOP) 2007

In the Annual General Meeting held on 3 August 2007, the shareholders of the Company have approved Employee Stock Option Plan i.e. ESOP 2007 ("the Scheme"). The Scheme provided for issue of 4,282,228 stock options (underlying fully paid equity share of ₹ 1 each) to the employees of the Company as well as that of its subsidiaries and also to non-executive directors including independent directors of the Company at the exercise price which shall be equivalent to the market price determined as per the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ['SEBI (ESOP) Guidelines, 1999'].

The options granted under the Scheme shall vest between one year to six years from the date of grant of options, with 20% vesting each year. Once the options vest as per the Scheme, they would be exercisable by the grantee at any time within a period of four years from the date of vesting and the shares arising on exercise of such options shall not be subject to any lock-in period.

The shareholders in their meeting held on 28 August 2008 approved the re-pricing of outstanding options which were granted till that date and consequently the options were re-priced at ₹ 37.55 per option, determined as per SEBI (ESOP) Guidelines, 1999.

However, in respect of options granted subsequent to 28 August 2008, the exercise price of the options has been maintained as equivalent to the market price determined as per the SEBI (ESOP) Guidelines, 1999.

As stated above, the options are granted to the employees at an exercise price, being the latest market price as per SEBI (ESOP) Guidelines, 1999. Further, since the Company follows intrinsic value method for accounting of the above options, there is no charge in the profit and loss account.

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

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Options outstanding at the beginning of the year	2,054,300	1,466,550
Add: Options granted	1,038,300	750,100
Less: Exercised	557,060	12,080
Less: Lapsed	242,320	150,270
Options outstanding at the end of the year	2,293,220	2,054,300

The following table summarizes information on the share options outstanding as of 31 March 2011

Particulars	Date of grant	Number of shares remaining out of options	Remaining contractual life	Exercise price
Lot 1	21 August 2007	714,040	6.39	37.55*
Lot 2	24 April 2008	-	-	-
Lot 3	28 August 2008	30,000	7.41	37.55*
Lot 4	28 May 2009	361,100	8.16	47.65
Lot 5	27 October 2009	149,780	8.58	41.45
Lot 6	26 October 2010	201,250	9.57	57.90
Lot 7	21 January 2011	837,050	9.81	58.95
Options outstanding at the end of the year		2,293,220	8.35#	48.99#

# Schedules forming part of the accounts

(All amounts in Rupees)

The following table summarizes information on the share options outstanding as of 31 March 2010

Particulars	Date of grant	Number of shares remaining out of options	Remaining contractual life	Exercise price
Lot 1	21 August 2007	1,406,350	7.39	37.55*
Lot 2	24 April 2008	-	-	-
Lot 3	28 August 2008	30,000	8.41	37.55*
Lot 4	28 May 2009	457,050	9.16	47.65
Lot 5	27 October 2009	160,900	9.58	41.45
Options outstanding at the end the of year		2,054,300	7.97#	40.10#

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

## 12. Disclosure pursuant to Accounting Standard 15 on "Employee Benefits"

### Defined contribution plans

An amount of ₹ 27,739,431 (previous year ₹ 20,949,096) and ₹ 561,513 (previous year ₹ 214,444) for the year, have been recognized as expenses in respect of the Company's contributions to Provident Fund and Employee's State Insurance Fund respectively, deposited with the government authorities and have been included under operating and other expenditure in the Profit and Loss Account.

### Defined benefit plans

Gratuity is payable to all eligible employees of the Company on superannuation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act or as per the Company's Scheme, whichever is more beneficial.

The following table sets forth the status of the gratuity plan of the Company and the amounts recognised in the Balance Sheet and Profit and Loss Account:

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>Changes in present value of obligation</b>		
Present value of obligation as at the beginning of the year	31,030,142	20,192,912
Interest cost	2,482,411	1,615,433
Current service cost	13,109,874	10,009,741
Benefits paid	(513,121)	(80,339)
Actuarial gain on obligation	(3,496,014)	(707,605)
Present value of obligation as at end of the year	<b>42,613,292</b>	<b>31,030,142</b>

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>Expenses recognized in the Profit and Loss Account</b>		
Current service cost	13,109,874	10,009,741
Interest cost on benefit obligation	2,482,411	1,615,433
Net actuarial gain recognised in the year	(3,496,014)	(707,605)
Expenses recognised in the Profit and Loss Account	<b>12,096,271</b>	<b>10,917,569</b>

# Schedules forming part of the accounts

(All amounts in Rupees)

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

Particulars	As at 31 March 2011	As at 31 March 2010
Discount rate	8.00	8.00
Salary escalation rate (per annum)	10.00	10.00
<b>Withdrawal rates</b>		
Age - Upto 30 years	13%	13%
31-44 years	2%	2%
Above 44 years	1%	1%
Mortality rate	LIC (1994-96) duly modified	LIC (1994-96) duly modified

Discount rate: The discount rate is estimated based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligation.

Salary escalation rate: The estimates of salary increases, considered in actuarial valuation, take account of inflation, promotion and other relevant factors.

### 13. Borrowing costs

During the earlier years, the Company had capitalised borrowing costs of ₹ 12,431,672 in the gross value of fixed assets. Since the said assets were not in the nature of qualifying assets, the Company has decapitalised ₹ 12,431,672 in the gross block and ₹ 2,532,985 in accumulated depreciation. This has resulted in prior period interest expenses of ₹ 9,898,687 (Refer to Note 24 to this schedule)

### 14. Segmental information

The Company is in the business of providing Direct to Home ('DTH') and teleport services primarily in India. As the Company's business activity primarily falls within a single business and geographical segment, disclosures in terms of Accounting Standard 17 on "Segment Reporting" are not applicable.

### 15. Related party disclosures

- a) **Related parties where control exists:** Subsidiary companies:
- Integrated Subscriber Management Services Limited (ISMSL)
  - Agrani Convergence Limited #
  - Agrani Satellite Services Limited #
- (#Disposed to ISMSL in pursuant to the Scheme approved by the Hon'ble High Court of Delhi, vide its Order dated 3 March 2011 effective 31 March 2010)

# Schedules forming part of the accounts

(All amounts in Rupees)

b) **Other related parties with whom the Company had transactions:**

Key management personnel	Mr. Jawahar Lal Goel
Enterprises over which key management personnel/their relatives have significant influence	<p>Afro Asian Satellite Communication (Gibraltar) Limited          Afro Asian Satellite Communication (U.K.) Limited          Agrani Satellite Communication (Gibraltar) Limited          ASC Telecommunication Limited          Asia Today Limited          Asia TV USA Limited          Brio Academic Infrastructure and Resources Management Private Limited          Churu Trading Company Private Limited          Dakshin Media Garming Solutions Private Limited          Diligent Media Corporation Limited          E-City Entertainment (India) Private Limited          E-City Property Management &amp; Services Private Limited          Essel Agro Private Limited          Essel Corporate Services Private Limited          Essel Infraprojects Limited          Essel Shyam Technology Limited          Essel International Limited          Essel Sports Private 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 Infravest Private Limited          Prajatma Trading Company Private Limited          Procall Private Limited          Rama Associates Limited          Wire and Wireless (India) Limited          Taj Television India Private Limited          Taj TV Limited          Zee Akash News Private Limited          Zee Entertainment Enterprises Limited          Zee News Limited          Zee Turner Limited</p>

c) **Transactions with related parties:**

Particular	For the year ended 31 March 2011		For the year ended 31 March 2010	
	Total Amount	Amount for major parties	Total Amount	Amount for major Parties
<b>(i) With key management personnel</b>	<b>8,145,000</b>		<b>6,587,033</b>	
<b>Managerial remuneration</b>		8,145,000		6,587,033
<b>(ii) With subsidiary companies</b>	<b>750,310,632</b>		<b>999,974,887</b>	
<b>Purchase of goods and services:</b>				
Integrated Subscribers Management Services Limited		750,310,632		999,974,887
<b>Interest received</b>	<b>422,509,841</b>		<b>245,823,909</b>	
Integrated Subscribers Management Services Limited		422,509,841		-
Agrani Satellite Services Limited		-		245,823,909

# Schedules forming part of the accounts

(All amounts in Rupees)

Particular	For the year ended 31 March 2011		For the year ended 31 March 2010	
	Total Amount	Amount for major parties	Total Amount	Amount for major Parties
<b>Loans, advances and deposits given (including share application money)</b>	<b>2,805,394,285</b>		<b>518,072,826</b>	
Integrated Subscribers Management Services Limited		2,805,394,285		257,283,560
Agrani Satellite Services Limited		-		260,789,266
<b>Refunds received against loans, advances and deposits given</b>	<b>4,863,178,631</b>		<b>125,400,000</b>	
Integrated Subscribers Management Services Limited		4,863,178,631		30,400,000
Agrani Satellite Services Limited		-		95,000,000
<b>Issue of equity shares</b>	<b>1,000,000</b>		<b>-</b>	
Integrated Subscribers Management Services Limited		1,000,000		-
<b>(iii) With other related parties:</b>				
<b>Sales and services (net of taxes)</b>	<b>117,979,729</b>		<b>794,929,582</b>	
Zee Entertainment Enterprises Limited		43,592,608		18,263,527
Zee News Limited		44,308,330		54,180,191
Asia Today Limited		13,037,199		86,479,990
Wire and Wireless (India) Limited		1,556,513		624,073,730
Zee Aakash News Private Limited		14,933,529		11,496,986
Other related parties		551,550		435,158
<b>Purchase of goods and services</b>	<b>1,752,070,916</b>		<b>1,486,857,995</b>	
Zee Turner Limited		905,520,084		937,712,772
Zee Entertainment Enterprises Limited		425,853,157		322,813,783
ITZ Cash Card Limited		151,130,100		86,110,358
Taj Television India Private Limited		190,472,553		-
Other related parties		79,095,022		140,221,082
<b>Rent paid</b>	<b>28,911,759</b>		<b>28,450,604</b>	
Zee Entertainment Enterprises Limited		25,275,645		25,132,320
Rama Associates Limited		2,805,840		2,805,840
Other related parties		830,274		512,444
<b>Interest paid</b>	<b>144,722,770</b>		<b>97,816,573</b>	
Zee Entertainment Enterprises Limited		-		71,901,370
Essel International Limited		144,722,770		24,618,197
Other related parties		-		1,297,006
<b>Interest received</b>	<b>70,100,757</b>		<b>218,612,796</b>	
Essel Agro Private Limited		59,553,099		207,268,837
ASC Telecommunication Limited		10,547,658		9,824,771
Other related parties		-		1,519,188
<b>Purchase of fixed assets</b>	<b>147,780,828</b>		<b>1,594,082,029</b>	
Essel International Limited		143,080,425		1,508,659,183
Wire and Wireless (India) Limited		-		85,422,846
Other related parties		4,700,403		-
<b>Reimbursement of expenses paid</b>	<b>27,567,954</b>		<b>22,428,981</b>	
Zee Entertainment Enterprises Limited		22,372,010		18,393,396
ITZ Cash Card Limited		4,284,598		2,527,450

# Schedules forming part of the accounts

(All amounts in Rupees)

Particular	For the year ended 31 March 2011		For the year ended 31 March 2010	
	Total Amount	Amount for major parties	Total Amount	Amount for major Parties
Other related parties		911,346		1,508,135
<b>Reimbursement of expenses received</b>	<b>993,637</b>		<b>867,932</b>	
Zee Turner Limited		-		691,130
ETC Networks Limited		-		79,102
Wire and Wireless (India) Limited		298,129		97,700
Other related parties		695,508		-
<b>Repayment of loan, advance and deposit taken</b>	<b>-</b>		<b>2,453,218,875</b>	
Zee Entertainment Enterprises Limited		-		2,430,000,000
Other related parties		-		23,218,875
<b>Loans, advances and deposits given</b>	<b>69,522,212</b>		<b>104,536,147</b>	
ITZ Cash Card Limited		49,994,346		97,802,987
Essel Agro Private Limited		-		2,162,415
Other related parties		19,527,866		4,570,745
<b>Refunds received against loans, advances and deposits given</b>	<b>1,096,023,658</b>		<b>1,275,365,912</b>	
Churu Trading Company Private Limited		-		24,858,458
Essel Agro Private Limited		875,561,515		1,250,000,000
ITZ Cash Card Limited		198,983,510		-
Other related parties		21,478,633		507,454

d) **Balance at year end:**

Particular	As at 31 March 2011		As at 31 March 2010	
	Total Amount	Amount for major parties	Total Amount	Amount for major Parties
<b>Balances at the end of the year:</b>				
<b>With subsidiary companies:</b>				
<b>Investment</b>	<b>1,500,000</b>		<b>1,069,215,480</b>	
Agrani Satellite Services Limited		-		944,010,040@
Agrani Convergence Limited		-		124,705,440@
Integrated Subscribers Management Services Limited		1,500,000		500,000
<b>Loans, deposits and advances given (including share application money)</b>	<b>774,572,153</b>		<b>3,199,422,575</b>	
Agrani Satellite Services Limited		-		2,403,731,466@
Integrated Subscribers Management Services Limited		774,572,153		795,691,109
<b>Creditors for expenses and other liabilities</b>	<b>-</b>		<b>925,164</b>	
Agrani Convergence Limited		-		925,164
<b>With other related parties:</b>				
<b>Loans, deposits and advances given</b>	<b>467,982,201</b>		<b>2,693,421,150</b>	
Afro-Asian Satellite Communication (UK) Limited		-		376,881,821 @
Afro Asian Satellite Communication (Gib) Limited		-		827,708,050 @
Essel Agro Private Limited		220,018,763		1,095,580,278
Other related parties		247,963,438		393,251,001 @

# Schedules forming part of the accounts

(All amounts in Rupees)

Particular	As at 31 March 2011		As at 31 March 2010	
	Total Amount	Amount for major parties	Total Amount	Amount for major Parties
<b>Provision against advances given</b>	-		<b>1,216,461,163</b>	
Afro-Asian Satellite Communication (UK) Limited		-		376,881,821 @
Afro Asian Satellite Communication (Gib) Limited		-		827,708,050 @
Other related parties		-		11,871,292 @
<b>Loans, deposits and advances taken</b>	-		<b>231,500,000</b>	
Wire and Wireless (India) Limited		-		231,500,000 @
<b>Creditors for expenses and other liabilities</b>	<b>1,433,377,387</b>		<b>2,898,054,162</b>	
Zee Entertainment Enterprises Limited		141,183,120		112,640,129
Zee Turner Limited		1,269,330,842		1,374,542,186
Essel International Limited		-		1,287,501,644
Other Related Parties		22,863,425		123,370,203
<b>Debtors</b>	<b>119,434,183</b>		<b>301,221,274</b>	
Asia Today Limited		27,736,712		106,641,178
Zee News Limited		33,710,543		19,888,296
Zee Entertainment Enterprises Limited		16,020,092		51,243,292
Dakshin Media Gaming Solution Private Limited		26,799,705		26,799,705
Wire and Wireless (India) Limited		14,167,131		88,004,185
Zee Aakash News Private Limited		1,000,000		8,644,618

@ Investment, loans and advances transferred as per the Scheme to Integrated Subscriber Management Services Limited (refer Note 4 of this schedule above):

Name of related party	Balance as at 31 March 2010	Provision as at 31 March 2010	Consideration received
<b>Investment</b>			
Agrani Convergence Limited	124,705,440	124,705,440	-
Agrani Satellite Services Limited	944,010,040	-	1,000,000
<b>Loans, deposits and advances given</b>			
Agrani Satellite Services Limited	51,384,650	-	-
Afro-Asian Satellite Communication (UK) Limited	376,881,821	376,881,821	-
Afro-Asian Satellite Communication (Gib) Limited	827,708,050	827,708,050	-
Other related parties	3,840,524	3,840,524	-

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

- As at 31 March 2011, personnel guarantees by key managerial personnel, along with his relative and corporate guarantee by Churu Trading Company Private Limited amounting to ₹ 3,000,000,000 (previous year ₹ Nil), jointly and severally. The guarantees are outstanding as at the year end.
- As at 31 March 2011, corporate guarantee by Churu Trading Company Private Limited amounting to ₹ 2,000,000,000 (previous year ₹ Nil). The guarantee is outstanding as at the year end.
- As at 31 March 2011, corporate guarantee by Zee Entertainment Enterprises Limited amounting to ₹ 3,222,030,089 (previous year ₹ 3,222,030,089). During the previous year, the guarantee of ₹ 1,084,000,000 was released. The remaining guarantee is outstanding as at the year end.

# Schedules forming part of the accounts

(All amounts in Rupees)

- iv) As at 31 March 2011, corporate guarantee by Essel Infraprojects Limited and Rama Associates Limited amounting to ₹ 3,000,000,000 (previous year ₹ 3,000,000,000), jointly and severally. The guarantee is outstanding as at the year end.

## 16. Leases

### a) Obligation on operating lease:

The Company's significant leasing arrangements are in respect of operating leases taken for offices, residential premises, transponder, etc. These leases are cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessee and the lessor except in rental of leases for office premises which are non-cancellable leases. The initial tenure of the lease generally is for 11 months to 51 months. The details of assets taken on operating leases during the year are as under:

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Lease rental charges during the year (net of shared cost)	714,485,003	1,111,926,735
Sub-lease payment received (being shared cost)	59,582,238	115,808,590

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

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Within one year	1,263,459	1,138,492
Later than one year and not later than five years	49,330	1,237,434
Later than five years	-	-

### b) Assets given under operating lease:

The Company has leased out assets by way of operating lease and as on 31 March 2011 the gross book value of such assets, its accumulated depreciation and depreciation for the year are as given below:

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Gross value of assets	21,264,309,199	14,655,921,323
Accumulated depreciation	8,644,006,140	5,816,413,374
Net block	12,620,303,059	8,839,507,949
Depreciation for the year	3,368,794,229	2,732,087,582

The lease rentals received during the year in respect of non-cancellable operating leases and maximum obligations on long-term non-cancellable operating lease receivable as per the rentals stated in the agreement is as follows:

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Lease rentals received during the year	1,985,345,059	1,500,742,489

# Schedules forming part of the accounts

(All amounts in Rupees)

Particulars	Total future minimum lease rentals receivable as on 31 March 2011	Total future minimum lease rentals receivable as on 31 March 2010
Within one year	1,815,498,293	1,617,523,940
Later than one year and not later than five years	1,428,812,994	1,578,358,773
Later than five years	-	-

The life of the Consumer Premise Equipment (CPE) for the purposes of depreciation has been estimated by the management as five years. However, in certain cases, the one-time advance contributions towards the CPEs in the form of rentals are recognised as revenue over a period of three years. The Company is in the process of streamlining the above practices.

c) **Obligation on finance lease:**

The Company had acquired CPEs on finance lease. The summary of gross value of such assets, its accumulated depreciation, depreciation charged during the year and capital work-in-progress is given as under:

Particulars	As at 31 March 2011	As at 31 March 2010
a) Gross value of the assets	^	582,942,170
Accumulated depreciation	^	9,134,524
Written down value	^	573,807,646
Deprecation for the year	^	9,134,524
b) Capital work-in-progress	^	925,717,013
<b>Total (a + b)</b>	^	<b>1,499,524,659</b>

Minimum lease payments of CPEs acquired on finance lease and their present value is as under:

Particulars	As at 31 March 2011	As at 31 March 2010
Minimum lease payments		
- Within one year	^	341,751,540
- Later than one year and not later than five years	^	1,341,020,466
- Later than five years	^	-
Less: amount representing future interest	^	426,059,666
<b>Present value of minimum lease payments</b>	^	<b>1,256,712,340</b>

^ During the previous years, the Company acquired certain equipments aggregating ₹ 1,508,659,183. Based on the initial understanding, the transaction was recorded as a finance lease arrangement, i.e. the equipments were capitalized in the previous year with a corresponding 'Liability under finance lease'. However, based on the clarifications sought by the Company during the current year, the transaction has been considered in the nature of purchase of equipment on deferred payment basis. Accordingly, the accounting treatment has been rectified to reflect the above transaction in the nature of purchase with a corresponding liability for purchase of equipment, which was earlier reflected as 'Liability under finance lease'. However, this treatment does not have any implication on the loss for the year and carrying value of equipment and corresponding liability.

17. The Company has been making payment of license fee to the Regulatory Authority considering the present legal understanding. However, in view of the ongoing dispute, the Company has made provision on a conservative basis considering the terms and conditions of the License given by the Regulatory Authority.

# Schedules forming part of the accounts

(All amounts in Rupees)

## 18. Auditors' remunerations

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Statutory audit fees	1,600,000	1,600,000
Limited review fees	575,000	800,000
Tax audit fees	-	450,000
Taxation matter(s)	901,396	732,199
Certification work	3,591,975	1,109,100
Out of pocket expenses	126,275	6,120
<b>Total</b>	<b>6,749,646</b>	<b>4,697,419</b>

## 19. Provision for regulatory dues

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Opening provision	1,652,659,378	969,606,100
Add: Created during the year	1,480,226,778	1,062,384,548
Less: Utilised during the year	200,000,000	379,331,270
<b>Closing provision</b>	<b>2,932,886,156</b>	<b>1,652,659,378</b>

The above includes provision with respect to certain regulatory dues disputed by the Company with Regulatory Authority. The outflow of economic benefits with regard to the disputed portion would be dependent on the final decision by the Regulatory Authority.

## 20. Earnings per share

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

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Loss for the year attributable to equity shareholders (in ₹)	1,896,905,565	2,621,325,328
Number of shares considered as weighted average shares outstanding for computing basic earnings per share	1,062,602,469	820,536,923
Nominal value per share (in ₹)	1	1
Basic and diluted earnings per share (in ₹)	(1.79)	(3.19)

Since the Company had losses during the current year and previous year, the share call money pending adjustment is considered to be anti-dilutive. Therefore, the basic and diluted earnings per share are the same.

# Schedules forming part of the accounts

(All amounts in Rupees)

## 21. Deferred tax assets

Components of deferred tax asset:

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>Deferred tax assets on account of:</b>		
- Depreciation	1,046,886,548	659,405,948
- Unabsorbed depreciation and tax losses	4,110,549,066	3,902,092,320
- Liability for leave encashment and retirement benefit provision	24,525,177	18,601,610
- Demerger expenses as per section 35DD	44,635	89,270
- Provision for doubtful debts and advances	982,728	6,527,661
<b>Deferred tax assets Recognised in the accounts</b>	<b>5,182,988,154</b>	<b>4,586,716,809</b>
	-	-

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

## 22. Rights issue

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

Particulars	Total amount due (per share)	Towards face value (per share)	Towards securities premium (per share)	Total amount	Due on (from the date of allotment, at the option of the Company)	Date of making the Call
	(₹)	(₹)	(₹)	(₹)		
On application	6.00	0.50	5.50	3,108,897,552	Along with application	Not applicable
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 18 June 2009 decided to make the First Call, payable on or before 31 July 2009*
On second and final call	8.00	0.25	7.75	4,145,196,736	After 9 months but within 18 months	The Board at its meeting held on 22 January 2010 decided to make the Second and Final Call, payable on or before 1 March 2010*
<b>Total</b>	<b>22.00</b>	<b>1.00</b>	<b>21.00</b>	<b>11,399,291,024</b>		

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

Upto the financial year ended 31 March 2011, the Company has received ₹ 3,108,897,552 (previous year ₹ 3,108,897,552) towards the application money on 518,149,592 (previous year 518,149,592) equity shares issued on Rights basis; ₹ 4,137,458,712 (previous year ₹ 4,137,329,504) towards the first call money on 517,182,339 (previous year 517,166,188) equity shares; and ₹ 4,120,909,544 (previous years ₹ 4,109,896,512) towards the second and final call money on 515,113,693 (previous year 513,737,064) equity shares.

# Schedules forming part of the accounts

(All amounts in Rupees)

The Company has also received ₹ 28,889,665 (previous year ₹ 5,454,950) towards first call and/or second and final call. Pending completion of corporate action, the amount has been recorded as Share call money pending adjustments under 'Current liabilities'.

The utilisation of Rights Issue proceeds have been in accordance with the revised manner of usage of Rights Issue proceeds, as approved by the Board of Directors of the Company, in their meeting held on 28 May 2009. The utilization of the Rights Issue proceeds as per the revised uses aggregating to ₹ 9,367,189,948 (previous year ₹ 8,046,123,568) is as under. The monitoring agency, IDBI Bank Limited, has issued its report dated 20 January 2011 on utilization of the Rights Issue proceeds upto 31 December 2010.

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

Particulars	Upto 31 March 2011	Upto 31 March 2010
<b>Amount utilized</b>		
Repayment of loans	2,842,144,315	2,842,144,315
Repayment of loans, received after right issue launch	2,430,000,000	2,430,000,000
General corporate purpose/ operational expenses	1,440,593,766	879,883,558
Acquisition of Consumer Premises Equipment (CPE)	2,600,000,000	1,839,643,828
Right issue expenses	54,451,867	54,451,867
<b>Total money utilised (A)</b>	<b>9,367,189,948</b>	<b>8,046,123,568</b>
<b>Unutilised amount lying with:-</b>		
Investments in liquid/ floater scheme of mutual funds (refer to Schedule 5)	-	1,310,000,000
Deposit with financial institution (refer to Schedule 5)	2,000,000,000	2,000,000,000
Balance with scheduled banks in current account(refer to Schedule 8)	75,860	-
<b>Total unutilised money (B)</b>	<b>2,000,075,860</b>	<b>3,310,000,000</b>
<b>Total (A + B)</b>	<b>11,367,265,808</b>	<b>11,356,123,568</b>

## 23. Issue of Global Depository Receipts (GDR Issue):

Pursuant to the approvals obtained by the Company and in accordance with the applicable laws including the Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipts Mechanism) Scheme, 1993, as amended, the Global Depository Receipt (GDR) Offer of the Company for 117,035 GDRs opened for subscription on 23 November 2009 at a price of US \$ 854.50 per GDR, each GDR representing 1000 fully paid equity shares. The pricing of the GDR as per the pricing formula prescribed under Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Mechanism) Scheme, 1993, as amended, was ₹ 39.80 per fully paid equity share and the relevant date for this purpose was 23 November 2009.

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

The GDR Issue expenses of ₹ Nil (₹ 40,883,283) incurred during the year are adjusted against the Securities Premium account.

# Schedules forming part of the accounts

(All amounts in Rupees)

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

Particulars	Upto 31 March 2011	Upto 31 March 2010
<b>Amount utilised</b>		
Acquisition of fixed assets including CPEs	735,331,319	365,388,429
GDR issue expenses	34,462,652	34,462,652
Advance against share application money given to subsidiaries	5,613,736	5,613,736
Repayment of bank loan	75,522,000	75,522,000
Operational expenses including interest payments, bank charges and exchange fluctuation	2,067,870,090	1,692,412,363
<b>Total</b>	<b>2,918,799,797</b>	<b>2,173,399,180</b>
Less: interest earned	(42,337,423)	(91,115)
<b>Total (A)</b>	<b>2,876,462,374</b>	<b>2,173,308,065</b>
<b>Unutilised amount lying with:</b>		
Investments in liquid/ floater scheme of mutual funds (refer to Schedule 5)	-	250,000,000
Investments in fixed deposit/ margin money (refer to Schedule 8)	50,000,000	70,017,000
Balance with other bank in fixed deposit/ margin money in foreign currency (refer to Schedule 8)	1,731,984,526	2,165,121,835
<b>Total (B)</b>	<b>1,781,984,526</b>	<b>2,485,138,835</b>
<b>Total (A + B)</b>	<b>4,658,446,900</b>	<b>4,658,446,900</b>

## 24. Prior period income and expenses

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>A) Income</b>		
Interest income	-	22,849,593
<b>Total income</b>	-	<b>22,849,593</b>
<b>B) Expenses</b>		
Rates and taxes	-	46,336
Electricity charges	-	7,825
Legal and professional fee	-	17,500
Communication expenses	-	428
Travelling and conveyance	-	29,316
Freight, cartage and demurrage	-	72,700
Business promotion expenses	-	36,400
Commission	-	1,314,379
Interest expense	9,898,687	45,172
<b>Total expenses</b>	<b>9,898,687</b>	<b>1,570,056</b>
<b>Net income/(expense) (A-B)</b>	<b>(9,898,687)</b>	<b>21,279,537</b>

Also refer to Note 4 (on Scheme) and Note 16 (on lease of CPE) of this schedule.

# Schedules forming part of the accounts

(All amounts in Rupees)

## 25. Foreign currency transactions

- a) The Company during the year ended 31 March 2009 had opted for accounting for 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 31 March 2009. Accordingly, in the current year, foreign currency exchange gain of ₹ 85,567,491 has been adjusted (previous year ₹ 245,009,386) in the value of fixed assets and ₹ 3,026,407 (previous year ₹ 1,453,273) in the capital work-in-progress.
- b) i) The Company has outstanding currency and interest swap transactions in respect of US Dollar 42,871,349 (previous year US Dollar 9,301,500) at fixed amount of ₹ 1,966,024,362 (₹ 455,633,978) which will be settled at future date. The purpose of this derivative contract are for repayment of loans and interest rate swap of US Dollar 42,871,349. The Company has not entered into derivative instruments for speculation purpose. During the year, the Company has recorded and provided for marked to market loss on derivative instruments of ₹ 12,448,574 (previous year ₹ Nil).
- ii) Foreign currency transactions outstanding as on balance sheet date that are not hedged by derivative instruments or otherwise are as under:

Particulars	As at 31 March 2011		As at 31 March 2010	
	Amount in USD	Amount in ₹	Amount in USD	Amount in ₹
Balances with non scheduled bank	38,790,247	1,731,984,526	47,964,495	2,165,117,321
Receivables	3,251,213	145,166,680	2,214,232	99,950,452
Loans and borrowings	79,086,811	3,531,226,109	19,783,206	893,013,919
Sundry creditors	21,003,208	937,789,281	55,236,084	2,493,349,336

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

Name of the enterprise	Balance as at 31 March 2011	Maximum Outstanding during the year 2010-11	Balance as at 31 March 2010	Maximum Outstanding during the year 2009-10
<b>Loans and Advances (including advance against share application money) to subsidiaries</b>				
Agrani Satellite Services Limited	-	2,421,368,442	2,403,731,466	2,403,731,466
Integrated Subscriber Management Services Limited	774,572,153	3,711,513,977	795,691,109	914,108,345
<b>Loans and Advances given to Companies in which Directors are interested</b>				
Rama Associate Limited	337,952	1,200,000	1,100,000	1,100,000
Essel Agro Private Limited	220,018,763	1,095,580,278	1,095,580,278	2,263,395,148
<b>Loans and Advances, where there is no repayment schedule</b>				
ASC Telecommunication Limited	187,597,560	187,597,560	170,204,668	170,204,668

# Schedules forming part of the accounts

(All amounts in Rupees)

## 27. Details of bank balances with non-scheduled banks:

	31 March 2011		31 March 2010	
	Year end balance	Maximum outstanding during the year	Year end balance	Maximum outstanding during the year
In current accounts in foreign currency				
- Credit Suisse (UK) Limited-Singapore	-	130,904,330	130,904,330	451,400,000
In fixed deposit/ margin accounts in foreign currency				
- Credit Suisse (UK) Limited-Singapore	-	601,428,171	451,429,822	451,429,822
- RBS Coutts Bank Limited-Singapore	1,731,984,526	1,731,984,526	1,578,129,122	1,579,933,240

28. Based on the information available, there is no due outstanding towards Micro and Small Enterprises.
29. The Company implemented a Scheme of Amalgamation and Arrangement (refer note 4 above) in the current year. Accordingly the current figures are not directly comparable with those of the previous year.
30. Figures of the previous year have been regrouped/rearranged, wherever considered necessary to conform to the current year presentation. Significant items in this regard are as under:
- Term loan from banks and buyers credit as at 31 March 2010 of ₹ 3,000,000,000 and ₹ 2,517,649,577 respectively, have been corrected and shown under 'Secured loans', as compared to previous year's presentation under 'Unsecured loans'.
  - Forward cover payable of ₹ 35,764,268 as at 31 March 2010 has been disclosed separately under 'Current liabilities', instead of previous year's presentation of 'buyer's credit' under 'secured loans'.
  - Certificate of Deposits amounting to ₹ 2,000,000,000 with SICOM Limited as at 31 March 2010 has been shown under 'Investments', as compared to previous year's presentation under 'Loans and advances'.
  - Interest accrued but not due on fixed deposits and others of ₹ 6,757,457 has been shown under 'Other current assets', as compared to previous year's presentation under 'Loans and advances'.
  - 'Other liabilities' of ₹ 121,983,545 as at 31 March 2010 primarily in the nature of statutory dues have been shown separately under 'Current liabilities', instead of earlier presentation as 'Creditors for expenses'.
  - Provision for regulatory dues of ₹ 1,652,659,378 as at 31 March 2010 has been disclosed separately under 'Provisions', instead of previous year's presentation as 'Creditors for expenses' under 'Current liabilities'.
  - Interest income of ₹ 632,943,242 for the year ended 31 March 2010 has been disclosed separately under 'Other income', as compared to previous year's presentation of netting it off against 'Interest expense'.
  - 'Advertisement income' of ₹ 10,995,976 for the year ended 31 March 2010 has been disclosed separately under 'Sales and services' as compared to previous year's presentation of under 'Other operating income'

# Schedules forming part of the accounts

(All amounts in Rupees)

- 
- 'Liabilities written back' of ₹ 6,556,848 for the year ended 31 March 2010 has been disclosed separately under 'Other Income' as compared to previous year's presentation of under 'Miscellaneous income'

The above do not have any impact on the loss for the previous year and current year.

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

*For and on behalf of the Board of Directors of*  
**Dish TV India Limited**

**Kaushal Kishore**  
*Partner*  
Membership No. 090075

**Jawahar Lal Goel**  
Managing Director

**B. D. Narang**  
Director

Place : Gurgaon  
Dated : 23 May 2011

**Rajeev K. Dalmia**  
Chief Financial Officer

**Ranjit Singh**  
Company Secretary

Place : Noida  
Dated : 23 May 2011

# Balance Sheet Abstract and Company's General Business Profile

(₹ in '000)

## I. REGISTRATION DETAILS

Registration No.	<input type="text"/> <input type="text"/> 1 0 1 8 3 6	State Code	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 5 5
Balance Sheet Date	<input type="text"/> 3 <input type="text"/> 1 <input type="text"/> 0 <input type="text"/> 3 <input type="text"/> 2 <input type="text"/> 0 <input type="text"/> 1 <input type="text"/> 1		
	Date Month Year		

## II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN THOUSAND)

Public Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Rights Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 3 4 8
Bonus Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Private Placement	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 5 5 7

## III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹ THOUSAND)

Total Liabilities	<input type="text"/> 2 <input type="text"/> 7 <input type="text"/> 1 <input type="text"/> 3 <input type="text"/> 9 <input type="text"/> 7 <input type="text"/> 2 <input type="text"/> 5	Total Assets	<input type="text"/> 2 <input type="text"/> 7 <input type="text"/> 1 <input type="text"/> 3 <input type="text"/> 9 <input type="text"/> 7 <input type="text"/> 2 <input type="text"/> 5
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### SOURCES OF FUNDS

Paid up Capital	<input type="text"/> <input type="text"/> 1 <input type="text"/> 0 <input type="text"/> 6 <input type="text"/> 2 <input type="text"/> 9 <input type="text"/> 7 <input type="text"/> 6	Reserves & Surplus	<input type="text"/> 1 <input type="text"/> 5 <input type="text"/> 3 <input type="text"/> 1 <input type="text"/> 4 <input type="text"/> 0 <input type="text"/> 3 <input type="text"/> 3
Secured Loans	<input type="text"/> 1 <input type="text"/> 0 <input type="text"/> 7 <input type="text"/> 6 <input type="text"/> 2 <input type="text"/> 7 <input type="text"/> 1 <input type="text"/> 6	Unsecured Loans	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L
Deferred Tax Liability	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L		

### APPLICATION OF FUNDS

Net Fixed Assets	<input type="text"/> 1 <input type="text"/> 8 <input type="text"/> 2 <input type="text"/> 1 <input type="text"/> 7 <input type="text"/> 4 <input type="text"/> 8 <input type="text"/> 1	Investments	<input type="text"/> <input type="text"/> 2 <input type="text"/> 0 <input type="text"/> 0 <input type="text"/> 1 <input type="text"/> 5 <input type="text"/> 0 <input type="text"/> 0
Net Current Assets (-)	<input type="text"/> <input type="text"/> 8 <input type="text"/> 8 <input type="text"/> 2 <input type="text"/> 8 <input type="text"/> 8 <input type="text"/> 4 <input type="text"/> 5	Miscellaneous Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L
Accumulated Loss	<input type="text"/> 1 <input type="text"/> 5 <input type="text"/> 7 <input type="text"/> 4 <input type="text"/> 9 <input type="text"/> 5 <input type="text"/> 8 <input type="text"/> 9		

## IV. PERFORMANCE OF COMPANY (AMOUNT IN ₹ THOUSAND)

Turnover	<input type="text"/> 1 <input type="text"/> 5 <input type="text"/> 2 <input type="text"/> 4 <input type="text"/> 5 <input type="text"/> 8 <input type="text"/> 1 <input type="text"/> 3	Total Expenditure	<input type="text"/> 1 <input type="text"/> 7 <input type="text"/> 1 <input type="text"/> 4 <input type="text"/> 2 <input type="text"/> 7 <input type="text"/> 1 <input type="text"/> 9
Profit/(Loss) Before Tax(-)	<input type="text"/> <input type="text"/> 1 <input type="text"/> 8 <input type="text"/> 9 <input type="text"/> 6 <input type="text"/> 9 <input type="text"/> 0 <input type="text"/> 6	Profit/(Loss) After Tax(-)	<input type="text"/> <input type="text"/> 1 <input type="text"/> 8 <input type="text"/> 9 <input type="text"/> 6 <input type="text"/> 9 <input type="text"/> 0 <input type="text"/> 6
Earning Per Share in ₹	<input type="text"/> <input type="text"/> <input type="text"/> - 1 . 7 9	Dividend Rate (%)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 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 of Directors of DISH TV INDIA LIMITED

Jawahar Lal Goel  
Managing Director

Rajeev K. Dalmia  
Chief Financial Officer

B. D. Narang  
Director

Ranjit Singh  
Company Secretary