INDEPENDENT AUDITORS' REPORT

To the Members of Dish TV India Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Dish TV India Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors, and the respective Board of Directors/management of the subsidiaries included in the Group are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms with the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiary (incorporated in India) are responsible for maintenance of adequate accounting records; safeguarding the assets; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor's report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles

generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2016, their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

9. We did not audit the financial statements of two subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 297,073 lacs as at 31 March 2016, total revenues (after eliminating intra-group transactions) of ₹ 93,808 lacs and net cash flows amounting to ₹ 6,750 lacs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, and based on the auditors' reports of the subsidiaries, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);

    e) On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company and its subsidiary company incorporated in India, as of 31 March 2016, in conjunction with our audit of the consolidated financial statements of the group for the year ended on that date and our report dated 23 May 2016 as per Annexure II expressed unqualified opinion.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

       (i) as detailed in note 35 and 39, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

       (ii) as detailed in note 39(d) to the consolidated financial statements, provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts;

       (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary Company incorporated in India.

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sumit Mahajan**
Partner
Membership No.: 504822

Place: Istanbul, Turkey
Date: 23 May 2016

ANNEXURE II

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the Dish TV India Limited ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company and its subsidiary company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on Internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note, issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary company, as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the report of the other auditors of subsidiary company, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on Internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI.

Other Matters

9. We did not audit the IFCoFR insofar as it relates to a subsidiary company incorporated in India, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 292,878 lacs as at 31 March 2016 total revenues (after eliminating intra-group transactions) of ₹ 93,191 lacs and net cash flows amounting to ₹ 6,863 lacs for the year ended on that date. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary company incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiary is solely based on the corresponding reports of the auditors of such company. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditors.

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sumit Mahajan**
Partner
Membership No.: 504822

Place: Istanbul, Turkey
Date: 23 May 2016

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

	Notes	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	**10,659**	10,656
Reserves and surplus	4	**27,412**	(41,994)
		38,071	(31,338)
Non-current liabilities			
Long-term borrowings	5	**115,354**	-
Other long term liabilities	6	**6,349**	1,826
Long-term provisions	7	**1,732**	656
		123,435	2,482
Current liabilities			
Short-term borrowings	8	**284**	4,795
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		**-**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		**22,980**	12,680
Other current liabilities	10	**87,660**	221,297
Short-term provisions	11	**121,508**	106,710
		232,432	345,482
Total		**393,938**	316,626
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12.1	**180,198**	144,282
Intangible assets	12.2	**805**	1,106
Capital work-in-progress	12.3	**61,003**	49,716
Non-current investments	13	**15,000**	20,000
Deferred tax assets	14	**43,600**	-
Long-term loans and advances	15	**16,924**	8,388
Other non-current assets	16	**274**	1,668
		317,804	225,160
Current assets			
Current investments	17	**8,203**	-
Inventories	18	**1,256**	987
Trade receivables	19	**7,246**	6,368
Cash and bank balances	20	**33,917**	42,861
Short-term loans and advances	21	**23,081**	39,094
Other current assets	22	**2,431**	2,156
		76,134	91,466
Total		**393,938**	316,626
Significant accounting policies	2		

The accompanying notes (1 to 47) form an integral part of the financial statements.
This is the Consolidated Balance Sheet referred to in our report of even date

For Walker Chandiok & Co. LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants

per Sumit Mahajan
Partner

Place: Istanbul, Turkey
Dated: 23 May 2016

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

Jawahar Lal Goel
Managing Director
DIN: 00076462

B. D. Narang
Director
DIN: 00038052

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary
Membership No: A15442

Place: Istanbul, Turkey
Dated: 23 May 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

	Notes	For the year ended 31 March 2016	For the year ended 31 March 2015
Income			
Revenue from operations	23	**305,994**	268,795
Other income	24	**6,404**	6,350
Total revenue		**312,398**	275,145
Expenses			
Purchases of stock-in-trade (consumer premises equipments related accessories/spares)		**1,256**	806
Changes in inventories of stock-in-trade	25	**(269)**	(239)
Operating expenses	26	**146,812**	139,536
Employee benefits expense	27	**12,287**	10,175
Finance costs	28	**20,873**	17,541
Depreciation and amortization expense	12.1 and 12.2	**59,071**	61,384
Other expenses	29	**43,416**	45,206
Total expenses		**283,446**	274,409
Profit before tax		**28,952**	736
Tax expense:			
- Current tax		**3,310**	422
- Deferred tax credit		**(43,600)**	-
Profit for the year		**69,242**	314
Basic/diluted earnings per equity share (in ₹) (refer note 36)		**6.50**	0.03
(Face value of shares of ₹ 1 each)			
Significant accounting policies	2		

The accompanying notes (1 to 47) form an integral part of the financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For Walker Chandiok & Co. LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants

per Sumit Mahajan
Partner

Place: Istanbul, Turkey
Dated: 23 May 2016

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

Jawahar Lal Goel
Managing Director
DIN: 00076462

B. D. Narang
Director
DIN: 00038052

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary
Membership No: A15442

Place: Istanbul, Turkey
Dated: 23 May 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

	For the year ended 31 March 2016	For the year ended 31 March 2015
Cash flows from operating activities		
Net profit before tax	**28,952**	736
Adjustments for :		
Depreciation and amortization expense	**59,071**	61,384
Loss on sale/ discard of fixed assets and capital work-in-progress	**3,010**	2,344
Profit on redemption of units of mutual funds	**(334)**	(243)
Provision for wealth taxes	**-**	1
Provision for doubtful debts	**922**	-
Bad debts written off	**89**	3
Liabilities written back	**(1,429)**	(40)
Foreign exchange fluctuation (net)	**(1,445)**	(350)
Interest expense	**18,548**	15,440
Interest income	**(4,270)**	(5,640)
Operating profit before working capital changes	**103,114**	73,635
Changes in working capital		
(Increase) in inventories	**(269)**	(239)
(Increase) in trade receivables	**(1,889)**	(2,222)
Decrease/(Increase) in loans and advances and other assets	**6,421**	(3,671)
Increase in trade payables and other liabilities	**7,850**	10,236
Cash generated from operations	**115,227**	77,739
Income taxes paid (net of refund)	**(1,990)**	(993)
Net cash generated from operating activities (A)	**113,237**	76,746
Cash flows from investing activities		
Purchases of fixed assets (including adjustment for creditors for fixed assets, work in progress and capital advances)	**(90,839)**	(70,635)
Proceeds from sale of fixed assets	**30**	62
Purchase of current investments	**(92,575)**	(50,600)
Proceeds from sale of Current investments	**89,705**	50,843
Refund of loans given to body corporates	**-**	36
Movements in fixed deposits	**8,494**	(2,325)
Interest received	**4,280**	5,630
Net cash used in investing activities (B)	**(80,905)**	(66,989)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

	For the year ended 31 March 2016	For the year ended 31 March 2015
Cash flows from financing activities		
Interest paid	**(6,656)**	(7,610)
Proceeds from issue of capital / call money received	**167**	346
Proceeds from borrowings	**35,332**	77,042
Repayments of borrowings	**(64,031)**	(71,472)
Repayments of short term borrowings	**-**	(1,928)
Net cash used in financing activities (C)	**(35,188)**	(3,622)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(2,856)**	6,135
Cash and cash equivalents at the beginning of the year	**11,949**	5,814
Cash and cash equivalents at the end of the year (refer note 20) #	**9,093**	11,949
Cash and cash equivalents includes:		
Cash on hand	**10**	12
Balances with scheduled banks :		
- in current accounts #	**6,705**	11,218
- deposits with maturity of upto 3 months	**384**	383
Cheques, drafts on hand	**1,994**	336
Cash and cash equivalents	**9,093**	11,949
# include ₹ 0.42 lacs (previous year ₹ 0.47 lacs) in share call money accounts in respect of rights issue.		
Reconciliation of Cash and cash equivalents with cash and bank balances		
Cash and bank balances (refer note 20)	**33,917**	42,861
Less: deposits with maturity of more than 3 months	**24,824**	30,912
Cash and cash equivalents	**9,093**	11,949

Figures in brackets indicate cash outflow

This is the Consolidated Cash Flow Statement referred to in our report of even date

For Walker Chandiok & Co. LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants

per Sumit Mahajan
Partner

Place: Istanbul, Turkey
Dated: 23 May 2016

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

Jawahar Lal Goel
Managing Director
DIN: 00076462

B. D. Narang
Director
DIN: 00038052

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary
Membership No: A15442

Place: Istanbul, Turkey
Dated: 23 May 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

1. Background

Dish TV India Limited ('Dish TV' or 'the Company' or 'the Parent Company') and its subsidiaries [refer to note 2(c) (vii) below], together referred as 'the Group', is engaged in the business of Direct to Home ('DTH') and Teleport services.

2. Significant Accounting Policies

a) Basis of preparation of consolidated financial statements

The financial statements have been prepared to comply in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis in accordance with the generally accepted accounting principles in India. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company and as per the guidance as set out in Schedule III to the companies Act, 2013.

b) Principles of consolidation

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 - consolidated financial statements, of the Companies Accounting Standards (Rules), 2006 (as amended). The consolidated financial statements are prepared on the following basis:

i) Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances, intra-group transactions and unrealized profit or loss (if applicable). The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.

ii) The difference between the cost to the Group of investment in subsidiaries and the proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, (as the case may be).

iii) Minorities' interest in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual/legal obligation on the minorities, the same is accounted for by the holding company.

iv) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Any differences in accounting policies are disclosed separately.

v) The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended 31 March 2016.

vi) As per Accounting Standard 21 - consolidated financial statements notified by Companies (Accounting Standards) Rules, 2006 (as amended), only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or the parent having no bearing on the true and fair view of the consolidated financial statements is not disclosed in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

vii) The companies considered in the consolidated financial statements are:

Name of the company	Nature	Country of incorporation	% shareholding as at 31 March 2016	% shareholding as at 31 March 2015
Dish TV India Limited	Holding Company	India	-	-
Dish T V Lanka (Private) Limited	Subsidiary Company	Sri Lanka	70	70
Dish Infra Services Private Limited (formerly known as Xingmedia Distribution Private Limited)#	Subsidiary Company	India	100	100

Dish Infra Services Private Limited (Dish Infra) (formerly known as Xingmedia Distribution Private Limited) was incorporated on 13 February 2014 under the Companies Act, 1956. Consequent upon the approval of the Board of Directors and Shareholders of the Company, the entire share capital of Dish Infra, comprising of 10,000 equity shares having face value of ₹ 10 each, was acquired by the Company at ₹ 100,000. Accordingly, Dish Infra became the wholly owned subsidiary of the Company on 24 March 2014. Subsequently, upon the approval of the Board of Directors, the Company had subscribed to additional 118,000,000 equity shares of Dish Infra at ₹ 10 per equity share.

The Board of Directors of the Company, in its meeting held on 26 August 2014, had passed necessary resolutions approving the transfer of the Non-core business to Dish Infra. Further, on 03 February 2015 the shareholders of the Company, through Postal ballot, have approved necessary resolutions for the said transfer of Non-core business.

Post approvals, the Company had entered into the Business Transfer Agreement (dated 25 February 2015) with Dish Infra, for transfer of its Non-core business on 'Slump Sale' basis w.e.f. 1 April 2015 As per the terms of the agreement Dish Infra undertook following activities of the Company providing support services for satellite based communication services, broadcasting content services, management of hard assets like CPEs and their installation, value added services, etc.

As per the Valuation Report obtained from Independent valuers, the Enterprise value of Non-core Business was valued at ₹ 1,65,961 lacs and the Company has received cash consideration from Dish Infra Services Private Limited, which is arrived after adjusting Closing Net Debt and difference between Closing Working Capital and Base Working Capital on the Transfer Date.

The transfer of the Non-core Business has been considered as discontinuing operations in accordance with the requirement of the Accounting Standard - 24 'Discontinuing Operations' (AS-24) specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014 as amended.

Particular	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue	-	98,006
Expenditure	-	99,158
Loss before tax	-	1,152
Loss after tax	-	1,152
Total Assets	-	200,710
Total Liabilities	-	200,560
Cash flow (used in)/from Operating activities/Investing activities/ Financing activities	(*)	(*)

* As per the practice followed by the Company for preparation of its financial statements for financial reporting purposes, its present system of maintenance of books of account and other relevant records do not provide clearly identifiable cash flow from operating activities/Investing activities/financing activities and hence the same has not been disclosed above.

The transfer of non core business does not impact on overall group level.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

c) Use of estimates

The preparation of consolidated financial statements are in conformity with generally accepted accounting principles 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 consolidated financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods.

d) Fixed assets and capital work in progress

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.

Consumer Premise Equipments (CPE) are capitalized on activation of the same.

Capital work in progress comprises of CPE items and is valued at cost.

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 Group 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.

e) Depreciation and amortisation

1) Tangible assets

Depreciation on tangible fixed assets, is provided on straight line method as per the useful life prescribed in Schedule II, of the Companies Act, 2013, except in case of following category where life of the assets have been assessed as under based on technical advice taking into account the nature of assets, estimated usage of the assets, the operating conditions of assets, past history of replacement, anticipated technological changes etc.

i) CPEs are depreciated over their useful life of five years, as estimated by the management.

ii) Aircraft is depreciated over the estimated useful life of ten years.

2) Intangible assets

i) Fees paid for acquiring licenses to operate DTH services is amortised over the period of license and other license fees are amortized over the management estimate of useful life of five years.

ii) Software are amortised on straight line method over an estimated life of one year to five years.

3) Leasehold improvements are amortised over the period of lease or their useful lives, whichever is shorter.

f) Impairment

The carrying amounts of the Group'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 Consolidated Statement of Profit and Loss.

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.

g) Inventories

Inventories of CPE related accessories and spares are valued at the lower of cost or 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 revenue:

- Revenue from subscription services is recognised pro-rata over the subscription pack period during which the services are rendered and is net of service tax, collection charges and any discount given. Revenue from other services are recognised on accrual basis on rendering of the services.
- 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.
- Activation fee is recognised on an upfront basis considering the level of services rendered on activation, the corresponding cost incurred and separate consideration charged for the subsequent continuing services.
- Infrastructure support fees is recognised on the basis of fixed rate agreement on the basis of active customers.

ii) Sale of goods:

- Revenue from sale of stock-in-trade 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 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.

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 Consolidated Statement of Profit and Loss.

ii) In accordance with Accounting Standard-11, "Accounting for the Effects of Changes in Foreign Exchange Rates", 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 useful 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

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 Consolidated Statement of Profit and Loss in the reporting period in which the exchange rates change.

iv) Derivatives

Apart from forward exchange contracts taken to hedge existing assets or liabilities, the Group also uses derivatives to hedge its foreign currency risk exposure relating to firm commitments and highly probable transactions. In accordance with the relevant announcement of the Institute of Chartered Accountants of India, the company provides for losses in respect of such outstanding derivative contracts at the balance sheet date by marking them to market. Net gain, if any, is not recognised. The contracts are aggregated category-wise, to determine the net gain/loss.

j) Investments

Long-term investments, including their current portion, are carried at cost less diminution, other than temporary in value. Current investments are carried at the lower of cost and fair value which is computed category wise.

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 Consolidated Statement of Profit and Lossin the period in which the employee renders the related service.

ii) Post-employment benefit

Defined contribution plan

The Group deposits the contributions for provident fund and employees state insurance to the appropriate government authorities and these contributions are recognised in the Consolidated Statement of Profit and Loss in the financial year to which they relate.

Defined benefit plan

The Group'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 Consolidated Statement of Profit and Loss.

iii) Other long-term employee benefits

Benefits under the Company's compensated absences constitute other long-term employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation done by an independent actuary using the projected unit credit method at the year end. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

l) Employee stock option scheme

The Group 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 Group, 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 Consolidated Statement of Profit and Losson a straight line basis.

n) Earnings per share

Basic earning/loss 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

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However deferred tax arising from brought forward losses is recognised only when there is virtual certainty supported by convincing evidence that such asset will be realized.

p) Provisions and contingent liabilities

The Group 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 Group. Contingent liabilities are also disclosed for the present obligations that have arisen from past events in respect of which it is not probable 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.

q) Cash and cash equivalents

Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand, cheques in hand and short term investments with an original maturity of three months or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

3. Share capital

	As at 31 March 2016	As at 31 March 2015
Authorised		
1,500,000,000 (previous year 1,500,000,000) equity shares of ₹ 1 each.	**15,000**	15,000
Issued, subscribed and fully paid-up		
1,065,830,337 (previous year 1,065,519,640) equity shares of ₹ 1 each, fully paid up.	**10,659**	10,655
Issued, subscribed, but not fully paid-up		
34,498 (previous year 51,945) equity shares of ₹ 1 each, fully called up (refer footnote b)*.	**0**	1
Less: calls in arrears (other than from directors/ officers)**	**(0)**	(0)
	10,659	**10,656**

* ₹ 34,498 as on 31 March 2016.

** ₹ 13,403 as on 31 March 2016 and ₹ 20,474 as on 31 March 2015.

Footnotes:

		Nos.	Nos.
a)	**Reconciliation of the number of shares outstanding at the beginning and at the end of the year**		
	Shares at the beginning of the year	**1,065,571,585**	1,064,954,765
	Add: Further issued during the year under Employees Stock Option Plan	**293,250**	616,820
	Shares at the end of the year	**1,065,864,835**	**1,065,571,585**

b) Detail of shares not fully paid-up

15,383 (previous year 22,193) equity shares of ₹ 1 each, ₹ 0.75 paid up

19,115 (previous year 29,952) equity shares of ₹ 1 each, ₹ 0.50 paid up.

c) Rights, preferences, restrictions attached to the equity shares

The Company has only one class of equity shares, having a par value of ₹1 per share. Each shareholder is eligible to one vote per fully paid equity share held (i.e. in proportion to the paid up shares in equity capital). The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

d) Details of shareholders holding more than 5% shares of the Company

Name	As at 31 March 2016		As at 31 March 2015	
	Number of shares	% holding in the Company	Number of shares	% holding in the Company
Direct Media Distribution Ventures Private Limited	**457,212,260**	**42.90%**	457,212,260	42.91%
Deutsche Bank Trust Company Americas [footnote e(ii)]	**-**	**0.00%**	85,035,000	7.98%
Direct Media Solutions Private Limited	**180,000,000**	**16.89%**	180,000,000	16.89%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

e) Issued, subscribed and fully paid up shares include:

i) 24,57,440 (previous year 2,164,190) equity shares of ₹ 1 each, fully paid up, issued to the employees, under Employee Stock Option Plan, i.e., ESOP 2007.

ii) Nil (previous year 85,035,000) equity shares of ₹ 1 each, fully paid up, for underlying Nil nos. (previous year 85,035 nos.) Global Depository Receipts (GDR). Each GDR represents 1,000 Equity Shares of ₹ 1 each.

f) 4,282,228 (previous year 4,282,228) equity shares of ₹ 1 each are reserved for issue under Employee Stock Option Plan 2007. (refer note 30 for terms and amount etc.)

g) No share have been issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back in the current year and preceeding five years.

4. Reserves and surplus

	As at 31 March 2016	As at 31 March 2015
Securities premium account		
Balance at the beginning of the year	**154,175**	153,835
Add: received during the year	**165**	340
Balance at the end of the year	**154,340**	154,175
General reserves	**1,849**	1,849
Deficit in the Statement of Profit and Loss		
Balance at the beginning of the year	**(198,019)**	(197,594)
Less: Retained Earnings (Depreciation-Co. Act 2013) (refer footnote (ii) of note12)	**-**	(738)
Add: Profit for the year	**69,242**	314
Balance at the end of the year	**(128,777)**	(198,018)
	27,412	(41,994)

5. Long-term borrowings

	As at 31 March 2016	**As at 31 March 2015**	**As at 31 March 2016**	**As at 31 March 2015**
	Non current		**Current maturities**	
Secured loans:				
Debentures*	**30,000**	-	**-**	20,000
From banks				
- Term loans	**16,750**	-	**-**	31,925
- Buyer's credits	**68,604**	-	**7,490**	91,668
	115,354	-	**7,490**	143,593
Less: amount disclosed under the head "Other current liabilities" (refer note 10)	**-**	-	**7,490**	143,593
	115,354	-	**-**	-

* During the current year, Dish Infra Services Private Limited, has issued 100 redeemable, non convertible debentures each having face value of ₹ 100 lacs through private placement. (refer note 43)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

Footnotes:

Repayment terms, rate of interest and nature of security for the outstanding long-term borrowings as at 31 March 2016 and 31 March 2015

a) Debentures

(i) "Debentures of ₹ 200 crores

(a) First ranking *pari-passu* charge on all present and future tangible i.e. movable and current assets of the Issuer.

(b) The Promoter Group shall hold at least 51% equity shares in the Issuer at all times during the tenor of the Debentures. The Promoter Group will retain management control over the Issuer during the tenor of the Debentures. Further, a corporate guarantee is given by Dish TV India Limited."

Rate of interest and terms of repayment

Bullet repayment after three years from the date of allotment along with cumulative interest at rate of 12.40% on ₹ 200 crores.

(ii) "Debentures of ₹ 100 crores

(a) First ranking *pari-passu* charge on all present and future tangible i.e. movable and current assets of the Issuer.

(b) The Promoter Group shall hold at least 51% equity shares in the Issuer at all times during the tenor of the Debentures. The Promoter Group will retain management control over the Issuer during the tenor of the Debentures. Further, a corporate guarantee is given by Dish TV India Limited."

Rate of interest and terms of repayment

Bullet Repayment after Three Years from the date of allotment along with cumulative interest at rate of 11.50% on ₹ 100 crores.

b) Term loans - Secured

(i) Term loan of ₹ 8,750 lacs (previous year ₹ 12,943 lacs) is secured by (a) first *pari-passu* charges on consumer premises equipment (CPE), (both present and future), of the Company; (b) first *pari-passu* charges on all current assets and fixed assets of the Company (both present and future); (c) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets of the Company; (d) DSRA to be created upfront for one Quarter interest; (e) Non Disposal Undertaking from Direct Media Distribution Ventures Private Limited to continue holding at least 51% shareholding, exercise management control and right to appoint majority of Board of Directors in Dish TV India Limited.

Rate of interest and terms of repayment

"For the year ended 31 March 2016

Loan amounting to ₹ 8,750 lacs as on reporting date. Payable in 16 equal instalement after 1st year Moratorium period and if used for BC loan shall be repayed in 8 equal quartely installment. The rate of Interest for ₹ 625 lacs is 11.50% and for ₹ 8125 lacs is Base Rate plus 1.75% per annum. Last date of repayment is March 2020.

For the financial year ended 31 March 2015

Loan amounting to ₹ 12,943 lacs as on reporting date is payable in twenty quarterly installments alongwith monthly interest at 12.00% per annum. Last date of repayment is March 2020."

(ii) Term Loan of ₹ NIL (previous year ₹ 12,482 lacs) is secured by (a) first *pari-passu* charges on movable and immovable fixed assets of the Company; (b) first *pari-passu* charges on the current assets; (c) DSRA to be created upfront for one Quarter interest; (d) Non Disposal Undertaking for shares of the Company to the extent of ₹ 60 Crores. Further, a corporate guarantee is given by M/s Direct Media Distribution Ventures Private Limited a related party in respect of this loan [refer to note 33 (d)].

Rate of interest and terms of repayment

"For the financial year ended 31 March 2015

Loan amounting to ₹ 12,482 lacs as on reporting date is payable in five quarterly installments alongwith monthly interest at bank base rate plus 1.95% per annum."

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

(iii) Term loan of ₹ 8,000 lacs (previous year ₹ 6,500 lacs) is secured by (a) first *pari-passu* charges on consumer premises equipment (CPE), (both present and future), of the Company; (b) first *pari-passu* charges on all current assets and fixed assets of the Company (both present and future).

Rate of interest and terms of repayment

"For the financial year ended 31 March 2016

Loan amounting to ₹ 8,000 lacs as on reporting date is payable in fourteen quarterly installments after a moratorium period of 18 months alongwith monthly interest at bank base rate plus 2.5% per annum. Last date of repayment is Dec'2020.

For the financial year ended 31 March 2015

Loan amounting to ₹ 6,500 lacs as on reporting date is payable in fourteen quarterly installments after a moratorium period of 18 months alongwith monthly interest at bank base rate plus 3% per annum. "

c) Buyer's credits

(i) Buyer's credit of ₹ NIL (previous year ₹ 15,486 lacs) is secured by pari passu first charge on the movable and immovable fixed assets and current assets of the Company. Further, a corporate guarantee is given by Direct Media Distribution Ventures Private Limited, a related party [refer to note 33 (d)].

Rate of interest and terms of repayment

"For the financial year ended 31 March 2015

Buyer's credit comprises of several loan transactions ranging between 2.5 to 3 years of maturities. Each transaction is repayable in full on maturity dates falling between January' 2016 (being the farthest) and July 2015 (being the closest).

Interest on all Buyer's Credit is payable in half yearly installments ranging from Libor plus 45 bps to Libor plus 188 bps."

(ii) Buyer's credit of ₹ 1,941 lacs (previous year ₹ 34,158 lacs) is secured by first pari passu charge on all present and future movable and immovable assets, including but not limited to inventory of set-top-boxes and accessories etc., book debts, operating cash flows, receivables, commissions, revenue of whatever nature and wherever arising, present and future, and on all intangibles assets including but not limited to goodwill and uncalled capital, present and future, of the Company. Further, a corporate guarantee is given by Sprit Textiles Private Limited and Jayneer Capital Private Limited and a personal guarantee by key managerial personnel in respect of this loan. [refer to note 33 (d)].

Rate of interest and terms of repayment

"For the financial year ended 31 March 2016

Buyer's credit comprises of several loan transactions ranging between 1 to 3 years of maturities. Each transaction is repayable in full on maturity dates, falling between September' 2017 (being the farthest) and April' 2015 (being the closest).

Interest on ₹ 7,177 lacs buyer's credit is payable in half yearly installments ranging from Libor plus 44 bps to Libor plus 195 bps.

Interest on ₹ 26,981 lacs buyer's credit is payable in yearly installments ranging from Libor plus 55 bps to Libor plus 100 bps.

For the financial year ended 31 March 2015

Buyer's credit comprises of several loan transactions ranging between 1 to 3 years of maturities. Each transaction is repayable in full on maturity dates, falling between September' 2017 (being the farthest) and April' 2015 (being the closest).

Interest on ₹ 7,177 lacs buyer's credit is payable in half yearly installments ranging from Libor plus 44 bps to Libor plus 195 bps.

Interest on ₹ 26,981 lacs buyer's credit is payable in yearly installments ranging from Libor plus 55 bps to Libor plus 100 bps"

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

(iii) Buyer's credit of ₹ 18,538 lacs (previous year ₹ 20,912 lacs) is secured by (a) first pari passu charge on consumer premises equipment (CPE) (both present and future); (b) first pari passu charges by way of hypothecation on the Company's entire current assets which would include stocks of raw materials, semi finished and finished good, consumable stores and spares and such other movables, including books debts, bills, outstanding monies receivables (both present and future) in a form and manner satisfactory to the bank; (c) first pari passu charge on all movable fixed assets of the Company; (d) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets.

Rate of interest and terms of repayment

"For the financial year ended 31 March 2015

a) Buyer's credit of ₹ 11,209 lacs comprises of several loan transactions ranging between 2.5 to 3 years of maturities. Each transaction is repayable in full on maturity dates falling between September' 2018 (being the farthest) and Mar' 2017 (being the closest).Interest on ₹ 4,597 lacs buyer's credit is payable in half yearly installments ranging from Libor plus 75 bps to Libor plus 115 bps.Interest on ₹ 6,613 lacs buyer's credit is payable in yearly installments ranging from Libor plus 99 bps to Libor plus 120 bps.

b) Buyer's credit of ₹ 7,328 lacs comprise of several loan transactions ranging between 1.98 to 2 years. Each transaction is repayable in full on maturity date falling between January' 2018 (being the farthest) and Oct'2017 (being the closest).Interest is payable quarterly installment ranging at Libor plus 208 bps.

For the financial year ended 31 March 2015

Buyer's credit comprises of several loan transactions ranging between 1.75 to 3 years of maturities. Each transaction is repayable in full on maturity dates falling between October' 2017 (being the farthest) and April' 2015 (being the closest).

Interest on all buyer's credit is payable in half yearly installments ranging from Libor plus 90 bps to Libor plus 250 bps."

(iv) Buyer's credit of ₹ NIL (previous year ₹ 17,392 lacs) secured by (a) first *pari-passu* charges on consumer premises equipment (CPE) (both present and future); (b) first *pari-passu* charges on all current assets including stock of raw materials, semi finished and finished goods, consumable stores and spares and such other movable including book debts, bills, outstanding monies receivables (both present and future); (c) first *pari-passu* charges on all movable and immovable fixed assets (both present and future); (d) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets. Further, a corporate guarantee is given by Direct Media Distribution Ventures Private Limited, a related party in respect of this loan [refer to note 33 (d)].

Rate of interest and terms of repayment

"For the financial year ended 31 March 2015

Buyer's credit comprises of several loan transactions ranging between 1 to 3 years of maturities. Each transaction is repayable in full on maturity dates falling between September' 2017 (being the farthest) and April' 2015 (being the closest).

Interest on ₹ 3,318 lacs buyer's credit is payable in half yearly installments at Libor plus 90 bps.

Interest on ₹ 14,074 lacs buyer's credit is payable in yearly installments ranging from Libor plus 55 bps to Libor plus 165 bps."

(v) Buyer's credit of ₹ 3,258 lacs (previous year ₹ 3,720 lacs) secured by (a) first *pari-passu* charges on consumer premises equipment (CPE) (both present and future); (b) first *pari-passu* charges on all current assets including stock of raw materials, semi finished and finished goods, consumable stores and spares and such other movable including book debts, bills, outstanding monies receivables (both present and future); (c) first *pari-passu* charges on all movable and immovable fixed assets (both present and future); (d) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

Rate of interest and terms of repayment

"For the financial year ended 31 March 2016

Buyer's credit comprises of several loan transactions ranging between 1.5 to 3 years of maturities. Each transaction is repayable in full on maturity dates falling between Dec' 2018 (being the farthest) and July' 2016 (being the closest).

Interest on ₹ 429 lacs buyer's credit is payable in half yearly installments ranging from Libor plus 75 bps to Libor plus 125 bps.

Interest on ₹ 2,829 lacs buyer's credit is payable in yearly installments ranging from Libor plus 99 bps to Libor plus 150 bps.

For the financial year ended 31 March 2015

Buyer's credit comprises of several loan transactions ranging between 2.5 to 2.85 years of maturities. Each transaction is repayable in full on maturity dates falling between June' 2017 (being the farthest) and Feb' 2016 (being the closest).

Interest on ₹ 2,195 lacs buyer's credit is payable in half yearly installments ranging from Libor plus 56 bps to Libor plus 150 bps.

Interest on ₹ 1,525 lacs buyer's credit is payable in yearly installments ranging from Libor plus 90 bps to Libor plus 125 bps."

6. Other long-term liabilities

	As at 31 March 2016	As at 31 March 2015	**As at 31 March 2016**	As at 31 March 2015
	Non current		**Current**	
Others:				
Income received in advance	**1,652**	1,826	**22,809**	33,195
Money received against partly paid up shares*	**0**	0	**-**	-
Interest accrued but not due on borrowings	**4,697**	-	**-**	1,237
	6,349	1,826	**22,809**	34,432
Less: amount disclosed under the head "Other current liabilities" (refer note 10)	**-**	-	**22,809**	34,432
	6,349	1,826	**-**	-

* ₹ 42,451 as on 31 March 2016 and ₹ 47,191 as on 31 March 2015

7. Long-term provisions

	As at 31 March 2016	As at 31 March 2015	**As at 31 March 2016**	As at 31 March 2015
	Non current		**Current**	
Provision for employee benefits				
- Gratuity (refer note 31)	**1,112**	429	**27**	525
- Compensated absences	**620**	227	**31**	355
	1,732	656	**58**	880
Less: amount disclosed under the head "Short-term provisions" (refer note 11)	**-**	-	**58**	880
	1,732	656	**-**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

8. Short-term borrowings

	As at 31 March 2016	As at 31 March 2015
Secured loans		
Other loans		
- Buyer's credits	**284**	4,795
	284	4,795

a) Buyer's credits

(i) Buyer's credit of ₹ NIL (previous year ₹ 2,721 lacs) is secured by first pari passu charge on all present and future movable and immovable assets, including but not limited to inventory of set-top-boxes and accessories etc., book debts, operating cash flows, receivables, commissions, revenue of whatever nature and wherever arising, present and future, and on all intangible assets including but not limited to goodwill and uncalled capital, present and future, of the Company. Further, a corporate guarantee is given by Sprit Textiles Private Limited and Jayneer Capital Private Limited and a personal guarantee by key managerial personnel in respect of this loan. [refer to note 33 (d)].

Rate of interest and terms of repayment

"For the financial year ended 31 March 2015

Buyer's credit comprises of several loan transactions having 1 year of maturity. Each transaction is repayable in full on maturity dates, falling between December' 2015 (being the closest) and January' 2016 (being the farthest).

Interest on ₹ 2,721 lacs buyer's credit is payable in yearly installments at Libor plus 36 bps to Libor plus 55 bps"

(ii) Buyer's credit of ₹ 284 lacs (previous year ₹ 2,074 lacs) secured by (a) first *pari-passu* charges on consumer premises equipment (CPE) (both present and future); (b) first *pari-passu* charges on all current assets including stock of raw materials, semi finished and finished goods, consumable stores and spares and such other movable including book debts, bills, outstanding monies receivables (both present and future); (c) first *pari-passu* charges on all movable and immovable fixed assets (both present and future); (d) assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets. Further, a corporate guarantee is given by Direct Media Distribution Ventures Private Limited, a related party in respect of this loan [refer to note 33 (d)].

Rate of interest and terms of repayment

"For the financial year ended 31 March 2016

Buyer's credit comprises of several loan transactions ranging between 2.5 yrs to 3 years of maturities. Each transaction is repayable in full on maturity dates falling between November' 2018 (being the farthest) and July' 2017 (being the closest) payable in half yearly installments at Libor plus 89 bps to 115 bps

For the financial year ended 31 March 2015

Buyer's credit comprises of several loan transactions having 1 year of maturity. Each transaction is repayable in full on maturity dates falling between September' 2015 (being the farthest) and April' 2015 (being the closest).

Interest on ₹ 2,074 lacs buyer's credit is payable in yearly installments ranging from Libor plus 45 bps to Libor plus 58 bps."

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

9. Trade payables

	As at 31 March 2016	As at 31 March 2015
Sundry creditors		
- Total outstanding dues of micro enterprises and small enterprises (refer note below)	**-**	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	**22,980**	12,680
	22,980	12,680

Dues to small and micro enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006#:

Particulars	**As at 31 Mar 2016**	**As at 31 March 2015**
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	**-**	-
ii) the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	**-**	-
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	**-**	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	**-**	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	**-**	-

The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there are no dues to micro and small Enterprises that are reportable under the MSMED Act, 2006.

10. Other current liabilities

	As at 31 March 2016	As at 31 March 2015
Current maturities of long-term borrowings (also refer note 5)	**7,490**	143,593
Interest accrued but not due on borrowings	**564**	487
Income received in advance (also refer note 6)	**22,809**	34,432
Other payables		
- Statutory dues	**8,083**	7,298
- Advances/ deposits received	**12,082**	10,369
- Book overdraft	**-**	2,116
- Commission accrued	**2,194**	2,795
- Employees' payables	**462**	372
- Creditors for fixed assets	**33,976**	19,835
	87,660	221,297

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

11. Short-term provisions

	As at 31 March 2016	As at 31 March 2015
Provision for employee benefits (also refer note 7)		
- Gratuity (also refer note 31)	**27**	525
- Compensated absences	**31**	355
Other provisions		
- Regulatory dues (also refer note 35)	**119,271**	105,047
Provision for income tax [net of advance tax of ₹ 1,975 lac (previous year ₹ 323 lac)]	**1,758**	99
- Wealth tax	**-**	1
- Mark to market loss provision	**421**	683
	121,508	106,710

12.1. Fixed Assets - Tangible assets

As at 31 March 2016

Particulars	Gross block				Depreciation				Net block
	As at 01 April 2015	Additions	Sales/ adjustments	As at 31 March 2016	Upto 01 April 2015	For the period	Sales/ adjustments	Upto 31 March 2016	As at 31 March 2016
Building	-	286	-	**286**	-	13	-	**13**	**273**
Plant and machinery	15,468	3,630	-	**19,098**	11,747	1,615	1	**13,361**	**5,737**
Consumer premises equipment (Refer note 34b)	450,971	90,557	-	**541,528**	313,797	56,472	1	**370,268**	**171,260**
Computers	1,335	49	36	**1,348**	1,030	148	11	**1,167**	**181**
Office equipment	538	81	1	**617**	225	116	1	**340**	**277**
Furniture and fixtures	237	3	-	**240**	109	25	-	**134**	**106**
Vehicles and aircraft	3,588	89	8	**3,669**	947	361	1	**1,307**	**2,362**
Leasehold improvements	45	3	-	**48**	45	1	-	**46**	**2**
Total	**472,182**	**94,698**	**45**	**566,834**	**327,900**	**58,751**	**15**	**386,636**	**180,198**

As at 31 March 2015

Particulars	Gross block				Depreciation				Net block
	As at 01 April 2014	Additions	Sales/ adjustments	As at 31 March 2015	Upto 01 April 2014	For the period	Sales/ adjustments	Upto 31 March 2015	As at 31 March 2015
Plant and machinery	14,930	581	43	15,468	9,711	1,460	(576)	11,747	3,721
Consumer premises equipment (Refer note 34b)	380,699	70,272	-	450,971	254,870	58,927	-	313,797	137,174
Computers	1,302	98	65	1,335	780	225	(25)	1,030	305
Office equipment	310	236	8	538	72	83	(70)	225	313
Furniture and fixtures	228	9	-	237	76	30	(3)	109	128
Vehicles and aircraft	3,599	30	41	3,588	608	360	21	947	2,641
Leasehold improvements*	45	-	-	45	45	0	-	45	-
Total	**401,113**	**71,226**	**157**	**472,182**	**266,162**	**61,085**	**(653)**	**327,900**	**144,282**

* ₹ 18,079 is the depreciation for the year ended 31 March 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

12.2. Fixed Assets - Intangible assets

As at 31 March 2016

Particulars	Gross block				Amortisation				Net block
	As at 01 April 2015	Additions	Sales/ adjustments	As at 31 March 2016	Upto 01 April 2015	For the period	Sales/ adjustments	Upto 31 March 2016	As at 31 March 2016
Goodwill	4,512	-	-	**4,512**	4,512	-	-	**4,512**	**-**
License fees	1,192	-	-	**1,192**	1,186	5	-	**1,191**	**1**
Software	3,715	19	-	**3,734**	2,615	315	-	**2,930**	**804**
Total	**9,419**	**19**	**-**	**9,438**	**8,313**	**320**	**-**	**8,633**	**805**

As at 31 March 2015

Particulars	Gross block				Amortisation				Net block
	As at 01 April 2014	Additions	Sales/ adjustments	As at 31 March 2015	Upto 01 April 2014	For the period	Sales/ adjustments	Upto 31 March 2015	As at 31 March 2015
Goodwill	4,512	-	-	4,512	4,512	-	-	4,512	-
License fees	1,192	-	-	1,192	1,181	5	-	1,186	6
Software	3,068	647	-	3,715	2,321	294	-	2,615	1,100
Total	**8,772**	**647**	**-**	**9,419**	**8,014**	**299**	**-**	**8,313**	**1,106**

12.3. Capital work in progress of ₹ 61,003 lacs (previous year ₹ 49,716 lacs) includes assets in transit of ₹ 5,991 lacs (previous year ₹ 5,777 lacs).

Footnotes:

i) Additions/adjustments to gross block of consumer premises equipment (CPE) and plant and machinery include loss on account of foreign exchange fluctuations amounting to ₹ 3,550 lacs (previous year ₹ 4,182 lacs) and ₹ Nil (previous year ₹ 10 lacs) respectively [also refer note 38a].

ii) Pursuant to the enactment of schedule II to the Companies Act, 2013, the management has changed the useful lives of the assets to compute depreciation to confirm with its requirements. Had the Company continued with the previously assessed useful lives, charge for depreciation for the year ended 31 March 2015 would have been lower by ₹ 691 lacs and the profit before tax would have been higher by such amount. Further as provided under schedule II, the carrying amount of the assets (having gross block of ₹ 4,012 lacs and accumulated depreciation of ₹ 3,274 lacs as included in 'accumulated depreciation' column above) whose reassessed remaining useful life is Nil as at 31 March 2014 has been adjusted from the retained earnings.

13. Non-current investments (Unquoted)

	As at 31 March 2016	As at 31 March 2015
Non trade investments		
- Certificate of deposit, represents deposits with SICOM Limited (a financial institution).	**15,000**	20,000
	15,000	20,000
Aggregate book value of unquoted investments	**15,000**	20,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

14. Deferred tax assets

	As at 31 March 2016	As at 31 March 2015
Deferred tax assets on account of:		
Timing difference on fixed assets (depreciation and amortisation)	**40,690**	-
Provision for retirement benefits	**625**	-
Provision for doubtful debts	**346**	-
Expense to be allowed under income tax on dedution of TDS	**85**	-
Entertainment tax	**1,854**	-
Deferred tax assets (net)	**43,600**	-

15. Long-term loans and advances

(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
Capital advances	**7,104**	28
Security deposits	**793**	745
Others:		
Prepaid expenses	**2,115**	1,206
Income tax [net of provision of ₹ 260 lacs (previous year ₹ Nil)]	**4,143**	3,856
Other taxes paid under protest	**2,769**	2,553
	16,924	8,388

16. Other non-current assets

	As at 31 March 2016	As at 31 March 2015
Deposits with banks with maturity period more than 12 months	**274**	1,668
	274	1,668

17. Current investments (unqouted)

	As at 31 March 2016	As at 31 March 2015
Mutual Funds (refer note 46)	**8,203**	-
	8,203	-

18. Inventories

(At the lower of cost and net realisable value)

	As at 31 March 2016	As at 31 March 2015
Stock-in-trade		
Customer premises equipment related accessories and spares	**1,256**	987
	1,256	987

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

19. Trade receivables

(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
Debts outstanding for a period exceeding six months		
- Considered good	**2,740**	1,638
- Considered doubtful	**998**	76
Other debts		
- Considered good	**4,506**	4,730
	8,244	6,444
Provision for doubtful debts	**(998)**	(76)
	7,246	6,368

20. Cash and bank balances

	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents		
Balances with banks :		
- in current accounts#	**6,705**	11,218
- deposits with maturity of upto 3 months	**384**	383
Cheques, drafts in hand	**1,994**	336
Cash in hand	**10**	12
Other bank balances		
- deposits with maturity of more than 3 months but less than 12 months ##	**24,824**	30,912
	33,917	42,861

include ₹ 0.42 lacs (previous year ₹ 0.47 lacs) in share call money accounts in respect of rights issue.

includes unutilised proceeds of GDR Issue amounting to ₹ 12,525 lacs (previous year ₹ 27,570 lacs)

21. Short-term loans and advances

(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
Considered good		
Loans and advances to related parties [refer note 33c]		
- Security deposits	**1,054**	1,054
- Others	**1,062**	13,157
Others		
- Prepaid expenses	**2,617**	1,701
- Income tax	**-**	494
- Advances to vendors, distributors, etc.	**9,091**	15,726
- Customs duty, service tax and sales tax	**8,804**	6,498
- Security deposits	**453**	464
	23,081	39,094

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

22. Other current assets

	As at 31 March 2016	As at 31 March 2015
Income accrued but not due on fixed deposits	**53**	64
Income accrued on investment*	**0**	-
Unamortised borrowing costs	**1,209**	1,809
Accrued gains on forward contracts	**1,167**	232
Unamortised premium on forward contracts	**2**	3
Unbilled revenue	**-**	48
	2,431	2,156

*₹ 8,509 as on 31 March 2016.

23. Revenue from operations

	For the year ended 31 March 2016	For the year ended 31 March 2015
Income from Direct to Home (DTH) subscribers:		
- Subscription revenue	**195,817**	244,987
- Infra Support Services	**86,938**	-
- Lease rentals	**4,056**	8,098
Teleport services	**2,159**	2,098
Bandwidth charges	**10,549**	8,101
Sales of spares and accessories	**565**	502
Advertisement income	**4,988**	4,165
Other operating income	**922**	844
	305,994	268,795

24. Other income

	For the year ended 31 March 2016	For the year ended 31 March 2015
Interest income from:		
- long-term investments	**2,125**	2,066
- current investments	**-**	334
- fixed deposits/margin accounts	**1,372**	1,609
- others	**772**	1,630
Foreign exchange fluctuation (net)	**93**	201
Profit on redemption of units of mutual funds (non trade, current)	**334**	243
Liabilities written back	**1,429**	40
Miscellaneous income	**279**	227
	6,404	6,350

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

25. Changes in inventories of stock-in-trade (consumer premises equipments related accessories/ spares)

	For the year ended 31 March 2016	For the year ended 31 March 2015
Opening stock	**987**	748
Less: Closing stock	**1,256**	987
	(269)	(239)

26. Operating expenses

	For the year ended 31 March 2016	For the year ended 31 March 2015
Transponder lease	**16,177**	15,088
License fees	**21,748**	28,884
Uplinking charges	**710**	694
Programming and other costs	**85,546**	80,075
Entertainment tax	**16,584**	14,795
Call centre expenses	**6,047**	-
	146,812	139,536

27. Employee benefits expenses

	For the year ended 31 March 2016	For the year ended 31 March 2015
Salary, bonus and allowance	**11,398**	9,368
Contribution to provident and other funds	**652**	584
Staff welfare	**101**	84
Recruitment and training expenses	**136**	139
	12,287	10,175

28. Finance costs

	For the year ended 31 March 2016	For the year ended 31 March 2015
Interest on:		
- Debentures	**3,460**	1,237
- Term loans from banks	**3,637**	5,145
- Buyer's credits from banks	**1,572**	1,866
- Regulatory dues	**8,212**	6,855
- Others	**1,667**	337
Other borrowing costs	**2,325**	2,101
	20,873	17,541

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

29. Other expenses

	For the year ended 31 March 2016	For the year ended 31 March 2015
Electricity charges	**595**	654
Rent	**897**	923
Repairs and maintenance		
- Plant and machinery	**168**	186
- Consumer premises equipments	**2,249**	1,380
- Building	**23**	30
- Others	**358**	380
Insurance	**42**	65
Rates and taxes	**87**	96
Legal and professional fees	**1,778**	1,738
Director's sitting fees	**17**	15
Corporate social responsibility expenses	**11**	-
Printing and stationary	**103**	252
Communication expenses	**1,091**	981
Travelling and conveyance	**1,495**	1,349
Service and hire charges	**984**	984
Advertisement and publicity expenses	**7,934**	5,439
Business promotion expenses	**4,887**	3,926
Customer support services	**2,976**	8,519
Commission	**12,564**	15,518
Service fees	**8**	-
Freight, cartage and demurrage	**141**	2
Bad debts and balances written off	**89**	3
Provision for doubful debts	**922**	-
Loss on sale/ discard of fixed assets	**2**	13
Loss on sale/ discard of capital work-in-progress	**3,009**	2,334
Miscellaneous expenses	**986**	419
	43,416	45,206

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

30. Employee stock option plan (ESOP) 2007

At the Annual General Meeting held on 3 August 2007, the shareholders of the Company had approved Employee Stock Option Plan, i.e., ESOP 2007 ("the Scheme"). The Scheme provided for issuance of 4,282,228 stock options (underlying fully paid equity share of ₹ 1 each) to the employees of the Group 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 outstanding 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 Group follows intrinsic value method for accounting of the above options, there is no charge in the Consolidated Statement of Profit and Loss.

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

Particulars	For the year ended 31 March 2016 (Nos.)	For the year ended 31 March 2015 (Nos.)
Options outstanding at the beginning of the year	**840,740**	1,323,940
Add: Options granted	**153,200**	207,500
Less: Exercised	**293,250**	616,820
Less: Lapsed	**244,840**	73,880
Options outstanding at the end of the year	**455,850**	840,740

The following table summarizes information on the share options outstanding as of 31 March 2016:

Particulars	Date of grant	Number of shares remaining out of options	Remaining contractual life (years)	Exercise price (₹)
Lot 1	21 August 2007	19,440	1.39	37.55*
Lot 2	24 April 2008	-	-	-
Lot 3	28 August 2008	3,000	1.91	37.55*
Lot 4	28 May 2009	8,000	3.16	47.65
Lot 5	27 October 2009	-	-	-
Lot 6	26 October 2010	-	-	57.90
Lot 7	21 January 2011	-	-	58.95
Lot 8	20 July 2011	40,000	3.31	93.20
Lot 9	19 July 2012	-	-	-
Lot 10	23 May 2013	136,970	5.77	68.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	Date of grant	Number of shares remaining out of options	Remaining contractual life (years)	Exercise price (₹)
Lot 11	26 July 2013	24,000	6.32	57.10
Lot 12	27 May 2014	36,320	6.66	52.90
Lot 13	29 October 2014	34,320	7.08	55.80
Lot 14	20 March 2015	63,800	6.97	79.35
Lot 15	26 May 2015	40,000	7.16	84.90
Lot 16	28 July 2015	50,000	7.33	117.75
Options outstanding at the end of the year		455,850	5.96#	74.19#

The following table summarizes information on the share options outstanding as of 31 March 2015:

Particulars	Date of grant	Number of shares remaining out of options	Remaining contractual life (years)	Exercise price (₹)
Lot 1	21 August 2007	47,180	1.98	37.55*
Lot 2	24 April 2008	-	-	-
Lot 3	28 August 2008	4,500	2.41	37.55*
Lot 4	28 May 2009	61,070	3.77	47.65
Lot 5	27 October 2009	-	-	-
Lot 6	26 October 2010	68,760	4.73	57.90
Lot 7	21 January 2011	189,480	5.00	58.95
Lot 8	20 July 2011	40,000	4.31	93.20
Lot 9	19 July 2012	-	-	-
Lot 10	23 May 2013	193,550	6.15	68.00
Lot 11	26 July 2013	84,100	6.51	57.10
Lot 12	27 May 2014	45,400	7.16	52.90
Lot 13	29 October 2014	42,900	7.58	55.80
Lot 14	20 March 2015	63,800	7.97	79.35
Options outstanding at the end of the year		840,740	5.56#	61.32#

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

As permitted by the Guidance Note on accounting for Employee Share - based Payment, issued by the Institute of Chartered Accountants of India, the Company has elected to account for stock options based on their intrinsic value (i.e., the excess of fair market value of the underlying share over the exercise price) at the grant date rather than their fair value at that date. Had the compensation cost for employee stock options been determined on the basis of the fair value method as described in the said Guidance Note, the impact on the Company's net profit after tax and basic/diluted earnings per share would have been as stated below.

Particulars	For the year ended 31 March 2016 (Nos.)	For the year ended 31 March 2015 (Nos.)
Profit for the year	**69,242**	314
Additional compensation cost*	**46**	62
Profit after additional expenses	**69,196**	252
Decrease in profit rupees per share	**0.004**	0.005

* Additional compensation cost had the Company recorded employee stock option expenses based on the fair value of option (using black scholes method)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

For purposes of the above proforma disclosures, the fair values are measured based on the Black-Scholes-Merton formula. Expected volatility, an input in this formula, is estimated by considering historic average share price volatility. The inputs used in the measurement of grant-date fair values are as follows:

Particulars	**As at 31 Mar 2016**		**As at 31 Mar 2015**		
Date of grant	**26 May 2015**	**28 Jul 2015**	**27 May 2014**	**29 Oct 2014**	**20 Mar 2015**
Number of options granted	80,000	73,200	100,800	42,900	63,800
Fair value on grant date (in ₹)	39.97	55.14	26.71	27.54	37.27
Share price at grant date (in ₹)	84.90	117.75	52.90	55.80	79.35
Expected volatility (%)	39.92	39.49	43.76	42.44	47.93
Expected life (no. of years)	5.01	5.01	5.00	5.00	5.00
Expected dividends (in %)	-	-	-	-	-
Risk-free interest rate (in %) (based on government bonds)	7.84	7.84	8.63	8.57	8.57

31. Disclosure pursuant to Accounting Standard 15 on "Employee Benefits"

Defined contribution plans

An amount of ₹ 606 lacs (previous year ₹ 530 lacs) and ₹ 2 lacs (previous year ₹ 2 lacs) for the year, have been recognized as expenses in respect of the Group's contributions to Provident Fund and Employee's State Insurance Fund respectively, deposited with the government authorities and have been included under "Employee benefits expenses" in the Consolidated Statement of Profit and Loss.

Defined benefit plans

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

The following table sets forth the status of the gratuity plan of the Group and the amounts recognised in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss:

Particulars	**For the year ended 31 March 2016**	**For the year ended 31 March 2015**
Changes in present value of obligation		
Present value of obligation as at the beginning of the year	**954**	936
Acquisition adjustment	**9**	-
Interest cost	**74**	75
Current service cost	**277**	231
Benefits paid	**(161)**	(91)
Actuarial (gain)/loss on obligation	**(14)**	(197)
Present value of obligation as at end of the year	**1,139**	954
Short term	**27**	525
Long term	**1,112**	429
	1,139	954

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Expenses recognized in the Consolidated Statement of Profit and Loss		
Current service cost	**277**	231
Interest cost on benefit obligation	**74**	75
Net actuarial (gain)/loss recognised in the year	**(14)**	(197)
Expenses recognised in the Consolidated Statement of Profit and Loss	**337**	109

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

Particulars	As at 31 March 2016	As at 31 March 2015
Discount rate	**8.00%**	7.75%
Salary escalation rate (per annum)	**10.50%**	10.00%
Withdrawal rates		
Age- Upto 30 years	**13%**	13%
31-44 years	**2%**	2%
Above 44 years	**1%**	1%
Mortality rate	**IALM (2006-08)**	IALM (2006-08)

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.

Experience adjustment:-

Particulars	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016
Plan projected benefit obligation (PBO)	660	832	936	954	1,139
Plan assets	-	-	-	-	-
Net liability	(660)	(832)	(936)	(954)	(1,139)
Experience adjustment on PBO-Gain (Loss)	16	73	105	233	7

Note: There is no provision made for gratuity and compensated absences in Dish T V Lanka (Private) Limited for the year ended 31 Mar 2016.

32. Segmental information

Effective 1 April 2015, the Group had segmented its core business in Dish TV India Limited and non-core business to Dish Infra Services Private Limited. Accordingly in terms of Accounting Standard 17 the company has reported "Segment Information for (a) DTH and Teleport Service and (b) Infra Support Services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	DTH Year ended 31 March 2016	Infra support services Year ended 31 March 2016	Unallocated Year ended 31 March 2016	Elimination Year ended 31 March 2016	Total Year ended 31 March 2016
1. Segment revenue					
External sales	213,031	90,897	3,867	-	307,795
Inter segment sales	11,038	10,943	120	(22,101)	-
Total revenue	**224,069**	**101,840**	**3,987**	**(22,101)**	**307,795**
2. Segment results					
Operating profit/(loss) before interest & tax	38,718	4,449	2,898	(844)	45,221
Interest expenses	-	-	(21,379)	506	(20,873)
Interest income	-	-	5,110	(506)	4,604
Profit / (loss) before tax	**38,718**	**4,449**	**(13,371)**	**(844)**	**28,952**
Current tax	260	3,050	-	-	3,310
Deferred tax	(4,540)	(39,060)	-	-	(43,600)
Profit / (loss) after tax	**42,998**	**40,459**	**(13,371)**	**(844)**	**69,242**
3. Capital employed					
Segment assets	120,858	284,423	1,170	(65,284)	341,167
Unallocated corporate assets	-	-	-	-	52,771
Total assets	**120,858**	**284,423**	**1,170**	**(65,284)**	**393,938**
Segment liabilities	134,154	250,857	4	(58,581)	326,434
Unallocated corporate liabilities	-	-	-	-	29,434
Total liabilities	**134,154**	**250,857**	**4**	**(58,581)**	**355,868**
Capital expenditure	16,325	207,651	-	-	223,976
Depreciation/amortisation	6,366	52,833	-	(128)	59,071
Non-cash expenses	922	-	-	-	922

No segment applicable for previous year

33. Related party disclosures

a) Related parties with whom the Group had transactions:

Key management personnel	Mr. Jawahar Lal Goel
Relative of key management personnel	Mr. Gaurav Goel
Enterprises over which key management personnel/ their relatives have significant influence	ATL Media Limited (Formerly known as Asia Today Limited) Cyquator Media Services Private Limited (referred to as Cyquator) Diligent Media Corporation Limited. Direct Media Distribution Ventures Private Limited E-City Property Management & Services Private Limited E-City Bioscope Entertainment Private Limited Essel Agro Private Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

Enterprises over which key management personnel/ their relatives have significant influence	Essel Corporate Resources Private Limited Interactive Finance and Trading Services Private Limited. ITZ Cash Card Limited Media Pro Enterprise India Private Limited Maurya TV Private Limited PAN India Network Infravest Private Limited (formerly known as PAN India Network Infravest Private Limited) PAN India Network Limited Procall Private Limited Rama Associates Limited Satnet Private Limited Sprit Textiles Private Limited Taj Television (India) Private Limited Zee Akaash News Private Limited ZEE Digital Convergence Limited Zee Entertainment Enterprises Limited ZEE Media Corporation Limited (formerly known as Zee News Limited)

b) Transactions with related parties:

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
	Total amount	Amount for major parties	Total amount	Amount for major Parties
(i) With key management personnel	**93**		**90**	
Managerial remuneration#		93		90
(ii) Relative of key management personnel	**67**		**41**	
Remuneration#		67		41
(iii) With other related parties:				
Revenue from operations and other income (net of taxes)	**3,137**		**3,446**	
Zee Entertainment Enterprises Limited		1,652		1,915
ZEE Media Corporation Limited		1,058		855
Satnet Private Limited		4		-
Zee Akaash News Private Limited		223		223
Other related parties		200		453
Purchase of goods and services	**26,926**		**36,103**	
Media Pro Enterprise India Private Limited		-		10,650
Zee Entertainment Enterprises Limited		467		83
ITZ Cash Card Limited		1,726		2,163
Taj Television (India) Private Limited		20,257		13,700
Cyquator		2,922		8,519
Satnet Private Limited		27		27
Other related parties		1,527		961
Purchase of fixed assets	**-**		**3**	
ZEE Media Corporation Limited		-		3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
	Total amount	Amount for major parties	Total amount	Amount for major Parties
Rent paid	**349**		**352**	
Zee Entertainment Enterprises Limited		296		296
Rama Associates Limited		49		48
Satnet Private Limited		4		8
Interest received	**672**		**1,231**	
Cyquator		672		1,227
Essel Agro Private Limited		-		4
Reimbursement of expenses paid	**602**		**664**	
Zee Entertainment Enterprises Limited		528		572
E-City Bioscope Entertainment Pvt. Ltd.		74		92
Security deposit given	**-**		**1,001**	
Satnet Private Limited		-		1
Rama Associates Limited		-		1,000
Short-term loans and advances made	**1,994**		**2,587**	
ITZ Cash Card Limited		387		1,689
Cyquator		1,593		782
Essel Corporate Resources Private Limited		-		116
E-City Bioscope Entertainment Private Limited		12		-
Other related parties (& ₹ 7,730)		2		&
Refunds received against short-term loans and advances	**13,702**		**7,831**	
Cyquator		13,700		3,691
ITZ Cash Card Limited		1		1,788
Essel Agro Private Limited		-		2,236
Essel Corporate Resources Private Limited		1		116
Refunds received against loans and advances	**-**		**2,500**	-
Cyquator		-		2,500

Since an actuarial valuation is done for gratuity and leave encashment for the Company as a whole, details of contribution in respect of each individual are not available for the computation of remuneration

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

c) Balances at the yearend:

Particulars	As at 31 March 2016		As at 31 March 2015	
	Total amount	Amount for major parties	Total amount	Amount for major parties
With related parties:				
Short-term loans and advances	**1,062**		**13,157**	
Essel Agro Private Limited		-		-
ITZ Cash Card Limited		386		387
Cyquator		663		12,770
E-City Bioscope Entertainment Private Limited		12		-
Interactive Financial & Trading Services Private Limited		1		-
Security deposit given	**1,054**		**1,054**	
Rama Associates Limited		1,000		1,000
Other related parties		54		54
Trade payables	**2,739**		**1,684**	
Zee Entertainment Enterprises Limited		371		131
Taj Television (India) Private Limited		1,646		1,290
Satnet Private Limited		2		2
Cyquator		-		203
Other related parties		720		58
Trade receivables	**1,378**		**1,304**	
ATL Media Limited		21		18
Zee Media Corporation Limited		678		233
Zee Entertainment Enterprises Limited		405		725
Maurya TV Private Limited		215		215
Zee Akaash News Private Limited		59		55
Other related parties		-		58

d) Guarantees etc. given by related parties in respect of secured loans:

i) As at 31 March 2016, personal guarantees by key managerial personal amounting to ₹ 30,000 lacs (previous year ₹ 30,000 lacs) and corporate guarantee by Sprit Textiles Private Limited amounting to ₹ Nil (previous year ₹ 30,000 lacs).

ii) As at 31 March 2016, corporate guarantee by Direct Media Distribution Ventures Private Limited amounting to ₹ Nil (previous year ₹ 60,000 lacs) are outstanding at the year end.

34. Leases

a) Obligation on operating lease:

The Group 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. The initial tenure of the lease generally is for 11 months to 69 months. The details of lease rental charges in respect of assets taken on operating leases are as under:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Lease rental charges during the year (net of shared cost)	**16,238**	16,291
Sub-lease payment received (being shared cost)	**889**	890

b) Assets given under operating lease:

The Group has leased out assets by way of operating lease.The gross book value of such assets, its accumulated depreciation and depreciation for the year are as given below:

Particulars	As at 31 March 2016	As at 31 March 2015
Gross value of assets	**35,048**	289,482
Accumulated depreciation	**20,696**	264,906
Net block	**14,352**	24,576
Depreciation for the year	**20,696**	32,341

The lease rental income recognised during the year in respect of non-cancellable operating leases and minimum obligations on long term non-cancellable operating lease receivable as per the rentals stated in the agreements are as follows:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Lease rental income recognised during the year	**4,057**	8,098

Particulars	Total future minimum lease rentals receivable as at 31 March 2016	Total future minimum lease rentals receivable as at 31 March 2015
Within one year	**1,420**	5,446
Later than one year and not later than five years	**436**	-

35. a) 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

Provision for regulatory dues (including interest)

Particulars	As at 31 March 2016	As at 31 March 2015
Opening provision	**105,047**	83,553
Add: Created during the year	**29,201**	34,980
Less: Utilised during the year	**14,977**	13,486
Closing provision	**119,271**	105,047

The outflow of economic benefits with regard to the disputed portion would be dependent on the final decision by the Regulatory Authority. Presently, it has been considered under the 'Short-term provisions'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

b) The Company has filed Petition (205(C) of 2014) before the Hon'ble Telecom Disputes Settlement & Appellate Tribunal (TDSAT) against Union of India challenging the propriety and legality of the demand of ₹ 62,420 lacs including interest of ₹ 15,967 lacs raised by the Ministry of Information and Broadcasting (MIB) by way of a demand letter dated 19 March 2014 towards alleged short payment of license fee for the period 2003-2004 to 2012-2013. In the demand notice it has been alleged that out of the total license fee payable on the gross revenue earned by the Company which amounts to ₹ 82,180 lacs (including interest of ₹ 15,967 lacs), the Company has already made payment of ₹ 35,727 lacs and as such there is a short payment of ₹ 46,553 lacs. The TDSAT has granted a stay on the operation of the aforementioned demand notice. The MIB has filed its reply to the present petition. The matter came up for hearing before the TDSAT on 24 February 2015 along with similar matters filed by other DTH operators. Upon hearing the parties, the TDSAT was pleased to adjourn the hearing in all the matters till the time the appeals related to License Fee which are pending before Hon'ble Supreme Court are finally decided by the Hon'ble Supreme Court. On 27 August 2015 upon mention this matter was taken up by the Hon'ble Supreme Court and the matter were disposed off against the DTH operators and in favour of the Union of India. Post this TDSAT would decide the petitions filed before it including this petition filed by Dish TV upon listing before it. The matters have not been taken up by the Hon'ble Tribunal.

36. Earningsper share

Reconciliation of basic and diluted shares used in computing earningsper share

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Profit for the year attributable to equity shareholders (in ₹ lacs)	**69,242**	314
Number of shares considered as weighted average shares outstanding for computing earnings per share	**1,065,746,554**	1,065,060,463
Nominal value per share (in ₹)	**1**	1
Basic/diluted earnings per share (in ₹)	**6.50**	0.03

37. Deferred tax assets (net)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Deferred tax liability on account of:		
- Unrealised foreign exchange gain	**-**	33
Deferred tax assets on account of:		
- Timing difference on fixed assets (depreciation and amortisation)	**40,456**	37,752
- Unabsorbed depreciation and tax losses	**709**	13,435
- Provision for retirement benefit	**625**	522
- Demerger expenses as per section 35DD	**-**	2
- Provision for doubtful debts	**346**	-
- Expenses to allowed under Income Tax on deduction of TDS	**85**	-
- Entertainment tax	**1,854**	-
Deferred tax assets (net)	**44,075**	51,678
Recognised in the financial statements*	**43,600**	-

* Deferred tax assets in Dish T V Lanka (Private) Limited has not been recognised on tax losses carried forward and Property, Plant and Equipment as management is of the opinion that it is not probable that future

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

taxable profit will be available against which the Company can utilise the benefit thereon since commercial operation has commenced from this year only and the Company is still making losses.

38. Foreign currency transactions

a) In accordance with the Accounting Standard 11 (AS-11) and related notifications, the foreign currency exchange loss of ₹ 3,550 lacs has been adjusted (previous year foreign currency exchange loss of ₹ 4,192 lacs) in the value of fixed assets and the foreign currency exchange gain of ₹ 112 lacs (previous year foreign currency exchange gain of ₹ 792 lacs) in the capital work in progress.

b) i) The Group has outstanding derivative/forward contracts of US Dollars 766 lacs (previous year US Dollar 339 lacs) which will be settled at future date. These derivative contracts are for the repayment of Buyer's credit loans.

ii) Foreign currency transactions outstanding as on the balance sheet date that are not hedged by derivative instruments or otherwise are as under:

Particulars	As at 31 March 2016						As at 31 March 2015	
	Amount in AUD	Amount in ₹	Amount in EURO	Amount in ₹	Amount in USD	Amount in ₹	Amount in USD	Amount in ₹
Balances with bank	-	-	-	-	189	12,525	440	27,570
Loans and advances given	!	1	1	92	5	279	@	20
Receivables	-	-	-	-	62	4,102	44	2,764
Loans and borrowings#	-	-	-	-	393	26,040	1,210	75,762
Trade Payable	-	-	-	-	122	8,118	233	14,609
Other Current Liabilities	-	-	-	-	370	24,540	-	-

includes interest accrued
! Amount in AUD 1,322
@ USD 30,502

39. Contingent liabilities and commitments

a) Contingent liabilities

Particulars	As at 31 March 2016	As at 31 March 2015
Claims against the Company not acknowledged as debt	489	489
Income-tax (refer note 39b)	362	225
Sales tax and Value Added tax	4,733	2,053
Customs duty	795	795
Service tax*	7,195	7,195
Wealth tax	2	2
Entertainment tax (refer note 39c)	11,069	1,828
Legal cases including from customers against the Company	Unascertained	Unascertained

* Penalty not ascertainable.

b) In the earlier years, the Company had received demand notices for TDS and interest thereon amounting to ₹ 760 lacs (excluding penalty levied, if any) relating to matters pertaining to alleged short deduction of tax at source on certain payments for the Assessment Year's 2009-10 to 2013-14. In respect of the

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(All amounts in ₹ lacs, unless stated otherwise)

demand received the Company had made payment under protest of ₹ 687 lacs out of which ₹ 141 lacs have been paid in the current year and remaining was paid in the previous years. Further, the amount paid under protest have been provided for in the books. Accordingly, the remaining amount, has been included under the head contingent liabilities above. The Company had disputed the matters and had filed an appeal against the above said demand with the tax authorities.

c) The Company has received notices in various States on applicability of Entertainment Tax. The Company has contested these notices at various Appellate Forums/ Courts and the matter is subjudice.

d) The Dish Infra Services Private Limited, one of the subsidiary company, has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the company has reviewed and ensured that adequate provision as required under the law / Accounting Standards for the material foreseeable losses on such long term contract (including derivative contracts) has been made in the books of accounts.

e) The Dish Infra Services Private Limited, one of the subsidiary company has earned subscription income from overseas and is evaluating the related compliances and adjustments, if any.

f) Commitments

Particulars	As at 31 March 2016	As at 31 March 2015
Estimated amount of contracts remaining to be executed on capital account	**75,778**	26,309

g) (i) The management believes that it is appropriate to prepare these financial statements on a 'going concern' basis, for the following reasons.

The Company's DTH license was valid upto 30 September 2013. Since the DTH license was expiring on said date, the Company requested Ministry of Information and Broadcasting (MIB) for renewal of the aforementioned DTH license. On recommendation of Telecom Regulatory Authority of India (TRAI), MIB extended the validity of such license for an interim period of one year (i.e. with validity till 30 September 2014) on existing terms and conditions. The Company received a communication dated 27 January 2016 from the MIB in connection with certain set of requirements for further interim renewal of the DTH License, inter-alia, requiring the Company to furnish a fresh Performance Bank guarantee of ₹ 40 Crores and to furnish an undertaking to honour the financial obligation arising from change, if any, in policy governing the DTH License. The Company has complied with the requirements of the said letter. According to the management, no significant financial impact is expected in this regard. Further, the Group has earned operating profits, its net worth is positive, and believes it would have sufficient cash flows to manage all its obligations in foreseeable future.

(ii) During the year Company is making profit and also the net worth of the Company is positive.

(iii) Dish T V Lanka Private Limited (Dish Lanka), one of the subsidiaries of the Company, has incurred losses and as at 31 March 2016, its accumulated losses have eroded its entire net worth. It started launching its commercial operation in May 2015. Due to the nature of DTH industry being high Capital intensive, the industry has long gestation period. Dish Lanka closely monitors its operating cash flow and maintains a level of cash and cash equivalents. Further the Company has secured funding facilities from Holding Company.

40. During the financial year 2011-12, the Company migrated from the fixed fee agreement with ESPN Software India Private Limited (ESPN) to the Reference Interconnect Offer (RIO) based agreement for its content fees. Upon refusal by the ESPN to the said migration, the Company approached the Telecom Dispute Settlement Appellate Tribunal (TDSAT). The TDSAT, vide its judgment dated 10 April 2012, allowed the Company to pay the content fees to ESPN w.e.f. 1 September 2011 on the basis of RIO rates published by ESPN and also allowed the Company a refund of any amount representing the difference between the amount paid by the Company as

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

per the fixed fee agreement and the amount payable under the RIO rates w.e.f. 1 September 2011. ESPN filed a Special Leave Petition before the Hon'ble Supreme Court. The Hon'ble Supreme Court, vide its order dated 17 July 2012 refused to grant interim stay on the order of the Hon'ble TDSAT. The said appeal is still pending before the Hon'ble Supreme Court.

Further, during the previous year, a petition was filed by the Company against ESPN in TDSAT against the public notices dated 5 November 2012 and 12 November 2012 issued by them for disconnection of their channels from Dish TV DTH platform. TDSAT vide its order dated 23 November 2012 granted an interim stay on the operation of the said notices and subsequently, vide judgment dated 25 April 2014 has held that the manner of distribution of channels by Dish TV was as per the regulations. It has directed the parties to conduct a reconciliation in terms of the said judgment. ESPN filed an appeal before the Hon'ble Supreme Court. Vide order dated 09 May 2014, no stay against Dish TV was granted by the Hon'ble Supreme Court. The said appeal is still pending before the Hon'ble Supreme Court.

41. Auditors' remuneration

Particulars	**For the year ended 31 March 2016**	**For the year ended 31 March 2015**
As auditors		
- Statutory audit	**58**	34
- Limited review of quarterly results	**27**	19
- Certifications	**5**	8
In other capacity		
- Others	**15**	39
Reimbursement of expenses	**2**	8
Total	**107**	**108**

42. Additional information pursuant to schedule III of Companies Act 2013.

Name of the Company	**Net assets i.e. total assets minus total liabilities**		**Share in profit or (loss)**	
	Amount	**As a % of consolidated net assets**	**Amount**	**As a % of consolidated net profit/ (loss)**
Parent Company				
Dish TV India Limited	10,978	29	41,992	60
Indian subsidiary				
Dish Infra Services Pvt. Ltd.	42,787	112	30,343	44
Foreign subsidiary				
Dish T V Lanka (Private) Ltd.	(2,944)	(8)	(2,149)	(3)
Intra group elimination	(12,750)	(33)	(944)	(1)
Grand Total	**38,071**	**100**	**69,242**	**100**

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(All amounts in ₹ lacs, unless stated otherwise)

Profit or Loss attributable to "minority interest" and to owners of the parent in the Statement of Profit and Loss shall be presented as allocation for the period.

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Profit for the year	**69,242**	314
Profit attributable to owners of the Group	**69,242**	314
Profit attributable minority interests	**-**	-
Total	**69,242**	**314**

43. During the previous year ended 31 March 2015, the Company had issued 200 numbers of debentures having face value of ₹ 100 lacs each with a coupon rate 12.40 % per annum and with a legal maturity of 3 years:-

The proceeds from issue of debentures has been utilised for the purposes for which it was raised.

Post necessary approvals, the Company had entered into a Business Transfer Agreement dated 25 February 2015 with its wholly owned subsidiary viz. Dish Infra Services Private Limited for transfer of its Non-core business on a slump sale basis. Pursuant to the said agreement, effective from 1 April 2015, the Company has inter alia novated its debt obligations (Non-Convertible debentures) to Dish Infra Services Private Limited on the same terms and conditions. Accordingly, the said Non-Convertible debentures in the Company were extinguished along with all its obligations. Further, Dish Infra Services Private Limited has issued non-convertible debentures ("New NCDs") upon same terms and conditions to the existing holders on 1 April 2015.

During the year ended 31 March 2016, Dish Infra Services Private Limited has issued debentures as per detail below

Date of Issue	28 May 2015
Maturity date	28 May 2018
Number of debentures issued	100
Face value per debenture	₹ 10,000,000
Coupon rate	11.50 % per annum
Repayment term	Repayable on maturity
Nature of security given	First ranking *pari-passu* charge on all present and future tangible i.e. movable and current assets of the Company. Unconditional & Irrevocable Corporate Guarantee of Dish TV India Limited

Details of receipt and utilisation of non-convertible debenture proceeds as below:-

Particulars	As at 31 March 2016	As at 31 March 2015
Gross proceeds received from the issue of Debentures	**100,00**	-
Amount utilised till year end	**2,625**	-
Unutilised amount at year end*	**7,375**	-

* Balance unutilised amount was invested in Kotak Mutual fund and lying in cash and bank balance.

44. Rights issue

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:

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(All amounts in ₹ lacs, unless stated otherwise)

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
	(₹)	(₹)	(₹)	(in ₹ lacs)		
On application	6.00	0.50	5.50	31,089	Along with application	Not applicable
On first call	8.00	0.25	7.75	41,452	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	41,452	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*
Total	**22.00**	**1.00**	**21.00**	**113,993**		

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

Upto the financial year ended 31 March 2016, the Company has received ₹ 31,089 lacs (previous year ₹ 31,089 lacs) towards the application money on 518,149,592 (previous year 518,149,592) equity shares issued on Rights basis; ₹ 41,450 lacs (previous year ₹ 41,450 lacs) towards the first call money on 518,130,477 (previous year 518,119,640) equity shares; and ₹ 41,450 lacs (previous years ₹ 41,448 lacs) towards the second and final call money on 518,115,094 (previous year 518,097,647) equity shares.

The Company has also received ₹ 0.42 Lacs (previous year ₹ 0.47 lacs) 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 'Other long term 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 usage aggregating to ₹ 113,989 lacs (previous year ₹ 113,986 lacs) is as under. The monitoring agency, IDBI Bank Limited, has issued its report dated 1 February 2016 on utilization of the Rights Issue proceeds upto 31 December 2015.

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

Particulars	Upto 31 March 2016	Upto 31 March 2015
Amount utilized		
Repayment of loans	**28,421**	28,421
Repayment of loans, received after right issue launch	**24,300**	24,300
General corporate purpose/ operational expenses	**34,723**	34,720
Acquisition of Consumer Premises Equipment (CPE)	**26,000**	26,000
Right issue expenses	**545**	545
Total money utilized	**113,989**	113,986

45. 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,

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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 1,000 lacs (approx) was fully subscribed and the Company received USD 1,000 lacs (approx), 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 were listed at the Luxembourg Stock Exchange.

During the year ended 31 March 2016, 85,035 GDRs were sold into the domestic market and converted into 85,035,000 equity shares of Re 1 each by the holder and accordingly GDR outstanding thereafter are nil.

The detail of utilisation of GDR proceeds by the Company, on an overall basis, is as below:-

Particulars	**Upto 31 March 2016**	**Upto 31 March 2015**
Amount utilized		
Acquisition of fixed assets including CPEs	**7,670**	7,670
GDR issue expenses	**345**	345
Advance against share application money given to subsidiaries	**56**	56
Repayment of bank loan	**755**	755
Operational expenses including interest payments, bank charges and exchange fluctuation	**38,899**	21,819
Total	**47,725**	30,645
Less: interest earned	**(440)**	(440)
Total (A)	**47,285**	30,205
Unutilised amount lying with:		
Balance with bank in fixed deposit in foreign currency	**12,525**	27,570
Total (B)	**12,525**	27,570
Total (A+B)	**59,810**	57,775

46. The details of current investments in Mutual funds as on 31 March 2016:

Particulars	**As at 31 March 2016**	**As at 31 March 2015**
Unquoted at cost		
23,402,089 units of Kotak Flexi Debt scheme Institutional-Growth (previous year Nil)	**5,700**	-
115,787 units of DSP Black Rock Liquidity Fund-Growth (previous year Nil)	**2,503**	-
Total	**8,203**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in ₹ lacs, unless stated otherwise)

47. Figures of the previous year have been regrouped / rearranged, wherever considered necessary to conform to the current year's presentation.

As per our report attached to the balance sheet

For Walker Chandiok & Co. LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants

per Sumit Mahajan
Partner

Place: Istanbul, Turkey
Dated: 23 May 2016

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

Jawahar Lal Goel
Managing Director
DIN: 00076462

B. D. Narang
Director
DIN: 00038052

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary
Membership No: A15442

Place: Istanbul, Turkey
Dated: 23 May 2016