

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, 2011 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, 2011 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 we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. During the year :-
 - there has not been any significant change 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 : May 23, 2011

Directors' Report

To the Members,

Your Directors are delighted to present the Twenty Third Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended March 31, 2011.

FINANCIAL RESULTS

The Financial Performance of your Company for the year ended March 31, 2011 is summarized below:

(₹ / Thousand)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Sales & Services	14,365,518	10,847,945
Other Income	8,80,295	6,86,071
Total Income	15,245,813	11,534,016
Total Expenses	17,142,719	14,155,599
Profit/(Loss) before Tax	(1,896,906)	(2,621,583)
Provision for Taxation (net)	-	(258)
Profit/(Loss) after Tax	(1,896,906)	(2,621,325)
Profit/(Loss) for the Year	(1,896,906)	(2,621,325)
Add: Balance brought forward	(14,037,516)	(11,416,191)
Amount available for appropriations	(15,934,422)	(14,037,516)
Appropriations :		
Dividend	Nil	Nil
Tax on Dividend	Nil	Nil
General Reserve	Nil	Nil
Balance Carried Forward	(15,934,422)	(14,037,516)

BUSINESS OVERVIEW

The penetration in Direct to Home (DTH) is happening at a much faster rate than expected under continued investment by the DTH players and increase in the affordability on account of rise in disposable income. The industry added 13.5 Million subscribers in the period under review as against 8.5 Million subscribers in the previous period. DTH accounted for more than 70% of the incremental cable and satellite homes during the year under review leaving only marginal share for the Analog and Digital cable platform. This phenomenon is likely to continue which would be further led by the digitalization push by the Government, lower entry cost in the DTH service and wide variety of choice being offered by the DTH operators.

During the year under review, your Company added almost double the number of subscribers as compared to the previous year and was also ahead of the competition on all aspects including incremental subscriber acquisition and overall subscriber base. Your Company continues to retain the leadership position in the DTH

segment holding 31% of the total DTH subscriber base. The investment made by the Company in brand building, creation of sales and distribution infrastructure, expansion of service outlets, retaining and training the talent have reaped rich fruits and are likely to be the key differentiator in the days to come.

Our long term Agreements with the content providers, satellite service providers and other vendors gave the key edge in terms of cost, competitiveness and margin push. The rate of growth of revenue continues to be much higher than rate of increase in cost.

Your Company understands that the next level of DTH revolution will be on technology absorption and enhancement in revenue by proper mix of content layered with new value added services. In view of the same, your Company acquired additional bandwidth to augment the capacity in order to be able to provide the maximum number of channels. Going forward, this will also be a key differentiator among all the DTH players. Your Company also became the leading HD service provider of the country and the push towards acquiring the HD customers was supported by various tie-ups including the tie-up with Samsung, a key player in HD TV market.

The year gone by saw major sporting events like FIFA World Cup, ICC World Cup, Common Wealth Games, Indian Premier League etc. being conducted all across the globe which resulted in hightended activity around the DTH industry, resulting into the phenomenal growth of the industry, both in terms of acquisition as well as revenue. To further strengthen the brand positioning and visibility, your Company also associated with Kolkata Knight Riders for the IPL 3 season as an Associate Brand Sponsor.

The key challenges in the future will be to manage subsidy being offered to the subscribers on the DTH hardware, steep taxation, slow growth in ARPU and unorganized cable sector.

COPORATE RESTRUCTURING & SUBSIDIARIES

Your Directors approved the Composite Scheme of Amalgamation and Arrangement between the Company, Agrani Satellite Services Limited (ASSL), Integrated Subscriber Management Services Limited (ISMSL), 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 Hon'ble High Court of Delhi, vide its order dated March 03, 2011 and corrigendum dated March 31, 2011 was pleased to approve the said Scheme and accordingly the Scheme has been given effect to in the Annual Financial Statements from the Appointed date of March 31, 2010.

Upon effectiveness of the said Scheme, ASSL stands amalgamated with ISMSL from the Appointed Date of March 31, 2010. ISMSL divested its entire holdings

in Agrani Convergence Ltd during the Financial Year 2010-11 and consequently, Agrani Convergence Limited ceases to be a Subsidiary of your Company. In order to further simplify the Corporate Structure and to capitalize the growth prospects, the Board felt that it is necessary for the Company to have enhanced focus on its core DTH operations so that it can expand customer base, raise revenue contributions through product innovations and provisions of various value added services. To achieve the same, your Company has transferred its entire shareholding in ISMSL, which is engaged in the business of providing services pertaining to subscribers' management, collection and maintenance of subscribers' information, and call centre activities, on June 1, 2011. Accordingly, ISMSL ceased to be a Subsidiary of your Company from the date of transfer.

The Ministry of Corporate Affairs, Government of India has allowed general exemption to Companies from complying with Section 212 (8) of the Companies Act, 1956, provided such companies publish the audited consolidated financial statements in the Annual Report. Your Board has decided to avail the said general exemption from applicability of provisions of Section 212 of the Companies Act, 1956, and accordingly, the Annual Accounts of the Subsidiary of the Company viz. ISMSL for the financial year ended March 31, 2011 are not being attached with the Annual Report of the Company and the specified financial highlights of the said Subsidiary Company are disclosed in the Annual Report, as part of the Consolidated Financial Statements. The audited Annual Accounts and related information of the subsidiary will be made available, upon request and also be open for inspection at the Registered Office, by any Shareholder.

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.

SHARE CAPITAL

During the year, your Company issued and allotted 557,060 fully paid equity shares upon exercise of Stock Options by the employees under the 'ESOP Scheme – 2007' of the Company.

During the Financial Year 2008-09, your Company had come up with Rights Issue of 518,149,592 equity shares of ₹ 1 each, issued at ₹ 22 per share (including premium of ₹ 21 per share), payable in three installments. Upon receipt of valid first and second call money, during the year under review, the Company converted 16,151 equity shares from 0.50 paid up to 0.75 paid up and 1,376,629 equity shares from 0.75 paid up to fully paid up.

Pursuant to the issue of further shares under ESOP and subsequent to conversion of partly paid shares, the paid up capital of your Company during the year

has increased from ₹ 1,062,070,492 comprising of 1,059,006,947 equity shares of ₹ 1 each, fully paid up, 3,429,124 equity shares of ₹ 1 each - paid up ₹ 0.75 per share and 983,404 equity shares of ₹ 1 each - paid up ₹ 0.50 per share to ₹ 1,062,975,747 comprising of 1,060,940,636 equity shares of ₹ 1 each, fully paid up, 2,068,646 equity shares of ₹ 1 each - paid up ₹ 0.75 per share and 967,253 equity shares of ₹ 1 each - paid up ₹ 0.50 per share. As on March 31, 2011 the Company has not received the valid Second call on 2,068,646 partly paid shares and first and second call on 967,253 partly paid shares.

RIGHT ISSUE OF SHARES & UTILISATION OF PROCEEDS THEREOF

Out of the total Right Issue size of ₹ 113,992.91 Lakhs, the Company has received a sum of ₹ 113,672.66 Lakhs towards the Share application and call money as at March 31, 2011, the details of which has been provided under the preceding heading.

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 on half yearly basis and furnishes the Monitoring Report to Stock Exchanges.

The Board at its meeting held on May 28, 2009 approved to make change in the manner of usage of rights issue proceeds as hereunder:

Particulars	Amount (₹ 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

The manner of utilization of rights issue proceeds as on March 31, 2011, is as under:

Particulars	Amount (₹ in Lacs)
Repayment of loans	28,421.44
Repayment of loans received after launch of the Rights Issue	24,300.00
General Corporate Purpose/ Operational Expenses	14,405.94
Acquisition of Consumer Premises Equipment (CPE) including leased CPE	26,000.00
Issue Expenses	544.52
Total	93,671.90

The Fourth and Fifth Monitoring Report for half year periods, July 2010 - December 2010 and January 2011 – June 2011 respectively, containing 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 respective meetings and necessary compliance in this regard has been carried out.

GLOBAL DEPOSITORY RECEIPT

The Global Depository Receipt (GDR) Offer of the Company for 117,035 GDRs at a price of US \$ 854.50 per GDR, each GDR representing 1,000 fully paid equity shares of the Company was fully subscribed by Apollo India Private Equity II (Mauritius) Limited.

The manner of utilisation of GDR proceeds as on March 31, 2011, is as under:

Particulars	Amount (₹ in Lacs)
Assets purchases including CPE	7,353.31
Issue Expenses	344.63
Advance to subsidiary	56.14
Repayment of Bank Loans	755.22
Operational Expenses	20,678.70
Less: Interest Earned	-423.37
Margin Money	500.00
Bank Balances	17,319.85
Total	46,584.48

EMPLOYEE STOCK OPTION SCHEME

In pursuance of the Securities and Exchange Board of India (Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines, 1999, your Board had authorized the Remuneration Committee to administer and implement the Company's Employees' Stock Option Scheme (ESOP – 2007) including deciding and reviewing the eligibility criteria for grant and/or issuance of stock options to the eligible employees/directors under the Scheme. Further, in view of the growing frequency of allotment of equity shares pursuant to exercise of stock options by eligible employees/directors, your Board constituted an ESOP Allotment Committee to consider, review and allot equity shares to the eligible Employees/Directors exercising the stock options under the Employees' Stock Option Scheme (ESOP – 2007) of the Company.

During the period under review, your Company allotted 5,57,060 fully paid equity shares upon exercise of the stock options by eligible employee under the ESOP – 2007. During the year, your Board approved the grant of 10,38,300 shares to the eligible employees under ESOP – 2007. Applicable disclosures relating to Employee Stock Options as at March 31, 2011, 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 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

Based on the intimation 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

It is your Company's constant endeavor to adopt best governance practices as laid down in Clause 49 of the Listing Agreement with the Stock Exchanges. In pursuance of this objective, your Board has approved and implemented a Corporate Governance Manual which serves as a guide to day to day business and strategic decision making in the Company.

A comprehensive 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Statement for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India is separately attached hereto and forms a part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is the deliberate inclusion of public interest into corporate decision-making. CSR is at the core of your Company's vision and mission which is achieved by focusing on the interest of the employees, customers and shareholders of the Company and the society at large.

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

Mr. Sanjay H. Patel was appointed as an Alternate Director to Mr. Mintoo Bhandari effective October 27, 2010 pursuant to Section 313 of the Companies Act, 1956. Mr. Mintoo Bhandari held his office as an Additional Nominee Director up to the date of previous Annual General Meeting i.e. December 16, 2010 and being eligible was appointed as a Nominee Director from the same date. Pursuant to provisions of Section 313 of the Companies Act, 1956, Mr. Patel automatically ceased to hold office as an Alternate Director with effect from the date of Annual General Meeting at which the term of Additional Director expired. Thereafter Mr. Sanjay H Patel was appointed as Alternate Director to Mr. Bhandari by the Board at its meeting held on March 25, 2011.

In accordance with the provisions of Companies Act, 1956, Mr. Ashok Mathai Kurien and Mr. Bhagwan Dass Narang, Directors, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment. Your Board has recommended their re-appointment in the overall interest of the Company.

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

AUDITOR

The Statutory Auditors M/s. B S R & Co., Chartered Accountants, Gurgaon, having Firm Registration No 101248W, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

Your Company has received confirmation from the Auditors to the effect that their reappointment, if made would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.

AUDITORS' REPORT

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

The response of the Board to the qualification of the Statutory Auditor mentioned at serial number 4 (f) of the Audit Report is as follows – The Lease rental is a financial transaction based on cost of fund, taxation and cash flow consideration. Depreciation is not directly linked with the lease period but it is more to do with life of the set top box, repair, maintenance and other service related issues. However the Company will streamline the process of charging depreciation on Consumer Premises Equipment

The response of the Board to the qualification of the Statutory Auditor mentioned at serial number 4 (g) of the Audit Report is as follows – In order to simplify the

group structure and have focused attention, the Board of Directors approved the Scheme of Amalgamation and 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 has been approved by the Hon'ble High Court of Judicature at Delhi vide its order dated March 3, 2011 and corrigendum dated March 31, 2011.

As per the Scheme, the Company reduced 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 has been adjusted against the balance in General Reserve account of the Company in terms of the Scheme.

The response of the Board to the qualification of the Statutory Auditor mentioned at serial number 4 (h) of the Audit Report is as follows – The Company has received a notice from Income Tax Department about the short deduction of TDS on account of payment made to various content providers. We are firmly of the opinion, on the basis of various judicial pronouncements and legal advice received, that we are not required to provide for such short deduction.

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

Your Company is in the business of providing Direct to Home service. Since the said activity does not involve any manufacturing activity, most of the 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, are not applicable.

However the information, as applicable, are given hereunder:

Conservation of Energy:

Your Company, being a service provider, requires minimal energy consumption and every endeavor is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.

Technology Absorption:

In its endeavor to deliver the best to its viewers and business partners, your Company is constantly active in harnessing and tapping the latest and best technology in the industry.

Foreign Exchange Earnings and Outgo:

Particulars of foreign currency earnings and outgo during the year are given in Note no.7, 8 and 9 to the notes to the Accounts forming part of the Annual Accounts.

HUMAN RESOURCE MANAGEMENT

Your Company aims at adopting the best practices for achieving competitive advantage through people and 'building profits by putting people first'. It endeavors to devise strategies to attract the best talent and to ensure their retention by building trust and instilling loyalty in them. Your Board believes that to build a sound and growing business in a difficult and complex industry, employees are vital to the Company. Pay revisions and other benefits are designed in such a way to compensate for good performance of the employees of your Company. In addition to the basic salary which is based on the industry standards, your Company provides a number of benefits to its employees such as employee stock options, awards and training etc.

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.

PARTICULARS OF EMPLOYEES

Your Board 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.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, in relation to the Annual Financial Statements for the Financial Year 2010-11, your Directors confirm the following:

- a) The Financial Statements have 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;
- b) Accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011, and of the profit or loss of the Company for the year ended on that date;
- c) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
- d) Adequate internal systems and controls are 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 : July 20, 2011

Annexure 'A' to Directors' Report

Statement as at March 31, 2011 pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines, 1999

S. No.	Particulars	Details		
		Date of Grant	No. of Option Granted	Exercise Price Per Equity Share
A	Details of Options Granted and Exercise Price per option	August 21, 2007	3,073,050	₹ 75.20*
		April 24, 2008	184,500	₹ 63.25*
		August 28, 2008	30,000	₹ 37.55
		May 28, 2009	589,200	₹ 47.65
		October 27, 2009	160,900	₹ 41.45
		October 26, 2010	201,250	₹ 57.90
		January 21, 2011	837,050	₹ 58.95
		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	5,075,950 (includes Options granted which were added back to 'Options available for Grant' on account of lapse of Options)		
D	Total number of Options vested (includes option exercised)	859,904		
E	Options exercised	569,140		
F	the total number of shares arising as a result of exercise of options	569,140		
G	Total number of options lapsed	2,213,590		
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 ₹ 37.55 per option.		
I	Money realized by exercise of options	₹ 21,912,808		
J	Total number of options in force	2,293,220		
K	Employee wise details of options granted (as on March 31, 2011):			
	(i) Senior managerial personnel			
	Name	Designation	No. of Options Granted	No. of Options outstanding
	R C Venkateish	CEO	563,400	563,400
	Amitabh Kumar	President - Technology	164,700	114,700
	Rajiv Khattar	President – Projects	167,950	67,180
	Rajeev Kumar Dalmia	CFO	171,100	68,440
	Salil Kapoor	COO	142,950	114,360
	(ii) Any other employee(s) who received a grant in any one year of option amounting to 5% or more of option granted during the year			
	Name	Designation	No. of Options granted	
	R C Venkateish	CEO	563,400	
	Gurpreet Singh	Senior Vice President - Sales	141,450	
	Rajesh Sahni	Senior Vice President – Customer Service Delivery	96,400	
	Sanjiv Chaudhary	Vice President – Collection and Retention	76,800	
	Ajay Kumar David	Deputy Vice President – South I	55,400	
Jaspreet Singh	Deputy Vice President – West Zone	54,600		
(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. 20 to Schedule 22 of 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	26-Oct-10	21-Jan-11
		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)	5,833,121	-	147,745	3,182,218	1,516,732	1,345,432	2,550,995
		Impact on profits and EPS in case of fair value method was employed for accounting of ESOP	Loss for the year ended 31 March, 2011 increased by ₹ 12,058,818 and EPS decreased by ₹ 0.01 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 (Exercise Price has been revised which is equal to the market price of the Stock)	Date of Grant							
			21-Aug-07	24-Apr-08	28-Aug-08	28-May-09	27-Oct-09	26-Oct-10	21-Jan-11
		Weighted – average exercise price (Pre re-pricing) (₹)	75.20	63.25	37.55	47.65	41.45	57.90	58.95
		Weighted – average exercise price (Post re-pricing) (₹)	37.55	37.55	37.55	47.65	41.45	57.90	58.95
		Weighted – average Fair Value (Pre re-pricing) (₹)	40.45	-	23.87	30.61	26.64	36.57	37.54
Weighted – average Fair Value (Post re-pricing) (₹)	21.49	-	23.87	30.61	26.64	36.57	37.54		

O	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-Aug-08	28-May-09	27-Oct-09	26-Oct-10	21-Jan-11	
i) risk-free interest rate	8.45%	-	8.48%	6.36%	7.35%	7.89%	8.01	
ii) expected life (yrs.)	5	-	5	5	5	5	5	
iii) expected volatility	68.23%	-	68.23%	73.47%	71.72%	64.89%	63.65	
iv) the price of the underlying share in the market at the time of option grant. (₹), and	75.20*	-	37.55	47.65	41.45	59.25	61.05	
v) expected dividends	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 ₹ 37.55 on August 28, 2008

For and on behalf of the Board

Jawahar Lal Goel
Managing Director

B D Narang
Director

Place : Noida
Date : July 20, 2011

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 Sports Pvt. Ltd.
2	Ganjam Trading Co. Pvt. Ltd.	35	Aqualand India Ltd.
3	Prajatma Trading Co. Pvt. Ltd.	36	Wire and Wireless (India) Ltd.
4	Briggs Trading Co. Pvt. Ltd.	37	Zee News Ltd.
5	Premier Finance and Trading Co. Ltd.	38	Zee Entertainment Enterprises Ltd.
6	Jayneer Capital Pvt. Ltd.	39	Shirpur Gold Refinery Ltd.
7	Veena Investments Pvt. Ltd.	40	Zee Learn Ltd.
8	Ambience Business Services Pvt. Ltd.	41	Solid Containers Ltd.
9	Churu Enterprises LLP	42	Essel Ahmedabad Godhra Toll Roads Ltd.
10	Prajatma Enterprises LLP	43	EOP PTE Limited, Singapore
11	Jayneer Enterprises LLP	44	Jay Properties Pvt. Ltd.
12	Delgrada Limited, Mauritius	45	Edisons Continental Laboratories Pvt. Ltd.
13	Afro Asian Satellite Communications Ltd., Mauritius	46	Essel Ship Breaking Ltd.
14	Intrex India Ltd.	47	Continental Drug Company Pvt. Ltd.
15	Essel Infraprojects Ltd.	48	Rama Associates Ltd.
16	Lazarus Investments Ltd., Mauritius	49	Essel International Ltd.
17	Essel Airport Infrastructure Pvt. Ltd.	50	Essel Agro Pvt. Ltd.
18	Pan India Infrastructure Pvt. Ltd.	51	ICL Rockets Sports Pvt. Ltd.
19	Essel Infra Projects International Holding PTE. Ltd.	52	Lahore Badshahs Pvt. Ltd.
20	Essel Sagar Damoh Toll Roads Ltd.	53	Dhaka Warriors Sports Pvt. Ltd.
21	Essel Bhind Mihona Gopalpur Toll Roads Ltd.	54	Royal Bengal Sports Pvt. Ltd.
22	Essel Bina Khimlasi Malthon Toll Roads Ltd.	55	ICL Lions Pvt. Ltd.
23	Essel Damoh-Jabalpur Toll Roads Ltd.	56	Essel RPW Projects Pvt. Ltd.
24	25FPS Media Pvt. Ltd.	57	Rupee Finance and Management Pvt. Ltd.
25	ICL Heroes Sports Pvt. Ltd.	58	Essel Holdings Ltd., Mauritius
26	Buddha Films Pvt. Ltd.	59	Packaging Products Investments Ltd., Mauritius
27	Cyquator Media Services Pvt. Ltd.	60	Agrani Holdings (Mauritius) Ltd.
28	New Media Broadcast Pvt. Ltd.	61	Essel Media & Entertainment Ltd., Mauriuis
29	Pan India Network Infravest Pvt. Ltd.	62	Essel Media Corporation PLC, UK
30	Pan India Network Ltd.	63	Essel EM Infra Holding Co. Ltd., Mauritius
31	Prime Publishing Ltd.	64	Asian Satellite Broadcast Pvt. Ltd.
32	Mediavest India Pvt. Ltd.	65	Essel Corporate Resources Pvt. Ltd.
33	Vasant Sagar Properties Pvt. Ltd.		

Annexure to Directors' Report

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

1. Name of the Subsidiary Company	Integrated Subscriber Management Services Limited
2. Financial year of the Subsidiary Company ended on	31-Mar-11
3. Holding Company's interest	100%
4. Shares held by the Holding Company in the subsidiary	150,000 Equity Shares of ₹ 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, 2011	Nil
b) For the previous Financial Years of the Subsidiaries since it became a subsidiary.	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, 2011	72,019,762
b) For the previous Financial Years of the Subsidiaries since it became a subsidiary.	(203,393,522)

For and on behalf of the Board

Jawahar Lal Goel
Managing Director

B D Narang
Director

Place : Noida
Date : July 20, 2011