

CERTIFICATION PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT

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

- a. We have reviewed financial statements and the cash flow statement of the Company for the year ended March 31, 2010 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2010 are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. During the year :-
 - there have not been any significant changes in internal control over financial reporting;
 - there have not been any significant changes in accounting policies ; and
 - there have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

Jawahar Lal Goel
Managing Director

Rajeev K Dalmia
Chief Financial Officer

Place: Noida
Date: November 15, 2010

Directors' Report

To the Members,

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

FINANCIAL RESULTS

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

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

BUSINESS OVERVIEW

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

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

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

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

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

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

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

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

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

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

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

SUBSIDIARY OPERATIONS

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

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

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

COPORATE RESTRUCTURING

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

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

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

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

SHARE CAPITAL

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

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

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

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

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

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

RIGHT ISSUE OF SHARES & UTILISATION OF PROCEEDS THEREOF

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

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

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

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

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

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

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

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

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

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

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

DELISTING OF EQUITY SHARES FROM CALCUTTA STOCK EXCHANGE

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

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

GLOBAL DEPOSITORY RECEIPT

Pursuant to the requisite approvals and in accordance with applicable regulations including the Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipts Mechanism) Scheme, 1993, as amended, the Global Depository Receipt (GDR) Offer of the Company for 117,035 GDRs opened for subscription on November 23, 2009 at a price of US \$ 854.50 per GDR, each GDR representing 1000 fully paid equity shares of the Company.

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

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

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

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

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

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

EMPLOYEE STOCK OPTION SCHEME

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

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

GROUP

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

PUBLIC DEPOSITS

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

CORPORATE GOVERNANCE

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

DIRECTORS

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

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

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

AUDITORS

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

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

requested to consider their appointment.

AUDITOR'S REPORT

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

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

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

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

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

Information required to be provided under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 in relation to Conservation of Energy and Technology Absorption are currently not applicable to the Company and therefore particulars in connection therewith are as under:

- Conservation of Energy- Nil
- Technology Absorption- Nil

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

PARTICULARS OF EMPLOYEES

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

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

CREDIT RATING

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

HUMAN RESOURCE MANAGEMENT

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

RESPONSIBILITY STATEMENT

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

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

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

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Jawahar Lal Goel
Managing Director

B D Narang
Director

Place : Noida
Date : November 15, 2010

Annexure 'A' to Directors' Report

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

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

S. No	Particulars	Details	
D	Total number of Options vested (includes option exercised)	Date of Grant	Options vested
		August 21, 2007	1,229,220
		April 24, 2008	36,900
		August 28, 2008	6,000
		May 29, 2009	Nil
		October 27, 2009	Nil
E	Options exercised		12,080
F	the total number of shares arising as a result of exercise of options		12,080
G	Options lapsed	Date of Grant	Options Lapsed
		August 21, 2007	1,654,620
		April 24, 2008	184,500
		August 28, 2008	Nil
		May 29, 2009	132,150
		October 27, 2009	Nil
H	Variation of terms of options	Pursuant to approval dated August 28, 2008 of Remuneration Committee of the Board of Directors and Shareholders, the options granted on August 21, 2007 and April 24, 2008 were re-priced at Rs.37.55 per option.	
I	Money realized by exercise of options		Rs. 453,604
J	Total number of options in force		2,054,300
K	Employee wise details of options granted (as on March 31, 2010):		
	(i) Senior managerial personnel		
	Name	Designation	No. of Options Granted
	Amitabh Kumar	President - Technology	164,700
	Rajiv Khattar	President – Projects	167,950
	Rajeev K Dalmia	CFO	171,100
	Salil Kapoor	CEO	142,950
	(ii) Employee(s) who received a grant in any one year of option amounting to 5% or more of option granted during the year		
	Name	Designation	Year
	Arun K Kapoor	CEO	2007-08
	Rajiv Khattar	President – Projects	
	Amitabh Kumar	President - Technology	
	Rajeev K Dalmia	CFO	
	Harinder Singh Bhatia	Head – Sales	2008-09
	R Iniyani	Head - Operations	
	Neeraj Gupta	DVP - Service	2009-10
	Sanjeev Srivastava	DVP - UP Zone	
	Salil Kapoor	COO	
	Rajendra K. Jagnani	VP - Finance	
	Ravichandra Mocherla	DVP - South II	
	Shivani Singh	DVP – Content	
	Devendra Singh	Head - Application System	
	Shailendra Goel	DVP - North Zone	
	Ashutosh Mishra	VP – HR	
			925,900
			167,950
			164,700
			171,100
			159,600
			24,900
			75,250
			42,400
			142,950
			40,000
			50,000
			40,000
			40,000
			81,500
			55,600

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

S. No	Particulars	Details					
			Weighted – average Fair Value (Pre re-pricing) (Rs.)	40.45	-	23.87	30.61
	Weighted – average Fair Value (Post re-pricing) (Rs.)	21.49	-	23.87	30.61	26.64	
0	A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted – average information						
		Date of Grant					
		21-Aug-07	24-Apr-08	28-May-09	27-Oct-09	27-Oct-09	
(i)	risk-free interest rate	8.45%	-	8.48%	6.36%	7.35%	
(ii)	expected life	3	-	5	5	5	
(iii)	expected volatility	68.23%	-	68.23%	73.47%	71.72%	
(iv)	the price of the underlying share in the market at the time of option grant.	75.2*	-	37.55	47.65	41.45	
(v)	expected dividends, and	The shares issued under stock options shall rank <i>pari-passu</i> , including the right to receive dividend. Expected dividend payouts to be paid during the life of the option reduce the value of a call option by creating drop in market price of the stock. Adjustments for known dividend payouts over the life of the option are made to the formulae under Black Scholes method. However, in the present case, as the life of the option is greater than one year, there is considerable difficulty in estimating the amount and time of future dividend payouts with certainty. Hence, future dividend payouts have not been incorporated in the valuation analysis.					

* Re-priced at Rs. 37.55 on August 28, 2008

Annexure 'B' to Directors' Report

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

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

Annexure to Directors' Report

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

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

For and on behalf of the Board

Jawahar Lal Goel
Managing Director

B D Narang
Director

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary

Place: Noida
Date : November 15, 2010

Annexure to Directors' Report

STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2010			
Particulars	Integrated Subscriber Management Services Limited	Agrani Satellite Services Limited	Agrani Convergence Limited
Summary Balance Sheet			
Share Capital	500,000	944,010,040	244,520,460
Reserve and Surplus (Including debit balance of Profit & Loss Account)	(40,341,217)	-	(407,572,764)
Total Assets	1,110,432,570	3,356,106,086	19,410,120
Total Liabilities	1,150,273,787	2,412,096,046	182,462,424
Investments (excluding subsidiaries)	-	-	25,500
Summary Profit and Loss Account			
Turnover	1,001,981,456	-	-
Profit / (Loss) before tax	(6,438,746)	-	(99,403)
Provision for tax	(5,817,386)	-	-
Profit / (Loss) After tax	(621,360)	-	(99,403)
Proposed Dividend	-	-	-