

DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting the 19th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2007.

RESPONSIBILITY STATEMENT:

In terms of and pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, in relation to the Annual Statement of Accounts for financial year 2006-2007, 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 judgements 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 loss of the Company for that year; and
- 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.

FINANCIAL HIGHLIGHTS:

During the year 2006-2007 total revenue of your Company has increased from Rs. 314.62 Million to Rs. 1,943.34 Million as compared to last year 2005-2006 which is an increase around 517.66%.

The financial highlights of your Company for the year ended March 31, 2007 are summarised below:

(Rs. in Million)

Particulars	Year ended 31.03.2007	Year ended 31.03.2006
Sales & Services	1,909.37	314.62
Other Income	33.97	Nil
Total Income	1,943.34	314.62
Total Expenses	4,454.16	1,189.48
Profit/(Loss) before Tax and Exceptional Item	(2,510.82)	(874.86)
Provision for Taxation (net)	2.50	0.32
Profit/(Loss) after Tax before Exceptional item	(2,513.33)	(875.18)
Add: Exceptional Item	Nil	1,203.43
Profit/(Loss) after Tax	(2,513.33)	(2,078.61)
Prior Period Adjustments	(5.48)	(0.29)
Net - Income/(Loss)		
Profit/(Loss) for the Year	(2,518.81)	(2,078.32)

Add: Balance brought forward	(3,268.59)	(1,190.26)
Less: Transfer to Restructuring Account	(3,268.59)	Nil
Amount available for appropriations	(2,518.81)	(3,268.59)
Appropriations:		
Dividend	Nil	Nil
Tax on Dividend	Nil	Nil
General Reserve	Nil	Nil
Balance carried forward	(2,518.81)	(3,268.59)

BUSINESS OVERVIEW:

Over the last one year, a lot of effort has gone into putting the fundamentals in place in the areas of organisation development, hiring of high quality talent and further strengthening of the Sales, Distribution and Service functions. We have created an infrastructure which is equipped to handle the pressures of operating in a high growth and highly competitive service environment. In order to create a stronger customer facing organisation and improve speed to market, 7 geographic zones have been carved out, each headed by an empowered senior professional. Service reach has been expanded considerably and our distribution now extends to almost 4,000 towns. A host of new features like Near Video on Demand and several new Games have strengthened our portfolio of offerings. We have also made rapid strides in urban markets, which are now increasing their contribution to the overall subscriber base. Implementation of CAS in parts of Delhi, Mumbai and Kolkata also created an opportunity that gave a fillip to the DTH Industry with a 20% switchover happening from cable to DTH. Dish TV fully leveraged this opportunity through increased marketing spends on a series of brand building and promotional initiatives in both Urban and Rural markets, thereby giving our brand a strong national footprint.

All the above initiatives resulted in strong subscriber growth. We added 1.1 million subscribers, resulting in a year end subscriber base of 2.0 million, representing a dominant market share of 75%. Throughout the year, Dish TV has maintained its leadership position despite the advent of competition.

DTH is a very well entrenched technology in the broadcasting industry and is one of the most prevalent modes of distribution of television channels internationally, though it is still in its infancy in India. It has various advantages over traditional cable systems. With the increase in scope of CAS in India and with rapid television penetration expansion,

the DTH industry will continue to increase its market share in the distribution space. Your Directors are confident of this Company riding on this growth and maintaining its leadership position in the years to come.

Going forward, the competition will be more intense for which strategies are in place to maintain our lead and sustain the growth on a continuous basis.

DEMERGER OF BUSINESS UNDERTAKINGS:

Upon receipt of approvals from the Hon'ble High Courts of Bombay and Delhi, and other Regulatory Authorities, the process of (a) demerger of the Direct Consumer Services business undertaking of Zee Entertainment Enterprises Limited (formerly known as Zee Telefilms Limited - 'ZEEL'), and (b) merger of Siti Cable Network Limited and New Era Entertainment Network Limited were successfully concluded during the year. The Scheme was approved by the Hon'ble High Court of judicature at Delhi on December 18, 2006 and Hon'ble High Court of judicature at Bombay on January 12, 2007 and became effective from January 19, 2007 on filing certified copies of High Court Orders with Registrar of Companies at Mumbai and NCT of Delhi and Haryana. Subsequently the equity shares of your Company, both those issued to the shareholders of ZEEL and the existing reorganised shares, were listed at the Stock Exchanges effective April 18, 2007.

SUBSIDIARY OPERATIONS:

Pursuant to the scheme of arrangement M/s. Integrated Subscriber Management Services Limited (ISML), a wholly owned subsidiary of Siti Cable Network Limited became wholly owned subsidiary of the Company with effect from April 1, 2006. Pursuant to Section 212(1) of the Companies Act, 1956, the Audited Accounts alongwith the Auditors' Report, Directors' Report and Cash Flow Statement of all the Subsidiary Companies are separately attached.

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

SHARE CAPITAL:

During the year, as approved by the Members at the Extra Ordinary General Meeting held on September 16, 2006, the share capital of the Company was sub-divided from 73,000,000 equity shares comprising of Rs. 10/- each to 730,000,000 equity shares of Re. 1/- each. Pursuant to the Scheme of Arrangement, besides reorganisation of the share capital, your Company had issued and allotted 249,300,890 equity shares of Re. 1/- each to shareholders of Zee Entertainment Enterprises Limited.

CHANGE OF NAME:

To reflect the major business segment of your Company, the Members had approved, at their meeting held on December 18, 2006, change of name of the Company. Consequent to receipt of all relevant approvals, change in the name of the Company from ASC Enterprises Limited to Dish TV India Limited had become effective from March 7, 2007.

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:

A separate report on Corporate Governance together with Auditors' Certificate on compliance is attached to this Annual Report as also a Management Discussion and Analysis statement.

DIRECTORS:

During the year Messrs. Punit Goenka, Rajagopalan Chandrasekhar, Laxmi Narain Goel and Ashok Kumar Goel resigned as Directors. Your Directors wish to place on record their appreciation of the contribution of these Directors.

Your Board had appointed Mr. Jawahar Lal Goel, Mr. B. D. Narang, Mr. Arun Duggal and Mr. Ashok Kurien with effect from January 6, 2007 as Additional Directors of the Company. Mr. Jawahar Lal Goel was also appointed as the Managing Director of the Company with effect from January 6, 2007. The Shareholders of the Company had approved the appointment of all the Directors including the appointment of Mr. Jawahar Lal Goel as the Managing Director of the Company in the meeting held on February 2, 2007.

Your Board had also appointed Dr. Pritam Singh with effect from April 27, 2007 as an Additional Director of your Company. Dr. Pritam Singh will vacate his office at the ensuing Annual General Meeting and has filed his consent to act as Director of the Company. Notice has been received from a Member of the Company under Section 257 of the Companies Act, 1956 for the appointment of Dr. Singh as Director. Appropriate resolution seeking your approval to his appointment is appearing in the Notice convening the 19th Annual General Meeting of the Company.

AUDITORS:

Statutory Auditors M/s. MGB & Co., Chartered Accountants, Delhi, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS 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.

Particulars of foreign currency earnings and outgo during the year are given in Schedule 35.3 to the Notes to the Accounts forming part of the Annual Accounts.

PARTICULARS OF EMPLOYEES:

Information required to be furnished in terms of 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 listed in the said annexure are related to any Director of the Company.

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to place on record their appreciation of the dedication and commitment of employees at all levels that has contributed to the success of your Company. Your Directors thank and express their gratitude for the support and co-operation received from the Central and State Governments - mainly the Ministry of Information and Broadcasting and the Department of Telecommunications - and other stakeholders including viewers, vendors, bankers, investors, service providers as well as regulatory and Governmental authorities.

For and on behalf of the Board of Directors

Place : Noida

Date : June 28, 2007

Jawahar Lal Goel

Managing Director

B. D. Narang

Director