



DISH TV INDIA LIMITED

(CIN L51909DL1988PLC101836)

Regd Off: Essel House, B-10, Lawrence Road Industrial Area, Delhi – 110 035

RELATED PARTY TRANSACTION POLICY

(Effective from October 1, 2014)

INTRODUCTION

Dish TV India Limited (the “Company” or “Dish TV”) and its subsidiary companies and its associate companies (“the Group”) may, in ordinary course of business, enter into transactions with a Related Party or Parties.

The Board of Directors of Dish TV has adopted the following policy and procedures with regard to Related Party Transactions. The Audit Committee may review and may amend this policy from time to time.

This policy will be applicable to the Company effective October 1, 2014. This policy is intended to regulate transactions between the Company and its Related Parties, based on the applicable laws, rules and regulations applicable to the Company

OBJECTIVES

The Board of Directors (the “Board”) of Dish TV has adopted Related-Party Transactions Policy (“Policy”) to set forth the procedures under which transactions with Related Parties shall be entered into with. The objective of this policy is to regulate transactions between the Company and its Related Parties based on the Companies Act 2013, Listing Agreement and other laws and regulations applicable to the Company.

This policy is framed in accordance with the requirement of The Companies Act 2013, Clause 49 of the Listing Agreement & other laws and regulations applicable to the Company and is intended to ensure the required approval and disclosure of transactions between the Company and its Related Parties. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policy concerning material related party transactions.

DEFINITIONS

“**Act**” means the Companies Act, 2013

“**Arm’s length transaction**” means a transaction between two related parties that is conducted as if they were unrelated.

“**Associate Company**” in relation to another company means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation — For the purposes of this clause, “significant influence” means control of at least twenty per cent of total share capital, or of business decisions under an agreement.

“**Audit Committee or Committee**” shall mean the Committee of Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013, to oversee the accounting and financial reporting process of the Company.

“**Board**” shall mean the Board of Directors of Dish TV India Limited.

“Clause 49” means the Clause 49 of the Listing Agreement entered into by the Company with the stock exchanges

“Company” means Dish TV India Limited

“Policy” means Related Party Transaction Policy. All Related Party Transactions must be referred for approval by the Committee in accordance with this Policy and reported to the Audit Committee at appropriate intervals.

“Related Party” shall have the same definition and meaning as provided for in The Companies Act, 2013 and the Listing Agreement.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes the following:

- i. a Director of the Company (hereinafter referred to as Director) or his/her relative;
- ii. a Director (other than an independent director) of the holding Company (hereinafter referred to as Director of holding company) or his/her relative;
- iii. a Key Managerial Personnel of the Company (hereinafter referred to as KMP) or his/her relative;
- iv. a Key Managerial Personnel of the holding company (hereinafter referred to as KMP of the holding company) or his/her relative;
- v. a Firm, in which a Director, Manager or his relative is a Partner;
- vi. a Private Company in which a Director or Manager or his relative is a Member or Director;
- vii. a Public Company in which a Director or Manager is a Director and holds, along with his relatives, more than 2% of its paid-up share capital;
- viii. any Body-Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager;
- ix. any person on whose advice, directions or instructions a Director or Manager is accustomed to act;
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity.
- x. any company which is—
 - A. a holding, subsidiary or an associate company of such company; or
 - B. a subsidiary of a holding company to which it is also a subsidiary.
- xi. Related Party as defined under Accounting Standard 18, which shall mean and include the following:
 - a) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries);

- b) Associates and joint ventures of the reporting enterprise and the investing party or venturer in respect of which the reporting enterprise is an associate or a joint venture;
- c) individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;
- d) key management personnel and relatives of such personnel; and
- e) enterprises over which any person described in (c) or (d) is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise

“Relative” - A person shall be deemed to be the relative of another if he or she is related to another in any one of the following manner:

- (i) They are members of a Hindu undivided family
- (ii) They are husband and wife
- (iii) One person is related to the other in such manner as may be prescribed and includes the following as per Rule 4 of the Companies (Specification of definitions details) Rules, 2014:
 - 1. Father (including step - father)
 - 2. Mother (including step - mother)
 - 3. Son (including step - son)
 - 4. Daughter (including step - daughter)
 - 5. Son’s wife
 - 6. Daughter’s husband
 - 7. Brother (including step – brother)
 - 8. Sister (including step – sister)

Key Managerial Personnel (KMP) in relation to a Company, means

- i. the Managing Director or the Chief Executive Officer or the manager and in their absence, a Whole-time Director;
- ii. the Company Secretary;
- iii. the Whole-time director
- iv. the Chief Financial Officer; and
- v. such other person as may be prescribed by applicable laws / regulations

“Related-Party Transaction” means any transaction involving transfer of resources, services or obligations between a company and a Related Party, regardless of whether a price is charged, including but not limited to the following:

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) appointment to any office or place of profit in the company and
- (g) underwriting the subscription of any securities or derivatives thereof, of the company:

Explanation—A “transaction” with a related party shall be construed to include single transaction or group of transactions in a contract.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Securities Contract Regulation Act or any other applicable regulation.

IDENTIFICATION OF RELATED PARTY TRANSACTIONS

Each Director and Key Managerial Personnel is responsible for disclosing (and periodically updating) particulars of his/her relatives and his/her interest in all the entity/ies, either as Director and/or Member and/or Partner etc. Additionally the Director and Key Managerial Personnel shall from time to time provide notice to the Board of any proposed Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request.

The Management shall compile a List of Related Parties in accordance with Clause 49 of the Listing Agreement and Companies Act, 2013 based on the disclosures provided by the Directors and Key Managerial Personnel and other information available with the Company.

The Company prefers to receive such notice of any proposed Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction and consider approvals.

PROHIBITIONS RELATED TO RELATED PARTY TRANSACTIONS

All Related Party Transactions shall require prior approval of Audit Committee. However the Audit Committee at its discretion may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to conditions prescribed under Clause 49 of the Listing Agreement.

All Material Related Party Transactions shall require approval of the shareholders through special resolution and all the entities falling under the definition of related parties irrespective of whether the entity is a party to the particular transaction or not shall abstain from voting on such resolutions.

REVIEW OF RELATED-PARTY TRANSACTION

1. Proposed Related Party Transactions will be referred to at the ensuing scheduled meeting of the Audit Committee for review and approval. The Audit Committee of the Board will review and, if appropriate, approve Related-Party Transactions.
2. Accordingly, the management shall present to the Committee the following information with respect to all proposed Related-Party Transactions expected to be entered into, to facilitate review of each related party transaction:
 - a. The name of the Related Party and the basis on which such person or entity is a Related Party and nature of relationship;
 - b. The purpose, nature, material terms and details of the transaction including duration and value, if any of the contract/transaction;
 - c. Brief benefits, rights, obligations of the Company and related party
 - d. In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price / value and / or material terms of the contract or arrangement including a justification to the proposed variations;
 - e. Manner of determining the pricing and other commercial terms, whether or not included as part of contract;
 - f. Whether all factors relevant to the contract have been considered;
 - g. Copy of the agreement, contract, purchase order or correspondence etc. if any;

- h. Valuation reports, if any, in case of sale or purchase or leasing / renting of capital assets such as building;
 - i. Justification as to the arm's length nature of the proposed transaction;
 - j. Declaration/ confirmation that the transaction is in the ordinary course of business;
 - k. Any other material information regarding the transaction(s) or the Related Party's interest in the transaction(s).
3. After reviewing such information, the members of the Audit Committee (without the participation the Committee member(s) interested in the transaction, if any) shall approve or disapprove such transactions, after considering the following factors, among others, to the extent relevant to the appropriate Related Party Transaction:
- a) Whether the Related Party Transaction is in the normal course of business of the Company;
 - b) Whether the terms of the Related Party Transaction are fair and on arms-length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
 - c) Whether the Related Party Transaction would affect the independence of any Independent Director;
 - d) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of, or in connection, with the proposed transaction
 - e) Whether the Company was notified about the Related Party Transaction before its commencement;
 - f) Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the benefits arising therefrom to the Company or Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deem relevant.
 - g) Whether such transactions is / are not inconsistent with the best interests of the Company and its shareholders;

The Board and Audit Committee may lay down principles for determining ordinary course of business in accordance with statutory requirements and other industry practices and guidelines.

4. No member of the Audit Committee shall participate in the review, consideration or approval of any Related-Party Transaction with respect to which such member or any of his or her relatives is a Related Party.
5. If any material information with respect to such transactions shall change subsequent to the Committee's review of such transactions, management shall provide the Committee with updated information at a subsequent meeting and get the changes approved afresh by the Committee.
6. If the Committee determines that a Related Party Transaction should be brought before the Board, whether in view of internal pre-determined threshold, if any, or otherwise or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

NO PRIOR APPROVAL REQUIRED

Notwithstanding the foregoing, the following Related Party Transactions shall not require prior approval of Audit Committee or Shareholders, unless the Corporate Governance Code of the Company require otherwise:

- a) Any transaction(s) between the Company and its wholly owned subsidiary(ies) whose accounts are consolidated with the accounts of the Company and placed before the shareholders at the general meeting for approval.
- b) Any transaction that involves payment of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- c) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro-rata as the Related Party.

OMNIBUS APPROVAL BY AUDIT COMMITTEE

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may, after considering the relevant factor including the ones mentioned above, grant standing pre-approval / omnibus approval.

While granting the approval the Audit Committee shall satisfy itself of the need for the omnibus approval and that same is in the interest of the Company. The omnibus approval shall specify the following:

- a. Name(s) of the related party
- b. Nature of the transaction
- c. Period of the transaction
- d. Maximum amount of the transactions that can be entered into
- e. Indicative base price / current contracted price and formula for variation in price, if any
- f. Such other conditions as the Audit Committee may deem fit.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value or material terms of the contract or arrangement have been varied / amended. Any proposed variations / amendments to these factors shall require a prior approval of the Committee.

Further, where the need of the related party transaction cannot be foreseen and all prescribed details are not available, Committee may grant omnibus approval subject to the value per transaction not exceeding Rs. 1,00,00,000/- (Rupees One Crore only). The details of such transaction shall be reported at the next meeting of the Audit Committee for ratification. Further, the Committee shall on an annual basis review and assess such transactions including the limits to ensure that they are in compliance with this Policy.

All related party transactions carried out by the Company and covered under the provision of omnibus approval by the Audit Committee, shall be reviewed on quarterly basis. The omnibus approval shall be valid for a period of one year and fresh approval shall be obtained after the expiry of one year.

APPROVAL OF THE RELATED PARTY TRANSACTIONS

All related party transactions shall be entered into after prior approval of Audit Committee. Based on the terms and conditions of a transaction, and applicable regulatory requirements, the Audit Committee will have the discretion to recommend / refer it for the approval of Board of Directors or Shareholders.

In the event such transaction, contract or arrangement is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.

All material related party transactions will be placed for approval of the shareholders of the Company through special resolution and all entities under the definition of related parties shall abstain from voting on such resolutions. The Audit Committee will have the discretion to seek opinion / report of an independent expert in case of material transactions.

A transaction with a related party is considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the company.

RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of any Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the said Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced with appropriate approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Audit Committee shall have the authority to modify or waive any procedural requirements of this Policy.

DISCLOSURE

Disclosure will be made in the Company's Annual Report of the particulars of the contract and arrangement along with the justification for entering into such contracts/arrangements with the Related Parties as part of Directors' Report. This Policy will also be uploaded on the website of Dish TV and a web link thereto shall be provided in the Annual Report.

The Company will also disclose the details of all material Related Party on a quarterly basis along with the compliance report on corporate governance filed with the stock exchanges under Clause 49 of the Listing agreement.