DISH TV INDIA LIMITED

*A limited company organised under the laws of India (the "**Company**", and together with its subsidiaries, the "**Group**")*

Admission of up to 277,095,615 Global Depositary Receipts (each representing one Share) ("GDRs") to the Professional Securities Market

This document comprises listing particulars (these "**Listing Particulars**") issued in compliance with the listing rules of the Financial Services and Markets Act 2000 (the "**FSMA**") by the UK Listing Authority (the "**UKLA**") and provides information in relation to the Admission on the Professional Securities Market ("**PSM**") of the London Stock Exchange plc (the "**Admission**") of the GDRs, each GDR representing one equity share of the Company of face value of Rs. 1 each (the "**Shares**"). Application has been made to the UKLA for the GDRs to be admitted to trading on the PSM.

If such application is approved, it is expected that Admission will become effective and that dealings in the GDRs will commence on 13 April 2018. However, there can be no assurance that the application for the Admission will be approved. Dealings in the GDRs on the London Stock Exchange before the Admission will only be settled if the Admission takes place. All dealings in the GDRs prior to the commencement of unconditional dealings will be at the sole risk of the parties concerned. The GDRs are of a specialist nature and should normally be bought and traded by investors who are particularly knowledgeable in investment matters. Holders of GDRs ("**Holders**") will have no voting rights with respect to the Deposited Shares. Deutsche Bank Trust Company Americas, acting as the depositary (the "**Depositary**"), will not exercise any voting rights in respect of the Deposited Shares unless it is required to do so by law. If so required, the Depositary will, at the direction of the Board of Directors of the Company, either vote as directed by the Board of Directors of the Company or give a proxy or power of attorney to vote the Deposited Shares in favor of a Director of the Company or other person or vote in same manner as those shareholders designated by the Board of Directors of the Company. A valid corporate decision of the Company will bind the Depositary and the Holders notwithstanding these restrictions on voting rights.

Acquiring the GDRs involves certain risks. See "Risk Factors" beginning on page 17 of these Listing Particulars.

On 11 November 2016, the boards of directors of each of Dish TV India Limited ("**Dish TV**") and Videocon d2h Limited ("**Videocon**") approved a scheme of arrangement for the amalgamation of Videocon into Dish TV (the "**Scheme**") and the execution of definitive agreements in relation to such amalgamation (the "**Amalgamation**"). Pursuant to the Scheme, the Company agreed to issue Shares as consideration for the Scheme and the Videocon shareholders were allotted new Shares of the Company for every share held in Videocon. Pursuant to the Scheme, each holder of Videocon American Depositary Shares ("**ADSs**") (each ADS representing four equity shares in the capital of Videocon) received approximately 8.0733 new GDRs in exchange for each one ADS held by them.

These Listing Particulars have been prepared solely in respect of the Admission, and no securities are being offered for subscription or sale pursuant to these Listing Particulars.

The GDRs will be issued in master form. It is expected that delivery of the GDRs will be made through the facilities of The Depository Trust Company ("**DTC**") on or about 12 April 2018.

The date of these Listing Particulars is 6 April 2018.

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THESE LISTING PARTICULARS HAVE BEEN PREPARED BY THE COMPANY SOLELY FOR THE PURPOSE OF THE ADMISSION. THESE LISTING PARTICULARS DO NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES BY ANY PERSON IN ANY JURISDICTION. THE DELIVERY OF THESE LISTING PARTICULARS SHALL NOT UNDER ANY CIRCUMSTANCES IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY OR ITS SUBSIDIARIES OR THAT THE INFORMATION SET FORTH HEREIN IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**") NOR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY IN THE UNITED STATES HAS APPROVED OR DISAPPROVED OF THE GDRS. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR TRUTHFULNESS, OR DETERMINED THE ADEQUACY, OF THESE LISTING PARTICULARS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

The information contained in these Listing Particulars is accurate only as of the date of these Listing Particulars.

The distribution of these Listing Particulars may be restricted by law in certain jurisdictions. No action has been or will be taken in any jurisdiction by the Company that would permit a public offering of the GDRs or to permit the possession, issue or distribution of these Listing Particulars in any jurisdiction where action for that purpose may be required. These Listing Particulars may not be used for, or in connection with, and do not constitute an offer to, or solicitation by, anyone in any jurisdiction in which it is unlawful to make such an offer or solicitation. Persons into whose possession these Listing Particulars may come are required by the Company to inform themselves about and to observe these restrictions. The Company does not accept any responsibility for any violation by any person, whether or not such person is a holder of the GDRs, of any of these restrictions.

Copies of these Listing Particulars are available for inspection at the registered office of the Company, 18th Floor, A Wing, Marathon Futurex, NM Joshi Marg, Lower Parel, Mumbai, Maharashtra – 400 013, India. These Listing Particulars will also be published on the website of the Company (www.dishtv.in).

NOTICE TO INVESTORS IN THE UNITED STATES

These Listing Particulars do not constitute an offer of securities for sale in the United States, and the GDRs or the underlying Shares of the Company may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or an exemption from registration. The GDRs have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States.

PRESENTATION OF FINANCIAL INFORMATION

The financial statements of Dish TV 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. All assets and liabilities have been classified as current and non-current, wherever applicable as per the operating cycle of Dish TV and as per the guidance as set out in Schedule III to the Companies Act, 2013.

The financial statements of Videocon have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") and IFRIC interpretations, as issued by the International Accounting Standards Board. These financial statements have been prepared under the historical cost convention, as modified by financial assets/financial liabilities at fair value through statement of income. These financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at 31 March 2016. The policies set out below have been consistently applied to all the years presented.

The audited consolidated financial statements of Dish TV as of and for the years ended 31 March 2017, 31 March 2016 and 31 March 2015 included in these Listing Particulars have been audited by Walker Chandiok

& Co. LLP, Chartered Accountants located at L-41 Connaught Circus, New Delhi, Central Delhi DL 110001, India. The audited financial statements for these years are prepared in accordance with generally accepted accounting standards in India. The auditors' reports of Walker Chandiok & Co. LLP have been included in these Listing Particulars in the form and context in which they have been included with the consent of Walker Chandiok & Co. LLP.

The unaudited interim consolidated financial results of Dish TV as of and for the nine months ended 31 December 2017 have also been included in these Listing Particulars. The unaudited interim financial result for this period is prepared in accordance with generally accepted accounting standards in India, pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The independent auditors have issued review report on these financial results.

The audited consolidated financial statements of Videocon as of and for the years ended 31 March 2017, 31 March 2016 and 31 March 2015 included in these Listing Particulars have been audited by Khandelwal Jain & Co., Chartered Accountants located at 12-b, 5th Floor, Baldota Bhavan, M Karve Road, Churchgate, Churchgate, Mumbai, Maharashtra 400020, India. The unaudited interim consolidated financial statements of Videocon as of and for the six months ended 30 September 2017 have also been included in these Listing Particulars. The audited financial statements for these years are prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board. The independent auditors have issued standard audit opinions on these financial statements. The auditors' reports of Khandelwal Jain & Co., have been included in these Listing Particulars in the form and context in which they have been included with the consent of Khandelwal Jain & Co.

Unless indicated otherwise, financial information of Dish TV and Videocon included in these Listing Particulars are presented in Indian rupees rounded to the nearest million. Therefore, discrepancies in the tables between totals and the sums of the amounts listed may occur due to such rounding.

TRADEMARKS AND TRADE NAMES

The Company owns or has rights to certain trademarks or trade names that the Company uses in conjunction with the operation of its businesses. Each trademark, trade name or service mark of any other company appearing in these Listing Particulars is the property of the respective holder.

CERTAIN DEFINITIONS

In these Listing Particulars:

- "**ACD**" means automatic call distribution;
- "**Company**" means Dish TV India Limited, following the effectiveness of the Amalgamation;
- "**DAS**" means digital addressable system;
- "**Dish TV**" means Dish TV India Limited, prior to the effectiveness of the Amalgamation;
- "**Group**" means the Company and its consolidated subsidiaries;
- "**IVR**" means interactive voice response;
- "**ISDN**" means integrated services digital network;
- "**PRI**" means primary rate interface, a form of ISDN;
- "**Videocon**" means Videocon d2h Limited, prior to the effectiveness of the Amalgamation; and
- "**WFM**" means work force management.

RESPONSIBILITY STATEMENT

The Company and the Directors, whose names appear on pages 78 to 81 assume responsibility for the content of these Listing Particulars and declare that, having taken all reasonable care to ensure that such is the case, the information contained in these Listing Particulars is, to the best of their knowledge, in accordance with the facts and that it makes no omission likely to affect its import.

FORWARD-LOOKING STATEMENTS

These Listing Particulars include "forward-looking statements" within the meaning of the securities laws of certain jurisdictions. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believe," "estimate," "anticipate," "expect," "intend," "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout these Listing Particulars and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Company operates and predictions and forecasts of industry experts upon which the Company relies.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in or suggested by the forward-looking statements contained in these Listing Particulars. You should not place undue reliance on these forward-looking statements. In addition, even if the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which the Company operates, are consistent with the forward-looking statements contained in these Listing Particulars, those results or developments may not be indicative of results or developments in subsequent periods. In particular, you should not place undue reliance on statements the Company makes with respect to estimates, expectations or projections regarding sales volume or synergies expected from acquisitions the Company has made or may undertake. Important factors that could cause those differences include, but are not limited to:

- the general economic conditions in India and in the international markets;
- the highly competitive environment in which the Company operates;
- the appeal of the Company's programming to attract viewers;
- a decline in advertising expenditures and the importance of television as an advertising medium;
- the cyclicality of the viewing patterns of the Company's audiences;
- the Company's ability to attract and retain subscribers;
- the Company's high dependence on suppliers of set-top boxes and other consumer equipment;
- failure to comply with existing and future regulation;
- failure to comply with the terms of the Company's licences, material modification or nonrenewal of the Company's licences;
- a deterioration of the Company's brand image;
- the Company's ability to manage platform, format and technological changes;
- the Company's ability to successfully launch new channels;
- the Company's reliance on third parties for distribution of the Company's programming contents;
- events outside the Company's control that may disrupt the Company's facilities and program broadcasts;
- the Company's reliance on satellites and other broadcasting equipment leased from third parties;

- the Company's receivables are significant and failure to collect the Company's receivables or untimely collection could affect the Company's liquidity;
- risks associated with joint ventures;
- uncertainties inherent in acquisitions and investments;
- regulatory risks associated with the Company's listing;
- risks associated with compliance with competition laws in India;
- legal proceedings involving the Company and the Company's management;
- the loss of senior management and key personnel;
- insufficient insurance coverage;
- exchange rate fluctuations; and
- other risks related to the Company's business, the industry or the regions in which the Company operates.

These risks and others described under "Risk Factors" are not exhaustive. Other sections of these Listing Particulars describe additional factors that could adversely affect the Company's results of operations, financial condition, liquidity and the development of the sectors in which the Company operates. New risks can emerge from time to time, and it is not possible for the Company to predict all such risks, nor can the Company assess the impact of all such risks on the Company's business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise, including, without limitation, changes in the Company's business or acquisition strategy or planned capital expenditures, or to reflect the occurrence of unanticipated events, except as required by law or by the rules and regulations of the PSM. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in these Listing Particulars.

AVAILABILITY OF THESE LISTING PARTICULARS

These Listing Particulars will be published on the Company's website (www.dishtv.in). The Company's website is not intended to be, and should not be construed as being, part of these Listing Particulars. Furthermore, these Listing Particulars will be available free of charge as of 6 April 2018 during regular business hours at the registered office of the Company at 18th Floor, A Wing, Marathon Futurex, NM Joshi Marg, Lower Parel, Mumbai, Maharashtra- 400 013, India.

EXCHANGE RATE INFORMATION

Both Dish TV and Videocon published their financial statements in Indian rupees. The following tables set forth, for the periods and dates indicated, the period end, average, high and low exchange rates, as published by Bloomberg expressed in Rs per USD 1.00.

On 29 March 2018 the exchange rate of the rupee compared to the U.S. dollars was Rs.65.14 per USD 1.00.

	Rs. Per USD 1.00			
	Period Average(1)	**High**	**Low**	**Period End**
Year				
2010	45.66	47.71	44.10	44.71

	Rs. Per USD 1.00			
	Period Average[(1)]	**High**	**Low**	**Period End**
2011	46.91	53.86	44.05	53.11
2012	53.43	57.17	48.83	54.79
2013	59.03	68.38	53.02	61.86
2014	61.18	63.87	58.37	63.23
2015	64.26	67.20	61.33	66.23
2016	67.25	68.93	66.06	67.98
2017	64.92	68.39	63.64	63.85
Month				
January 2017	68.07	68.39	67.52	67.52
February 2017	66.99	67.39	66.62	66.69
March 2017	65.80	66.84	64.79	64.86
April 2017	64.57	65.04	64.11	64.27
May 2017	64.44	64.96	64.03	65.51
June 2017	64.45	64.80	64.08	64.62
July 2017	64.43	64.85	64.12	64.17
August 2017	63.98	64.19	63.64	63.98
September 2017	64.45	65.52	63.82	65.35
October 2017	65.07	65.49	64.70	64.67
November 2017	64.87	65.47	64.43	64.57
December 2017	64.24	64.57	63.85	63.85
January 2018	63.65	64.02	63.31	63.69
February 2018	64.49	65.18	63.95	65.18
March 2018	65.04	65.30	64.70	65.14

(1) The average rate for a year means the average of the Bloomberg Composite Rates on the last day of each month during a year. The average rate for a month, or for any shorter period, means the average of the daily Bloomberg Composite Rates during that month, or shorter period, as the case may be.

The inclusion of these exchange rates and other exchange rates specified elsewhere in these Listing Particulars should not be construed as representations that the rupee amounts actually represent such USD amounts or could have been or could be converted into USD at any particular rate, if at all.

SUMMARY

Summaries are made up of disclosure requirements, referred to as "Elements". These Elements are numbered in Sections A - E (A.1 - E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Since a number of points do not need to be addressed, there may be gaps in the numbering sequence. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a brief description of the point with "not applicable" is included.

Section A—Introduction and Warnings		
A.1	*General disclaimer regarding the summary*	This summary highlights selected information from these Listing Particulars and should be read as introduction to these Listing Particulars. Any decision to invest in the GDRs should be based in your consideration of these Listing Particulars as a whole. You should read this summary together with the more detailed information, including Dish TV India Limited's ("**Dish TV**") and Videocon d2h Limited's ("**Videocon")** Financial Statements and related notes, elsewhere in these Listing Particulars. The usage of the defined terms of "Dish TV" and "Videocon" refer to the respective entities prior to the effectiveness of the Amalgamation. This summary should be read as introduction to these Listing Particulars. Any decision to invest in the GDRs should be based on consideration of these Listing Particulars as a whole by the investor. Where a claim relating to the information contained in these Listing Particulars is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating these Listing Particulars before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of these Listing Particulars or it does not provide, when read together with the other parts of these Listing Particulars, key information in order to aid investors when considering whether to invest in the GDRs. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC, as amended) in each Member State of the European Economic Area, no civil liability will attach to the Company in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of these Listing Particulars or it does not provide, when read together with the other parts of these Listing Particulars, key information in order to aid investors. Where a claim relating to the information contained in these Listing Particulars is brought before a court in a Member State of the European Economic Area, the plaintiff investor may, under the national legislation of the Member States where the claim is brought, be required to bear the costs of translating these Listing Particulars before legal proceedings are initiated.
A.2	*Information regarding the subsequent use of these Listing Particulars*	Not applicable. The Company does not consent to the use of these Listing Particulars for the subsequent resale or placement of the GDRs by financial intermediaries.
Section B—Company		
B.1	*Legal and commercial name of the Company*	The legal name of the company (the "**Company**") is Dish TV India Limited.
B.2	*Domicile and legal form of the*	The Company is a public limited liability company incorporated under the 1956 Indian Companies Act with corporate identification number L51909MH1988PLC287553 and

	Company, legislation under which the Company operates and country of incorporation	has its registered office at 18th Floor, A Wing, Marathon Futurex, NM Joshi Marg, Lower Parel, Mumbai, Maharashtra – 400 013, India.
B.3	*Description of, and key factors relating to, the nature of the Company's current operations and its principal activities, main products sold and/or services performed and identification of the principal markets in which the Company competes*	Prior to closing of the Amalgamation, Dish TV and Videocon each operated independently, and therefore as at the date of these Listing Particulars the Company has no operating history on a combined basis. **Products and Services** *Dish TV* Dish TV's business commenced operations in October 2003 with 47 channels pursuant to a direct-to-home ("**DTH**") licence issued by the Indian Ministry of Information & Broadcasting. Currently, Dish TV offers over 619 digital channels, including approximately 30 voice channels. Dish TV's fully paid-up equity shares (the "**Shares**") are listed on the NSE and BSE. Dish TV offers service to the market under the name "DISH TV". Dish TV is a pioneer in digital entertainment, and it is Asia Pacific's largest DTH company. Dish TV has on its platform more than 619 channels and services, including 30 audio channels and over 68 high definition ("**HD**") channels and services. Dish TV offers a host of active services including Comedy Active, Playin TV Active, Kids Active and Games Active. Other Active services include Bhakti Active, Multiplex Dish Box Office, Ibadat Active and Music Active. Dish TV uses the NSS-6 satellite platform along with the Asiasat 5, SES-8 and GSAT-15 platforms, which together provide Dish TV with a total bandwidth capacity of 810 MHz, amongst the largest held by any DTH provider in India. Dish TV has a vast distribution network of over 1,665 distributors and over 232,570 dealers that span across 9,306 towns in the country. Dish TV has more than 222 service franchisees that strive to achieve a TAT of four hours for customer service. Dish TV offers a portfolio featuring a wide array of brands and products to suit the needs of different consumer segments. It has been a conscious effort of Dish TV to lead on the content front for both HD and standard definition ("**SD**") channels. Continuing to push the HD growth with an offering of 68 HD channels, dishtruHD+ has taken the HD TV viewing experience to the next level whilst also building a high-ARPU base of HD users that supports customer retention. In response to the trend of an increase in recording usage, Dish TV now only offers recorder ready set-top boxes, which provides Indian consumers with access to pause/play and other recording features. With the up-gradation of customers from SD to HD and uptake from new launches, Dish TV expects to see an increasing trend in ARPU. The introduction of long-term offers on recharges will aid retention. The aim of Dish TV has always been to make entertainment accessible to consumers in the most convenient ways. This includes, for example, DishOnline, which takes advantage of high penetration of smart phones and the Internet. The Indian consumer today is spending increasing time on alternative screens like the laptop, tablet and smartphone, away from the conventional TV viewing. Understanding the new dynamics of evolving consumer trends of multi-screen behaviour, this product provides LIVE TV, catch-up TV and video shows at the press of a button on the app. Dish TV has elevated the TV viewing experience to a whole new level with its interactive gaming service Games Active and Playin TV, offering its subscribers exciting and interactive games.

Videocon

All of Videocon’s channels are turnaround channels, meaning that Videocon rebroadcasts all of the channels offered without modifying the content. Videocon also derives advertising revenue from selling advertising on the “home” channel, which is the channel that comes on when the system is powered on, and certain pathway channels which serve as pathways to popular channels.

Videocon’s subscribers have access to over 650 national and international channels and services, including 62 HD channels and services and 42 audio and video services through Videocon’s music channel services through several subscription packages, as well as the option of choosing add-ons and a la carte channels and receiving certain discounts through long-term recharge offers. Videocon also launched various subscription packages to cater to the varied needs of customers from time to time.

As of 31 March 2017, the charges for most of Videocon’s monthly subscription packages generally ranged from Rs. 199 to Rs. 680 per month (inclusive of taxes). The packages offered are similar throughout India. All packages include the Doordarshan channels and other free-to-air channels.

Additional subscriptions are required for the use of an additional set-top box in the same household by a subscriber. Videocon charges a reduced price for the additional subscription and also subsidise the payment relating to installation of an additional set-top box as an incentive to subscribers. In addition to subscription packages and package options, Videocon offers certain services designed to augment customers’ viewing experiences. In addition to subscription packages, package options and user experience services, Videocon offers a variety of value-added services. In 2016, Videocon expanded its value-added channels and continues to provide differentiated content tailored to the demographics in the Indian market that it targets.

Videocon’s subscriber base has increased significantly since commencing operations in July 2009. Videocon’s gross DTH subscriber base has increased from approximately 0.44 million as of 31 March 2010 to 17.98 million as of 31 March 2017.

Strategy

The Company believes that the consolidation of the businesses and operations of Dish TV and Videocon through Amalgamation will provide substantial impetus to growth, enable synergies, reduce operational costs, increase operational efficiencies and enable optimal utilization of resources as a result of the pooling of the companies’ financial, managerial and technical resources, as well as the companies’ technologies, thereby significantly contributing to future growth and maximizing shareholder value. The Company believes that the Amalgamation will enable the management of the combined company to vigorously pursue its strategy of revenue growth and expansion opportunities, as further detailed below.

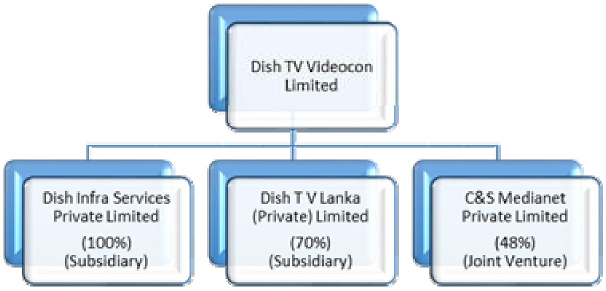
Grow Market Share

The Company aims to grow its market share in order to benefit from the rapid growth of the media and entertainment industry in India. It aims to grow its market share of net subscriber additions by investing further in innovative marketing, expanding its extensive dealership and distribution presence and providing excellent customer service. The Company plans to drive ARPU increases by continuing to improve its mixture of customer offerings and targeting high-value customers by providing products and services such as high-definition channels, value-added services, including pay-per-view and on-demand viewing, and new set-top boxes.

International Operations and Accessing the Mainstream Markets

In the fiscal year ended 31 March 2013, Dish TV entered the DTH market in Sri

		Lanka through the formation of a joint venture, Dish T V Lanka Pvt Ltd, with a local DTH licence holder for the provision of DTH services. In the near- to medium-term the Company's focus is on consolidating its market position and growing market share in Sri Lanka through this joint venture. *Proactively Pursue Investment Strategies to Derive Maximum Benefit from the digitisation of the Indian Television Distribution Market* The Company intends to continue to position itself strategically to derive maximum benefit from the mandatory digitisation of the Indian television distribution market by continuing to invest in and maintain its technology leadership by launching new product offerings and by purchasing set-top boxes and investing in digital headends for the Company's television distribution business.
B.4	*Most significant recent trends affecting the Company and the industries in which it operates*	The Company's business has been, and may continue to be, affected by the following factors, trends and changes in the global economy in general and in its industry in particular: • Technological Developments: Technological developments within the DTH industry include changes that may result in improved utilisation of capacity, more robust content recording features and new interactive content. Consumers may choose to view digital media through other platforms, such as computers, mobile phones, tablet computers and other devices. If the Company is unable to keep pace with such technological developments, its business, financial condition and results of operations may be adversely affected. • Use of Other Entertainment Media: The Company's business competes with many other media used for entertainment and information delivery, including broadcast television, films, live events, radio broadcasts, home video products, video and computer games, print media, social media and the Internet. Technological advancements, such as new video formats, and delivery of video content through streaming and downloading services on the Internet, have increased the number of entertainment and information delivery choices available to consumers and intensified the challenges posed by audience fragmentation. The increasing number of choices available to consumers could adversely affect demand for the Company's products and services and changes in technology could adversely affect the Company's ability to maintain, expand or upgrade its systems and respond to competitive pressures. • Subscriber Growth: A significant portion of the Company's revenue comprises income from DTH subscribers, particularly, subscription revenue and activation revenue and lease of consumer premises equipment. Subscription and activation revenue is dependent upon the number of subscribers, pricing of offerings and services and subscriber loyalty.

B.5	*Description of the group and the Company's position within the group*	As of the effective date of the Amalgamation, the Company owns two subsidiaries, namely Dish Infra Services Private Limited and Dish T V Lanka (Private) Limited (70% ownership) through which the Company conducts its businesses and operations. The Company also owns a 48% stake in a joint venture, C&S Medianet Private Limited. The organization chart below shows the Company's corporate structure as of the effective date of the Amalgamation. 
B.6	*Persons who, directly or indirectly, have a (notifiable) interest in the Company's capital or voting rights or have control over the Company*	The following table sets forth information with respect to shareholders holding 5% or more of the Company's Shares and having a (notifiable) interest in the capital or voting rights upon effectiveness of the Amalgamation.

	Upon effectiveness of the Amalgamation	
Shareholders	**Number**	**%**
Veena Investments Private Limited [(1)]............	543,307,082	29.51%
Deutsche Bank Trust Company Americas[(2)]………................	277,095,615	15.05%
Electroparts (India) Private Limited…………………...	122,072,040	6.63%
Greenfield Appliances Private Limited..........	101,760,931	5.53%
Solitaire Appliances Pvt. Ltd.……………………………....	101,760,932	5.53%
Waluj Components Private Limited………………………	101,275,125	5.50%
Direct Media Solutions LLP..........................	76,905,278	4.18%

(1) Includes 86,094,822 Shares held directly by Veena Investments Private Limited and 457,212,260 Shares held indirectly through Direct Media Distribution Ventures Private Limited.

(2) In its capacity as Depositary under the Deposit Agreement in respect of the GDRs.

B.7	*Selected historical key financial information*	**Dish TV**

Consolidated Balance Sheet

(All amounts in Rs.millions, unless stated otherwise)

	As at 31 March		
EQUITY AND LIABILITIES	**2017**	**2016**	**2015**
Shareholders' funds			
Share capital	1,066	1,066	1,066
Reserves and surplus	3,840	2,741	(4,199)
	4,906	3,807	(3,133)
Non-current liabilities			
Long-term borrowings	5,834	11,535	-
Other long-term liabilities	1,000	635	183
Long-term provisions	231	173	65
	7,065	12,343	248
Current liabilities			
Short-term borrowings	-	28	480
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	**1,711**	**2,298**	**1,268**
Other current liabilities	14,691	8,766	22,130
Short-term provisions	14,237	12,151	10,671
	30,639	23,243	34,549
Total	**42,610**	**39,393**	**31,664**
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	19,080	18,020	14,428
Intangible assets	123	81	111
Capital work-in-progress	7,868	6,100	4,972
Non-current investments	1,500	1,500	2,000
Deferred tax assets	5,100	4,360	
Long-term loans and advances	2,012	1,714	839
Other non-current assets	4	26	167
	35,687	31,801	22,517
Current assets	-		
Current investments	144	820	-
Inventories	131	126	99
Trade receivables	870	725	637
Cash and bank balances	2,923	3,392	4,286
Short-term loans and advances	2,743	2,287	3,909
Other current assets	112	242	216
	6,923	7,592	9,147
Total	**42,610**	**39,393**	**31,664**

Consolidated Balance Sheet for Dish TV as at 31 December 2017

EQUITY AND LIABILITIES	2017 (unaudited)
Shareholders' funds	
Share capital	1,066
Reserves and surplus	2,575
	3,641
Non-current liabilities	
Long-term borrowings	6,383
Other long-term liabilities	566
Long-term provisions	253
	7,202
Current liabilities	
Short-term borrowings	1,580
Trade payables	4,763
Total outstanding dues of micro enterprises and small enterprises	
Total outstanding dues of creditors other than micro enterprises and small enterprises	
Other current liabilities	12,642
Short-term provisions	15,284
	34,269
Total	**45,112**
ASSETS	
Non-current Assets	
Fixed assets	
Tangible assets	20,257
Intangible assets	390
Capital work-in-progress	5,317
Non-current investments	1,500
Deferred tax assets	5,873
Long-term loans and advances	-
Other non-current assets	1,600
	34,937
Current assets	
Current investments	-
Inventories	109
Trade receivables	5,130
Cash and bank balances	2,098
Short-term loans and advances	37
Other current assets	2,801
	10,175
Total	**45,112**

Consolidated Statement of Profit and Loss

(All amounts in Rs.millions, unless stated otherwise)

	For the nine months ended 31 December	For the year ended 31 March		
	2017 (unaudited)	2017	2016	2015
Income				
Revenue from operations	22,282	30,144 [(1)]	30,599	26,880
Other Income	331	475	641	635
Total revenue	**22,613**	**30,619**	**31,240**	**27,515**
Expenses				
Purchases of stock-in-trade (consumer premises equipment related accessories/spares)	76	112	126	81
Changes in inventories of stock-in-trade	10	(5)	(27)	(24)
Operating expenses	11,366	14,233 [(1)]	14,681	13,954
Employee benefits expense	1,113	1,440	1,229	1,018
Finance costs	1,702	2,239	2,087	1,754
Depreciation and amortisation expense	5,568	6,631	5,907	6,138
Other expenses	3,538	4,578	4,342	4,520
Total expenses	**23,372**	**29,228**	**28,345**	**27,441**
Profit before prior period items and tax	(759)	1,391	2,895	74
Prior period items	-	57	-	-
Profit before tax	(759)	1,334	2,895	-
Tax expense:				
- Current tax	431	1,035	331	43
- Deferred tax credit	(806)	(740)	(4,360)	-
Income tax –prior years	(30)	(54)	-	-
Profit for the year	(354)	1,093	6,924	31
Basic/diluted earning pers Share (in Rs.) (refer to note 36) (Face value of Shares of Rs. 1 each)	(0.27)	1.03	6.50	0.03

(1) Dish TV adopted a change in the accounting treatment of entertainment tax effective 1 April 2016. This change resulted in revenue from operations being presented net of entertainment tax. This change is reflected in Dish TV's financial information for the fiscal year ended 31 March 2017. Prior to 1 April 2016, entertainment tax was accounted for under operating expenses, thus revenue from operations was presented without deduction of entertainment tax. As a result, Dish TV's results of operations for periods after 1 April 2016 are not comparable with its results of operations for periods prior to 1 April 2016 due to this change in accounting treatment of entertainment tax effective 1 April 2016.

Consolidated Cash Flow Statement

(All amounts in Rs.millions, unless stated otherwise)

	For the year ended 31 March		
	2017	2016	2015
Net cash generated from operating activities..................	8,204	11,324	7,675
Net cash used in investing activities..................................	(6,235)	(8,091)	(6,699)
Net cash used in financing activities..................................	(1,145)	(3,519)	(362)
Net (decrease)/increase in cash and cash equivalents	824	(286)	614
Cash and cash equivalents at the beginning of the year	909	1,195	581
Cash and cash equivalents at the end of the year	1,733	909	1,195

Videocon

Consolidated Income Statement

(All amounts in Rs. millions, unless stated otherwise)

Particulars	For the nine months ended 31 December 2017 (unaudited)	For the six months ended 30 September 2017 (unaudited)	For the year ended 31 March 2017	2016	2015
INCOME					
Revenue from operations.......	24,408.38	16,071	30,717.34[1]	28,558.62	23,377.08
	24,408.38	**16,071**	**30,717.34**	**28,558.62**	**23,377.08**
EXPENSE					
Operating expense..........	12,969.24	8,533	16,191.51	16,492.80	13,853.05
Employee benefits expense..........	806.62	517	1,288.53	1,207.31	1,023.28
Administration and other expenses.........	673.30	484	815.42	704.51	688.04
Selling and distribution expenses.........	1,754.63	1,246	2,349.31	2,258.84	1,856.32
Depreciation, amortisation and impairment.....	5,452.27	3,609	6,866.09	6,088.42	5,286.82
Total Expenses	**21,656.06**	**14,389**	**27,510.86**	**26,751.88**	**22,707.51**
Profit/ (Loss) from operations.........	**2,752.32**	1,681	3,206.48	1,806.74	669.57
Finance costs /	(2,070.05)	(1,440)	(2,815.88)	(3,142.83)	(4,614.22)

Finance Income (Net) ..					
Other Income	32.27	19	52.70	36.64	0.08
Profit / (loss) before tax	714.54	260	443.30	(1,299.45)	(3,944.57)
Income tax expense					
Current tax	—	—	—	—	—
Deferred tax	220.79	80	138.88	(377.40)	(1,217.93)
Profit / (Loss) after tax............	**493.75**	**180**	**304.42**	**(922.05)**	**(2,726.64)**
Basic earning per share in INR....................	**1.15**	**0.42**	**0.73**	**(2.21)**	**(10.26)**
Diluted Earning per Share in INR	**1.07**	**0.39**	**0.68**	**(2.21)**	**(10.26)**

(1) Videocon adopted a change in the accounting treatment of entertainment tax effective 1 April 2016. This change resulted in operating revenue being presented net of entertainment tax, effective from 1 April 2016. Videocon's financial and operating highlights for fiscal year 2017 and for the six and nine months ended 30 September 2017 and 31 December 2017 respectively, have been adjusted to reflect this change. Prior to 1 April 2016, entertainment tax was accounted for under operating expenses, thus operating revenue was presented without deduction of entertainment tax. As a result, Videocon's financial and operating highlights for periods after 1 April 2016 are not comparable with its financial and operating highlights for periods prior to 1 April 2016 due to this change in accounting treatment of entertainment tax effective 1 April 2016.

Statement of Financial Position

(All amounts in Rs. millions, unless stated otherwise)

			As at		
Particulars		**30 September 2017 (unaudited)**	**31 March 2017**	**31 March 2016**	**31 March 2015**
Assets					
Non-current Assets					
Property, Plant and equipment & Capital Work-in-Progress.............		25,412	26,102.54	26,680.84	25,315.45
Intangible Assets....		800	849.37	888.10	1,072.53
Other Financial Assets		2,831	2,701.81	2,054.56	752.40
Other Non-Financial Assets .		105	105.57	107.25	108.92
Deferred Tax Assets (Net)........		7,866	7,946.71	8,085.59	7,708.19

		Total non-current assets	**37,015**	**37,706.00**	**37,816.34**	**34,957.49**
		Current Assets				
		Inventories	295	380.85	400.23	341.25
		Trade Receivables	1.39	1.40	2.79	1.63
		Other Financial Assets	3,906	3,714.90	5,547.82	3,151.58
		Other Non-Financial Assets	678	916.77	1,481.61	924.69
		Cash and cash equivalents	487	661.83	1,428.69	9,888.77
		Total current assets	**5,368**	**5,675.75**	**8,861.14**	**14,307.92**
		Total Assets	**42,383**	**43,381.75**	**46,677.48**	**49,265.41**
		Equity				
		Share Capital	4,250	4,209.66	4,163.60	3,930.00
		Share Premium	21,479	21,517.31	21,147.28	21,380.88
		Retained earnings	(17,738)	(17,918.32)	(18,222.75)	(17,300.70)
		Other reserves	—	—	147.51	29.74
		Total Equity	**7,991**	**7,808.65**	**7,235.64**	**8,039.92**
		Liabilities				
		Non-current Liabilities				
		Long-term borrowings	163	235.84	5.37	23.13
		Other Non-Financial Liabilities	2,165	2,365.13	2,739.59	2,869.14
		Post-employment benefits	45	85.32	53.04	44.99
		Others employment benefits	30	34.36	31.45	26.10
		Total non-current liabilities	**2,404**	**2,720.65**	**2,829.45**	**2,963.36**
		Current Liabilities				
		Short-term borrowings	—	—	—	—
		Trade Payable	5,098	5,058.26	5,602.86	4,338.03
		Other Non-Financial Liabilities	6,918	7,420.70	7,383.24	7,170.16
		Other Financial Liabilities	19,488	20,343.75	23,621.79	26,747.99
		Post-employment benefits	19.7	20.88	0.80	2.53
		Others employment benefits	4.2	8.86	3.70	3.42
		Total current liabilities	**31,989**	**32,852.45**	**36,612.39**	**38,262.13**
		Total Liabilities	**34,393**	**35,573.10**	**39,441.84**	**41,225.49**
		Total equity and liabilities	**42,383**	**43,381.75**	**46,677.48**	**49,265.41**

		Statement of Cash flows (All amounts in Rs. millions, unless stated otherwise)

	Year ended 31 March		
	2017	**2016**	**2015**
Profit before tax	443.3	(1,299.45)	(3,944.57)
Net cash inflow from operating activities................	10,989.01	4,727.49	9,107.87
Net cash flow from investing activities .	(5,880.82)	(6,544.89)	(7,546.74)
Net cash flow from financing activities.	(5,875.05)	(6,642.68)	8,142.75
Net increase /(decrease) in cash and cash equivalents during the year	(766.87)	(8,460.08)	9,703.87
Cash and cash equivalents at beginning of the financial year	1,428.69	9,888.77	184.90
Cash and cash equivalents at end of the financial year	661.83	1,428.69	9,888.77

During or subsequent to the period covered by the historical key financial information presented above, the only significant changes to the financial condition and operating results of Dish TV and Videocon were as follows:

- The Amalgamation closed effective as at 22 March 2018.

B.8	*Selected key pro forma financial information*	Not applicable. These Listing Particulars do not contain *pro forma* financial information.
B.9	*Profit forecasts or estimates*	Not applicable. These Listing Particulars do not contain profit forecasts or estimates.
B.10	*Any qualifications in the audit report on the historical financial information*	Not applicable. There are no qualifications in the auditor's report on historical financial information.
B.11	*Explanation of insufficiency of the Company's working capital*	Not applicable.
	Section C—Securities	
C.1	*Description of the type and class of*	GDRs are being admitted to trading. Each GDR represents one Share, and the GDRs were issued pursuant to the deposit agreement (the "**Deposit Agreement**"), to be dated on or about the date of these Listing Particulars, between the Company and Deutsche

	securities	Bank Trust Company Americas, as depositary (the "**Depositary**"). The ISIN for the GDRs and the underlying Shares are US25471A4013 and INE836F01026, respectively. The CUSIP Number for the GDRs is 25471A401. The trading symbol for the GDRs is "DTVL".
C.2	*Currency of the GDRs*	U.S. dollar.
C.3	*Number of issued and fully paid Shares and par value of the Shares*	As of 31 March 2017: The Company's authorised Share capital is of Rs. 1,500,000,000 divided into 1,500,000,000 Shares of Rs. 1 each. The Company's issued and subscribed Share capital is of Rs. 1,065,968,905 divided into 1,065,968,905 Shares of Rs. 1 each. The Company's paid-up Share capital is of Rs. 1,065,955,532 divided into 1,065,934,528 Shares of Rs. 1 each fully paid-up, 15,262 Shares of Rs. 1 each paid-up, Rs. 0.75 per Share, and 19,115 Shares of Rs. 1 each paid-up, Rs. 0.50 per Share.
C.4	*Rights attached to the GDRs and the Shares*	**GDRs** As soon as practicable after receipt of notice of any meeting of holders of Shares, the Depositary will, subject to the receipt by the Depositary of a legal opinion in accordance with paragraph (C) of Condition 12 of the Deposit Agreement, mail to the holders of GDRs a notice in such form as the Depositary may in its sole discretion consider appropriate, which will contain (a) such information as is contained in such notice of meeting; (b) a statement that holders of GDRs at the close of business on a specified record date will be entitled, subject to any applicable provision of Indian law and the articles of association of the Company, to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the amount of Shares or other deposited property represented by their respective GDRs; and (c) details as to the manner in which such instructions may be given (or deemed to be given). In respect of any proposed resolution: (i) if the vote in respect of such resolution is on a show of hands, the Depositary will vote in the direction that a majority (if any) of those holders of GDRs that have submitted valid voting requests in writing to the Depositary (for the avoidance of doubt, disregarding for this purpose any holders of GDRs that have not submitted any voting instructions), have requested the Depositary to vote; or (ii) if the vote in respect of such resolution is on the basis of a poll, the Depositary will endeavour, in so far as practicable, to vote or cause to be voted, in respect of each valid written request of a holder of GDRs on such record date, the amount of Shares represented by the GDR or GDRs of the respective holder in accordance with the instructions set forth in such request. The Depositary will not itself exercise any voting discretion over any Shares or deposited property. In order for each voting instruction to be valid, the voting instructions form must be completed and duly signed by the respective holder of GDRs and returned to the Depositary by such date as specified by the Depositary.

		Shares Each Share is entitled to one vote at all general meetings of the shareholders. The dividend proposed, if any, by the Board of Directors of the Company is subject to approval of shareholders in the Annual General Meeting, except in the case of an interim dividend. Dish TV has not paid any dividends for the fiscal years of 2015 and 2016. 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.
C.5	*Restrictions on the free transferability of the GDRs and the Shares*	Not applicable. There are no restrictions on transferability of the GDRs and pursuant to the Company's articles of incorporation, there are no restrictions on the transferability of the Shares. The distribution of these Listing Particulars or the Offering may be subject to limitations in certain jurisdictions.
C.6	*Listing and Trading*	The Company has applied for the admission to trading of the GDRs on the Professional Securities Market of the London Stock Exchange plc. It is expected that the Admission will become effective and that dealings in the GDRs will commence on 13 April 2018.
C.7	*Dividend policy*	Dividend for any financial year shall be paid out by the Company in accordance with the provisions of Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. The Company implemented a formal dividend policy on 24 March 2017. Dish TV has not paid dividend for the fiscal years of 2015 and 2016.
		Section D—Risks
D.2/4	*Key information on the key risks of the issuer*	Below are some of the material risks and uncertainties the Company faces, but these risks and uncertainties may not be the only ones. Additional risks and uncertainties, including those the Company currently is not aware of or deems immaterial, may also harm its business. • The Company faces intense competition which may result in reduced market share, adversely affecting the Company's revenues and profitability. • The Company's business is highly capital intensive. The Company needs to continuously adapt to technological changes and failure to do so could result in a material adverse effect on the Company's business, results of operations, financial condition and cash flows. • The Company enters into related party transactions for which, under Indian law, the Company needs to obtain prior approval of the audit committee, and where such transaction exceeds prescribed thresholds, approvals from the board of directors and the shareholders are required as well. If circumstances or assumptions change so that such transactions are held to be in violation of Indian law, then this can have an adverse impact on the business, results of operations, financial condition and cash flows of the Company. Violations can attract financial penalties on the company. Where such contracts have been entered into without the consent of the board or shareholders, as the case maybe, such contracts are voidable at the option of the board of directors or, as the case may be, of the shareholders, of the company. • The Company is a satellite-based television operator. Satellites are subject to in-orbit operational risks, and their actual useful life may be significantly shorter than their design useful life. Any satellite failure resulting in any serious

		disruption, suspension or inability to broadcast to the Company's subscribers for prolonged periods could have a material adverse effect on the Company's business, results of operations, financial condition and cash flows. • The Company's insurance coverage may not be adequate to protect the Company against certain operational risks or claims, and the Company may be subject to losses that might not be covered in whole or in part by existing insurance coverage. • The Company imports a major part of its consumer premises equipment ("CPE"). The Company has not entered into any firm/long-term arrangements with its vendors for supply of such equipment. In the future, the Company may not have access to a regular supply of such equipment at competitive prices. • The Company may be involved in legal and other proceedings and may face certain liabilities. • The Company may face challenges integrating the businesses and operations of Dish TV and Videocon, which could disrupt its current operations or result in higher costs or worse overall performance than anticipated. • Exchange rate fluctuations may affect the Company's results of operations and financial condition. • A slowdown in economic growth in India could cause the Company's business to suffer. • A significant change in the government of India's economic liberalisation and deregulation policies could disrupt the Company's business and cause the price of the Company's Shares to decline. • A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy. A decline in the valuation of the Indian rupee could result in reduced liquidity and higher interest rates that could adversely affect the Company's future financial condition.
D.3/5	*Key information on the key risks of the depository receipts*	• The trading price of the GDRs may be highly volatile and an active and liquid market for the GDRs may not develop; • future sales or buybacks of GDRs may adversely affect the market price of the GDRs and lock up arrangements has not been entered into; • GDR holders may not be able to exercise pre-emption rights or participate in future issues of GDRs; • holders of GDRs may not be able to exercise voting rights associated with the Shares on the same terms as holders of Shares; • holders of GDRs may not receive distributions on Shares represented by the GDRs or any value if it is illegal or impractical to make the distribution available to holders of GDRs; and • investors may have limited recourse against the Company or the Company's directors and executive officers because they generally conduct their operations outside the United States and the United Kingdom and all of its current directors and executive officers may reside outside the United States and the United Kingdom.
Section E—Offer		

E.1	*Total net proceeds and estimate of the total expenses incurred in connection with the offering*	Not applicable. There is no offer of the Company's securities.
E.2	*Reasons for the offering and use of proceeds*	Not applicable. There is no offer of the Company's securities.
E.3	*Terms and conditions of the offering*	Not applicable. There is no offer of the Company's securities.
E.4	*Material interests*	Not applicable. There is no offer of the Company's securities.
E.5	*Lock up arrangements*	Not applicable. There is no offer of the Company's securities.
E.6	*Dilution resulting from the offering*	Not applicable. There is no offer of the Company's securities.
E.7	*Estimated expenses charged to the investor*	Not applicable. There is no offer of the Company's securities.

RISK FACTORS

Prospective investors should carefully consider the following risks, as well as other information contained in these Listing Particulars before deciding to purchase any of the Company's securities. If any of the following risks actually occurs the value and trading price of the Shares or the GDRs could decline, and investors could lose all or part of their investment. Below are the risks and uncertainties the Company believes are material, but these risks and uncertainties may not be the only ones the Company faces. Additional risks and uncertainties, including those the Company currently is not aware of or deems immaterial, may also harm its business.

A. Risks relating to the Company

Internal risk factors and risks relating to the Company's business

The Company faces intense competition.

Significant additional competition in the Direct-to-Home ("**DTH**") industry may result in reduced market share and thereby adversely affect the Company's revenues and profitability. The Company's business is primarily focused on providing DTH pay-TV services and it has traditionally competed against other DTH pay-TV providers and cable companies, some of whom have greater financial, marketing and other resources than the Company. Moreover, mergers and acquisitions, joint ventures and alliances among cable television providers, telecommunications companies and others may result in, among other things, greater financial leverage and increase in service offerings from competitors capable of bundling television, broadband and telephone services. In order to grow its market share, the Company would need to attract a greater proportion of new subscribers from its competitors' existing subscriber bases as well as first-time purchasers of DTH pay-TV services, including cable to DTH switch over subscribers. In addition, because other DTH pay-TV providers may be seeking to attract a greater proportion of their new subscribers from the Company's existing subscriber base, the Company may be required to increase retention spending, which is capital-intensive. Competition in the DTH pay-TV industry has intensified in recent years as the industry has matured and seen the growth of digital cable-based pay-TV services offered by digital cable operators. These cable-based pay-TV services have significantly greater capacity, enabling them to offer substantial HD programming content as well as bundled services. This increasingly competitive environment may require the Company to increase subscriber acquisition and retention spending or accept lower subscriber activation and higher subscriber churn. Further, as a result of this increased competitive environment and the maturation of the DTH pay-TV industry, the Company's future growth opportunities may be limited. Maintaining or increasing the Company's market share will depend on effective marketing initiatives, including advertising and the Company's ability to invest in the business to keep up to date with the technology it uses to deliver content to viewers. If the Company is unable to compete effectively, this could have a material adverse effect on its business, results of operations, financial condition and cash flow.

The success of the Company's business is substantially dependent on its management and technical team, and the Company's inability to retain them could adversely affect its business.

The Company's ability to sustain its growth depends, in large part, on its ability to attract, train, motivate and retain skilled personnel. The Company's ability to hire and retain additional qualified personnel will impact its ability to continue to expand its business. The Company believes that there is a significant demand for personnel who possess the skills needed in its business areas. An increase in the rate of attrition for its experienced employees would adversely affect its business. The Company may not be successful in recruiting and retaining a sufficient number of personnel with the requisite skills to replace those personnel who leave. This may adversely affect its business and results of operations. Further, the Company may be unable to successfully re-deploy and re-train its personnel to keep pace with continuing changes in its business.

The Company's business is highly capital intensive.

The Company operates in a capital-intensive industry, which over the years has seen changes due to technological improvements and is currently in the process of digitisation. The Company relies on sophisticated broadcast equipment, communications equipment and other information technology to conduct its business. New technologies have been, and will likely continue to be, developed that further increase the competition the Company faces for its business. For example, new delivery platforms such as online services and devices that offer internet video streaming and downloading of movies, television programming content and other video programming that can be viewed on television sets, and wireless and other mobile technologies that provide for the distribution and viewing of video programming would increase competition for the Company. Furthermore, new technologies could cause the Company's services and products that deliver programming content to become obsolete.

In order to compete effectively and maintain market share, the Company needs to continuously adapt to technological changes and adopt the latest technologies in a timely and cost effective manner. The Company seeks to proactively anticipate technological developments and to maintain adaptability and price competitiveness to enable it to respond to changes in consumer behaviour. However, the Company may experience delays in the roll-out of new products for various reasons, including failure to upgrade its networks, capital shortfalls, failure of third-party suppliers to deliver services and products in a timely manner and inability to meet the Company's own implementation schedules. The return on capital investment depends upon, among other things, competition, subscriber acquisition cost, demand, government policies, rate of interest and general economic conditions. Any of the foregoing could result in a material adverse effect on the Company's business, results of operations, financial condition and cash flows.

The Company enters into related party transactions and competes with related parties

The Company is currently a party to several related party transactions with companies in which Veena Investments Private Limited, which beneficially owns 29.51% of the Shares upon the effectiveness of the Amalgamation (directly and indirectly through its subsidiary Direct Media Distribution Ventures Private Limited), also holds a controlling interest. Such related parties include Zee Entertainment Enterprises Limited, with which the Company has entered into transactions for advertising its services over television media and for purchase of content, as well as with various other related parties for purposes of payment of rent of office premises. Under Indian law, all related party transactions of a listed company require the prior approval of the audit committee of the listed company. Under the relevant provisions of the Companies Act 2013, related party transactions also require the approval of the board of directors, and of the shareholders of the company (where such transactions exceed prescribed thresholds); provided that these requirements will not be applicable to transactions entered into by a company in its ordinary course of business and on an arm's length basis, unless such related party transactions meet prescribed thresholds under Indian securities law, in which case approval of shareholders of the company, subject to certain exceptions, will be required. In addition, under Indian law, if related party transactions require approval by the board or shareholders of the company, such directors who are interested, and shareholders that are related parties, are required to abstain from voting on the transaction; except in cases where 90% of the shareholders, in number, of the company, are relatives of promoters or are related parties, in which case, shareholders that are related parties, are not required to abstain from voting on the transaction. There is a risk that, as circumstances or assumptions change, some of the services that we receive from, or provide to related parties could be construed not to be on an arm's length basis or may be in violation of Indian laws. Such violations can attract financial penalties on the company. Besides this, separate penalties and consequences are prescribed for officers in default, employees and directors of the company. Where such contracts have been entered into without the consent of the board or shareholders, as the case may be, such contracts are voidable at the option of the board of directors or, as the case may be, of the shareholders, of the company. Such determination could have an adverse impact on our business, results of operations, financial condition and cash flows.

The Company is a satellite-based television operator. Satellites are subject to in-orbit operational risks, and their actual useful life may be significantly shorter than their design useful life.

The Company uses several satellites to broadcast its programming. While in orbit, satellites are subject to in-orbit operational risks, including satellite manufactuers' errors, operational failures, malfunctions, commonly referred to as anomalies, and collisions with meteoroids, spacecraft or space debris. Anomalies may occur as a result of various factors, such as satellite manufacturing errors, problems with the power or control systems of the satellite and other general failures. Anomalies could have a material adverse effect on the Company's operations and revenue and its relationship with current subscribers, as well as its ability to attract new subscribers. In particular, anomalies may result in the loss of one or several transponders or an entire satellite, which may cause the Company's services to be unavailable for an indefinite period of time. Anomalies may also reduce the expected useful life of a satellite, thereby reducing the revenue that could be generated by that satellite or create additional expenses due to the need to provide replacement or back-up satellites. The satellites are also subject to a variety of atmospheric risks while in orbit that may adversely affect operations, including meteoroid strikes, electrostatic storms, increased solar activity and collisions with space debris.

Because the Company has access to multiple satellites, the available capacity redundancy enables the Company to withstand temporary damage to any one of the satellites it uses. However, the Company's back-up satellite capacity may not always be available, and if available, may require the Company to discontinue some programming services due to potentially reduced capacity.

The Company is not covered by business interruption insurance for any resultant lost revenues from a failure or loss of satellites or any of the transponders on the satellite. Any satellite failure resulting in any serious disruption, suspension or inability to broadcast to its subscribers for prolonged periods could have a material adverse effect on the Company's business, results of operations, financial condition and cash flows.

The Company's ability to generate revenue also depends on the actual useful life of the satellites it uses. All satellites have a limited useful life, which may be affected by:

- design, quality of construction, and durability of component parts of the satellite;
- any required movement, temporary or permanent, of the satellite;
- ability to continue to maintain proper orbit and control over the satellite's functions;
- remaining on-board fuel following orbit insertion; and
- any potential damage to the satellite, such as collisions while in-orbit.

The Company relies on third parties to provide it with programming, and any increase in programming costs or new regulations may adversely affect the Company's business, financial condition and results of operations.

The Company relies on third-party content providers to provide it with programming, and the Company's ability to compete successfully in the DTH pay-TV industry depends on its ability to continue to obtain programming for delivery to its subscribers at competitive prices. Dish TV and Videocon's content procurement costs constitutes approximately 30.0% and 39.9% of their respective revenue for the fiscial year 2017. Content procurement by broadcasting service providers in India, including the Company, takes place through channel distributors or owners. Under Indian interconnection regulations, all channel owners and distributors are required to offer their content to all broadcasting platforms and operators, including pay DTH service providers such as the Company, subject to payment of content costs, which are regulated by the GoI. Any change in Indian interconnection regulations that would permit content owners and distributors to refuse to provide programming to DTH operators or impose discriminatory terms or conditions, may adversely affect the Company's ability to acquire programming in a cost-effective manner, or at all, which could result in a material adverse effect on the Company's business, financial condition and results of operations.

The Company typically enters into agreements with channel distributors and owners, in order to be able to acquire multiple channels offered by such distributors or owners as a bundle, at negotiated prices (typically below the ceiling prices prescribed by the Indian regulator). The Company's significant content agreements that it has entered into at negotiated rates include those entered into with Zee Entertainment Enterprises Ltd (formerly Taj Television (India) Private Limited), Star India Private Limited, Sony Pictures Networks India Private Limited (formerly Multi Screen Media Private Limited) and TV 18 Broadcast Limited. The Company's programming agreements generally have terms ranging from one to five years and contain various renewal and termination provisions.

Although the Company has historically been able to readily renew its contracts with its major content providers, it may not be able to renew them on favourable terms in the future, in a timely manner, or at all, if the market environment changes due to new regulations or increase in content costs for channel distributors. If the Company is unable to renew its content agreements, its programming costs may increase. If the Company is unable to pass on such increased programming costs to its subscribers, or if such increase in subscriber fees leads to increased subscriber churn or inability to add to the Company's subscriber base, its business, financial condition and results of operations may be adversely affected.

Any failure or inadequacy of our information technology and network systems may have an adverse effect on our business operations and its customers may have claims for penalties against it.

The Company's success depends, in part, on the continued and uninterrupted performance of its information technology and network systems. The capacity, reliability and security of the Company's information technology hardware and software infrastructure (including our billing systems) are important to its business operations, which would suffer in the event of system failures or cyber attacks. Similarly, the Company's ability to expand and update its information technology infrastructure in response to its growth and changing needs is important to implement its new service offering initiatives. The Company's inability to expand or upgrade its technology infrastructure could have adverse consequences, which could include delayed implementation of new service offerings, service or billing interruptions, among others.

The Company's systems are vulnerable to damage from a variety of sources, including telecommunications failures, power loss, malicious human acts and natural disasters. Moreover, despite the Company's security measures, its servers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. Despite the precautions the Company has taken, unanticipated problems affecting its systems could cause failures in its information technology and network systems or disruptions in the transmission of signals. Sustained or repeated system failures that interrupt with the Company's ability to provide services to its subscribers or otherwise meet its business obligations in a timely manner would adversely affect the satisfaction of its subscribers. If one or more of such events occur, this could potentially jeopardize the Company's customer information and other information that have been processed and stored, as well as transmitted through, its information technology hardware and software infrastructure, or otherwise cause interruptions or malfunctions in its operations, which could result in significant losses or reputational damage to the Company.

If the Company's information technology systems are subjected to floods, fire or other natural disasters, terrorism, computer viruses, power loss, other catastrophe or unauthorized access, its operations and customer relations could be adversely affected. Any failure in the operation of its information technology and network systems could result in business interruptions, which may adversely affect our reputation, weaken its competitive position and have an adverse effect on its business, financial condition and results of operations. The Company may also be required to expend significant additional resources to modify its security measures or investigate and remediate vulnerabilities or other exposures in its information technology systems, and it may be subject to litigation, including claims by its customers before consumer dispute redressal forums and other judicial authorities, resulting in penalties against it.

Technological failures of the Company's production and broadcast systems could adversely affect its business.

The Company relies on sophisticated production and broadcast equipment, communications equipment and other information technology to conduct its business. Although it has backup equipment in some cases, if the Company were to experience significant damage to certain equipment or other technological breakdowns to equipment or systems, this could disrupt its ability to produce or broadcast its programming, its internal decision-making or other critical aspects of its business.

Further, all of the Company's broadcasting is done by uplink to three satellites. If these satellites were to cease to be available to it for any reason, the Company would have to secure access to an alternative satellite, and such access may not be available on equally favourable terms or at all, or within an adequate time frame. Although the Company does maintain insurance for its assets other than CPEs, any equipment or technological failure or damage that results in a disruption of the Company's services could lead to loss of revenues.

The Company's inability to keep pace with technological developments could have a material adverse effect on its business, financial condition and result of operations.

In the DTH industry, changes occur as new technologies are developed, which could adversely affect the Company's business and increase its cost of operations. Technological developments within the DTH industry include changes that may result in improved utilisation of capacity, more robust content recording features and new interactive content. Consumers may also choose to view digital media through other platforms, such as computers, mobile phones, tablet computers and other devices. If the Company is unable to keep pace with such technological developments, its business, financial condition and results of operations may be adversely affected. If new technologies in which the Company invests fail to achieve acceptance in the marketplace or its technology does not work and requires significant cost to replace or fix, the Company could suffer a material adverse effect on its competitive position, which could reduce its revenues and earnings. For access to technologies and products that are necessary to remain competitive, the Company may make acquisitions and investments and may enter into strategic partnerships with other companies. Such investments may require commitment of significant capital and human and other resources. The value of such acquisitions, investments and partnerships and the technology required may be highly speculative. Such arrangements with third parties can lead to disputes and dependence on others for the development and delivery of necessary technology that the Company may not be able to control or influence. Such relationships may result in the Company committing to technologies that are rendered obsolete or precluding pursuit of other superior technologies.

In addition, the Company's business is subject to risks relating to increased competition from other leisure and entertainment activities which occupy consumers' time. Its business competes with many other media used for entertainment and information delivery, including broadcast television, films, live events, radio broadcasts, home video products, video and computer games, print media, social media and the Internet. Technological advancements, such as new video formats and delivery of video content through streaming and downloading services on the Internet, have increased the number of entertainment and information delivery choices available to consumers and intensified the challenges posed by audience fragmentation. The increasing number of choices available to consumers could adversely affect demand for the Company's products and services, and changes in technology could adversely affect its ability to maintain, expand or upgrade its systems and respond to competitive pressures. The Company cannot assure you that it will be able to fund the capital expenditures necessary to keep pace with future technological developments. The Company also cannot assure you that it will successfully anticipate the demand for products and services requiring new technology. Any inability to keep pace with technological changes and offer advanced services in a timely manner, or to anticipate the demands of the market, could adversely affect its business and increase its costs of operations.

The Company's insurance coverage may not be adequate to protect the Company against certain operational risks or claims, and the Company may be subject to losses that might not be covered in whole or in part by existing insurance coverage.

The Company maintains insurance for a variety of risks, including, among others, for risks relating to fire, burglary and certain other losses and damages. There could be other risks and/or losses for which it is not insured, such as loss of business, environmental liabilities and natural disasters. Moreover, CPEs installed at the subscribers' premises are not covered by any insurance. Any such losses could adversely affect the Company's financial conditions and prospects.

The Company imports a major part of its consumer premises equipment ("CPE").

The Company is dependent on external vendors for a regular supply of CPEs, and a majority of such equipment is imported from foreign suppliers. Dish TV imports nearly 85% of all its CPEs from three external suppliers, and its liabilities on account of import duty and other taxes amount to approximately 17.16% on such imports. Videocon imports approximately 15% of its CPEs from its external suppliers.

The Company has not entered into any firm/long-term arrangements with its vendors for supply of such equipment. In the future, the Company may not have access to a regular supply of such equipment at competitive prices. Further, any change in government policy on imports of such goods, including import duties, may affect the Company's procurement of such equipment at a reasonable cost, which may adversely affect its business and results of operations.

The Company may be involved in legal and other proceedings and may face certain liabilities.

There are outstanding legal and other proceedings against the Company and certain of its directors, promoters and subsidiaries. The Company is also a defendant in legal proceedings relating to its business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals in India. In particular, there are legal proceedings pending against the Company before the Indian Supreme Court and High Courts in India, as well as two criminal complaints in respect of which Dish TV or officials of Dish TV are a party.

In particular, the Company is involved in various legal proceedings challenging the basis of calculation of licence fees levied by the Indian Ministry of Information and Broadcasting. The Company, together with other pay DTH operators in India, contend that the licence fees should be calculated based on adjusted DTH gross revenue (i.e., revenue earned from licensed activities net of certain permitted deductions), rather than on the basis of DTH gross revenue. A final decision by the Hon'ble Telecom Disputes Settlement & Appellate Tribunal ("TDSAT") is pending. If the TDSAT rules in favour of the regulator, then the Company may be required to pay additional DTH license fees. As at 31 March 2017, Dish TV has taken a provision of Rs. 13,974 million for regulatory dues (including interest) relating to the disputed licence fees, and Videocon has reported a contingent liability related to the disputed licence fees in the amount of Rs. 6,413.67 million.

If any of these proceedings are determined adversely to the Company, the Company may be required to pay all or a portion of the disputed amounts, and the Company may need to make provisions in its financial statements, which could result in a material adverse effect on its business, results of operations, financial condition and cash flows.

The Company's lenders have imposed certain restrictive conditions on the Company under its financing arrangements.

Under certain of its existing financing arrangements, the lenders have the right to withdraw the facilities in the event of any change in circumstances, including, but not limited to, any material change in the ownership or shareholding pattern or management of the Company. Further, certain of the Company's financing arrangements restrict the use of the loan to certain specified purposes.

The Company is also required to obtain prior consent from its lenders for, among other matters, paying any dividends to the shareholders, undertaking any material change in the nature of its business and changing the shareholding pattern of its Promoters or of its management. Further, one of the Company's financing documents provides that on default in repayment of the facility, the lender may direct the Company to convert the whole or such part of the amount outstanding to the lender into fully paid-up Shares at the market rate prevalent on the date of such conversion.

There can be no assurance that the Company will be able to obtain lender consents on time or at all. This may limit its ability to pursue its growth plans and limit its flexibility in planning for, or reacting to, changes in its business or industry.

The Company's registered office and its corporate office from which it operates is not owned by it.

The Company does not own the premises on which its registered office and corporate office is located. It operates from rented and leased premises. The lease agreements for these premises are renewable at its option upon payment of such rates as stated in these agreements. If any of the owners of these premises does not renew the agreements under which the Company occupies the premises or renews such agreements on terms and conditions that are unfavourable to it, it may suffer a disruption in its operations which could have a material adverse effect on its business, financial condition and results of operations. However, as the lease is with a related party, this may mitigate the risk of an adverse development relating to these premises.

The Company operates in a highly regulated industry and its DTH business is subject to government regulation. Any changes in these regulations or in their implementation could disrupt the Company's operations and adversely affect its results of operations.

The Company operates in a highly regulated industry. Currently, its business is governed by the licence agreement entered with the Ministry of Information & Broadcasting ("MIB") and the DTH business is regulated by the Telecom Regulatory Authority of India ("TRAI"). Further, the business is also subject to other extensive government regulations. To conduct the business, the Company must obtain various licences, permits and approvals. Even when it obtains the required licences, permits and approvals, its operations are subject to continued review and the governing regulations and their implementation are subject to change. While in the past the Company has been operating and continues to be in compliance with the terms of all necessary licences and permits, going forward, the Company may not be sucessfully obtain and comply with all necessary licences, permits and approvals required for its operations, and changes in the governing regulations or the methods of implementation could occur that could be material and adverse to the Company. If the Company fails to comply with all applicable regulations or if the regulations governing its business or its implementation change, the Company may incur increased costs or be subject to penalties, which could disrupt its operations and adversely affect its business and results of operations.

In addition, any changes in the rules, regulations or requirements governing the Company's business may require it change its business policies and practices and may increase the costs of providing services to customers, which could resuits in a material adverse effect on its financial position. The Company may also incur loss of revenue and market share as a result of changes in the policies of Government of India.

The Company may develop or acquire businesses, technologies and personnel, but it may fail to realise the anticipated benefits of such development or acquisitions and it may incur costs that could significantly negatively impact its profitability.

In the future, the Company may develop or acquire technologies and products that it believes are a strategic fit with its business. If the Company undertakes any activity of this sort, it may not be able to successfully develop or integrate such technologies or products without a significant expenditure of operating, financial and management resources, if at all. Further, the Company may fail to realise the anticipated benefits of any such development or acquisition. Future developments or acquisitions could dilute its shareholders' interest in the Company and could cause the Company to incur substantial debt, expose it to contingent liabilities and could negatively impact its profitability.

Dish TV's operations are concentrated in a single facility in Noida, and it is vulnerable to natural disasters or other events that could disrupt those operations.

Substantial parts of Dish TV's operations are located in one facility in Noida. The Company is therefore vulnerable to the effects of a natural disaster, such as an earthquake, flood or fire, or other calamity or event that disrupts its ability to conduct its business or that causes material damage to its property at this location. Although Dish TV has backup facilities for many aspects of its operations, the Company would have to contract with third parties for broadcasting capabilities, and it could be difficult for the Company to maintain or resume quickly its operations in the event of a significant disaster at this facility.

Exchange rate fluctuations may affect the Company's results of operations and financial condition.

The exchange rate between the Rupee and the U.S. Dollar has changed substantially in recent years and may continue to fluctuate significantly in the future. The Company's imports a large portion of its consumer premise equipment. Thus, factors associated with international operations, including changes in foreign currency exchange rates, could significantly affect the Company's results of operations and financial condition. The Company expects that a majority of its consumer premise equipment will continue to be bought in foreign currencies and that a significant portion of its income will continue to be denominated in Indian Rupees. Accordingly, the Company's operating results have been and will continue to be impacted by fluctuations in the exchange rate between the Indian Rupee and the U.S. Dollar and other foreign currencies. Any adverse fluctuations in the exchange rate would adversely affect the Company's financial condition and results of operations.

The Company has substantial indebtedness, which could adversely affect its financial health and make it more difficult for it to service its debt or obtain additional financing, if necessary.

As of 31 March 2017, Dish TV had Rs. 11428.2 million of borrowings, and Videocon had outstanding secured term loans of Rs. 19,946.38 million from banks and financial institutions. The Company may incur additional indebtedness in the future. The Company's substantial indebtedness could have several important consequences, including, but not limited to, the following:

- a portion of the Company's cash flows may be used towards payment of principal and interest of the Company's debts, which would reduce the availability of cash to fund working capital needs, capital expenditures and other general corporate requirements;

- the Company's ability to obtain additional financing in the future with reasonable terms may be restricted;

- the Company may be more vulnerable to economic downturns, may be limited in its ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions; and

- the Company may be placed at a competitive disadvantage relative to its competitors that have greater financial resources than it does.

A significant portion of the Company's indebtedness consists of floating rate indebtedness. An increase in the prevailing interest rates would increase borrowing costs with respect to existing floating rate obligations or new loans, which may adversely affect the Company's business, financial condition and results of operations.

In prior years, Videocon has at times not been in compliance with certain financial covenants in its loan agreements, and if the Company is unable to meet the terms and conditions of its financing agreements in the future, this could lead to termination of facilities, acceleration of loans or cross-defaults.

Although Videocon believes it is in compliance with its financial covenant requirements of its loan agreements as of 31 March 2017, it has, on occasion, been unable to meet certain of its financial covenant requirements in the past, and it has not received waivers for such non-compliance. In addition, although Videocon made all of its payments under its loan agreements on time during the fiscal years 2016 and 2017, it has occasionally faced delay when making payments under certain of its loan agreements in prior years. Because Videocon has not received waivers from its lenders in respect of these breaches, the terms of the relevant loan agreements give the lenders the right to accelerate repayment of these loans. However, to date, Videocon's lenders have neither enforced any security nor accelerated repayment of the loans in connection with any such non-compliance. The total amount outstanding under these loan agreements as at 31 March 2017 was Rs. 14,771 million, out of total borrowings of Dish TV and Videocon of Rs. 25,780 million as at 31 March 2017. The Company believes that the risk of acceleration of repayment of these loans is mitigated by the fact that Videocon has repaid all amounts in respect of which the breaches occurred, and it has been repaying instalments and interest on time for these loan facilities since 31 March 2015. In addition, the Company believes that the risk of future non-compliance with the covenants in its financing agreements, including those entered into by Videocon prior to the Amalgamation, is mitigated as a result of the Amalgamation, given the financial condition and cash flows of the Company on a combined basis.

While the Company believes that its relationships with its lenders are good, compliance with the terms and conditions of its loan agreements is subject to interpretation. In the event a lender asserts a breach of the terms of the Company's financing agreements, including a failure to make timely payments to the Company's lenders, such lenders may issue a notice declaring an event of default under the relevant loan agreements. Further, a default under the terms of any of the Company's loan agreements could trigger a cross-default under its other financing agreements. Such default could result in acceleration of amounts due under those other facilities, which may, individually or in the aggregate, have an adverse effect on the Company's business, financial condition and results of operations. If the Company were to be in default under one or more of its financing agreements, any action initiated by a lender could also impact the Company's ability to obtain financing in the future and may result in a decline in the value of its shares and the trading price of the GDRs. In addition, the Company may have to dedicate a substantial portion of its future cash flow from operations to repay its debts under the financing agreements, thereby reducing the availability of cash flow to meet working capital requirements and use for other general corporate purposes.

Videocon's failure to adhere to the terms and conditions contained in the DTH Licence Agreement could have an adverse effect on the Company's business, financial condition and results of operations. In addition, Videocon may owe additional amounts under the DTH Licence Agreement for prior years of operations.

Videocon entered into the DTH Licence Agreement, dated 28 December 2007, with the President of India acting through the Director, Broadcasting, Policy and Legislation, Ministry of Information and Broadcasting, Government of India, or the MIB. Pursuant to the terms of the DTH Licence Agreement, Videocon is required to pay an annual fee of 10.0% of its gross revenue as defined in the DTH Licence Agreement ("**DTH Gross Revenue**") to the MIB for the relevant fiscal year. Separately, it is also required to pay licence fees and royalty for the spectrum it uses, as determined by the Wireless Planning & Coordination Wing of the Ministry of Communications and Information Technology, Department of Telecommunications, Government of India. The DTH licence is valid until 12 December 2018, and it may be terminated by the MIB without compensation to Videocon in the event of breach of any of the terms and conditions of the licence (after giving the Company an opportunity to address the breach). If the DTH Licence Agreement is terminated or is not renewed, Videocon would lose the ability to provide DTH services in India and the Company's business, financial condition and results of operations would be adversely affected. Since the commencement of Videocon's DTH operations, Videocon has paid licence fees to the MIB, calculated on the basis of revenue earned from licenced activities net of certain deductions as permitted by TDSAT Ruling ("**Adjusted DTH Gross Revenue**"). Pay DTH operators, including Videocon d2h, are currently in a dispute with the MIB regarding whether licence fees should be calculated based on DTH Gross Revenue or Adjusted DTH Gross Revenue, and a final decision by the Supreme Court of India is pending. If the TDSAT rules in favour of the Government of India and Videocon is required to pay additional DTH licence fees based on DTH Gross Revenue instead of Adjusted DTH Gross Revenue, Videocon may incur additional liability and the business and financial condition of the Company's operations may be adversely affected. Videocon makes an estimation of and discloses such potential liability in its financial statements as a contingent liability. For the period since incorporation until 31 March 2017, such potential liability is estimated to be Rs. 6,413.67 million (inclusive of interest as of 19 March 2014 on liability accruing until 31 March 2013), as per its financial statements as of 31 March 2017, whereas the MIB raised a demand against Videocon for an aggregate amount of Rs. 1,582.89 million towards outstanding licence fees (together with interest at the rate of 1% per month) for periods until 31 March 2013.

If Videocon is unable to recover CPEs from churned subscribers, there could be a significant erosion of the realisable value of the Company's CPE.

CPE comprised 83.7% of Videocon's net tangible assets as of 31 March 2017. When subscribers discontinue or terminate Videocon's services, Videocon is not always able to recover its CPE that it has provided on a rental basis to such subscribers. Videocon recognises a subscriber as a churned subscriber if the subscriber has not made a payment for at least 120 days. As of 31 March 2017, Videocon has encountered a cumulative churn of 5.07 million subscribers since it commenced operations in 2009, out of which it has already provided for impairment for 1.98 million churned subscribers. If Videocon is unable to recover the CPE from such churned subscribers, there could be a significant erosion of the realisable value of the Company's CPE.

B. Risks relating to the merger

The Company may face challenges integrating the businesses and operations of Dish TV and Videocon, which could disrupt its current operations or result in higher costs or worse overall performance than anticipated.

The Company may face challenges integrating Dish TV's and Videocon's businesses, which could disrupt its current operations or result in higher costs or worse overall performance than it anticipates. If the Company is unable to integrate Dish TV's and Videocon's businesses and operations in a timely and cost-effective manner, the potential benefits of the Amalgamation may not be realised. In particular, if the effort the Company devotes to the integration of Dish TV's and Videocon's businesses and operations diverts more management time or other resources from carrying out the Company's operations than it originally planned, the Company's ability to maintain and increase revenues as well as manage costs could be impaired. Any of the above could have a material adverse effect on the Company's business, operating results and financial condition.

The Company may not realise the cost savings, synergies and other benefits that the parties expect to achieve from the Amalgamation.

The combination of two independent companies is a complex, costly and time-consuming process. As a result, the Company will be required to devote significant management attention and resources to integrating the business practises and operations of Dish TV and Videocon. The integration process may disrupt the business of either or both of the companies and, if implemented ineffectively, could preclude realisation of the full benefits expected by Dish TV and Videocon. Any failure by the Company to meet the challenges involved in successfully integrating the operations of Dish TV and Videocon or otherwise to realise the anticipated benefits of the acquisition could cause an interruption of the Company's activities and could seriously harm its results of operations. In addition, the overall integration of the two companies may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of client relationships and diversion of management's attention. The difficulties of combining the operations of the companies include, among others:

- managing a significantly larger company;
- coordinating geographically separate organisations;
- the potential diversion of management focus and resources from other strategic opportunities and from operational matters;
- retaining existing customers and attracting new customers;
- maintaining employee morale and retaining key management and other employees;
- integrating two unique business cultures, which may prove to be incompatible;
- the possibility of faulty assumptions underlying expectations regarding the integration process;
- consolidating corporate and administrative infrastructures and eliminating duplicative operations;

- issues in integrating information technology, communications and other systems;
- unanticipated changes in applicable laws and regulations;
- managing tax costs or inefficiencies associated with integrating the Company's operations; and
- unforeseen expenses or delays associated with the acquisition.

Many of these factors will be outside of the Company's control and any one of them could result in increased costs, decreased revenues and diversion of management's time and energy. In addition, even if the operations of Dish TV and Videocon are integrated successfully, the Company may not realise the full benefits of the acquisition, including the synergies, cost savings or sales or growth opportunities that the Company expects. These benefits may not be achieved within the anticipated time frame, or at all. As a result, the Company cannot assure investors that the combination of Dish TV and Videocon will result in the realisation of the full benefits anticipated from the acquisition and the Company may incur substantial costs in connection with achieving such synergies.

C. Risks relating to India

A slowdown in economic growth in India could cause the Company's business to suffer.

The Company's performance and growth are dependent on the health of the Indian economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalisation policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any significant change may adversely affect the Company's business and financials.

A significant change in the government of India's economic liberalisation and deregulation policies could disrupt the Company's business and cause the price of the Company's Shares to decline.

The Government of India has exercised and continues to exercise significant influence over many aspects of the Indian economy. Since 1991, successive Indian governments have generally pursued policies of economic liberalisation and financial sector reforms, including by significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant, and the Company cannot assure you that such liberalisation policies will continue. The present government, formed in May 2014, has announced policies and taken initiatives that support the continued economic liberalisation policies that previous governments have pursued. The rate of economic liberalisation could change, and specific laws and policies affecting food companies, foreign investments, currency exchange rates and other matters affecting investments in India could change as well. Further, protests against privatisations and government corruption scandals, which have occurred in the past, could slow the pace of liberalisation and deregulation. A significant change in India's policy of economic liberalisation and deregulation or any social or political uncertainties could significantly harm business and economic conditions in India generally and the Company's business and prospects.

Stringent labour laws in India may harm the Company's ability to have flexible human resource policies; labour union problems could negatively affect the Company's processing capacity and overall profitability.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and imposes financial obligations on employers upon employee layoffs. These laws may restrict the Company's ability to have human resource policies that would allow the Company to react swiftly to the needs of its business, discharge employees or downsize its operations. The Company may also experience labour unrest in the future, which may delay or disrupt its operations. If such delays or disruptions occur or continue for a prolonged period of time, the Company's processing capacity and overall profitability could be negatively affected.

Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and the Company's business.

Terrorist attacks and other acts of violence or war involving India or other neighbouring countries may negatively affect the Indian markets on which the Company's Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately adversely affect the Company's business.

South Asia has also experienced instances of civil unrest and hostilities among neighbouring countries from time to time. There have also been incidents in and near India, such as terrorist attacks in Mumbai, Delhi and on the Indian Parliament, troop mobilisations along the India and Pakistan border and an aggravated geopolitical situation in the region. Such military activity or terrorist attacks in the future could significantly harm the Indian economy by disrupting communications and making travel more difficult. Resulting political tensions could create a greater perception that investments in Indian companies involve a high degree of risk. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, the Company might not be able to continue its operations. Its insurance policies may not be sufficient to protect the Company from terrorist attacks or business interruptions caused by terrorist attacks, violence, acts of war, civil unrest, hostilities or other reasons.

Natural disasters or outbreaks of diseases could have a negative impact on the economy and may adversely affect the Company's business, results of operations and financial condition.

Natural disasters such as floods, earthquakes or famines or outbreaks of diseases have in the past and may in the future have a negative impact on the economy. If any such event were to occur, the Company's business could be affected due to the event itself or due to its inability to effectively manage the effects of the particular event. Potential effects include the damage to infrastructure and the loss of business continuity and business information. In the event that the Company's infrastructure is affected by any of these factors, its operations may be significantly interrupted, which may materially and adversely affect its business, results of operations, financial condition and cash flows.

Any downgrading of India's debt rating by an independent agency may harm the Company's ability to raise debt financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on the Company's capital expenditure plans, business and financial performance.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy.

According to a report released by the RBI, India's foreign exchange reserves totalled approximately U.S.$363 billion as of 3 June 2016. Although India's foreign exchange reserves have increased over the past year, they have declined in the recent past, and any future decline in foreign exchange reserves may negatively affect the valuation of the Rupee against the U.S. dollar. A decline in the valuation of the Rupee could result in reduced liquidity and higher interest rates that could adversely affect the Company's future financial condition.

The Company experiences seasonal fluctuations in its business.

The Company experiences seasonal fluctuations in its business. India's DTH market is affected by seasonal factors, such as Diwali and other regional festivals and sports events, especially cricket tournaments such as the ICC Cricket World Cup. Other seasonal sporting events that could affect the demand in the DTH industry include major football league tournaments and the Olympics. While these seasonal events may present an opportunity for the Company to the extent existing subscribers move from a base pack to a sports pack or sports HD pack, thereby resulting in additional revenue for the Company during the relevant period, subscribers who sign up for its services or upgrade their subscription packages during such events may not continue to pay for their subscriptions or may revert to base subscription packages, which could adversely affect the Company's business, financial condition and results of operation.

D. Risks relating to Admission and the GDRs

The trading price of the GDRs may be highly volatile and an active and liquid market for the GDRs may not develop.

The global stock markets have experienced extreme price and volume fluctuations, especially during the recent financial and economic crises. Although an application has been made for the GDRs to be admitted to trading on the London Stock Exchange, an active, liquid trading market may not develop or be sustained after Admission. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy-and-sell orders for investors.

Consequently, the trading prices of the GDRs may be subject to wide fluctuations in response to a number of factors, including:

- variations in the Company's operating results;
- variations in national and industry growth rates;
- changes in governmental legislation or regulation;
- general economic conditions within the Company's business sectors; and
- extreme price and volume fluctuations on the Indian or other emerging market stock exchanges.

Future sales or buybacks of GDRs may adversely affect the market price of the GDRs and lock-up arrangements have not been entered into.

Sales, or the possibility of sales, of substantial numbers of GDRs in the public markets following the listing could have an adverse effect on the trading prices of the GDRs and could affect the ability of the Company to obtain further capital through an offering of equity securities. In addition, subsequent equity offerings may reduce the percentage ownership of the existing shareholders. Furthermore, lock-up arrangements which, in the context of a global marketed offering might customarily be entered into by the Company, certain shareholders and management have not been entered into. Immediate or subsequent sales of GDRs by the Company, certain shareholders or management following Admission could have an adverse effect on the trading price of the GDRs.

GDR holders may not be able to exercise pre-emption rights or participate in future issues of GDRs.

Securities laws of certain other jurisdictions may restrict the participation, or the Company's ability to allow participation, by certain GDR holders in such jurisdictions in any future issue of GDRs or of other securities carried out by the Company.

Indian company law provides for pre-emptive rights for existing holders of Shares of the Company as per which, if the Company proposes to increase its subscribed Share capital by the issue of further Shares, such Shares will have to be offered to such existing holders of Shares in proportion, as nearly as circumstances admit, to the paid-up Share capital on the Shares held by them. However, these pre-emptive rights may be disapplied by a duly passed special resolution of the shareholders of the Company (i.e., passed by at least 75% of the shareholders entitled and voting on the matter). Accordingly, in a future allotment of new securities or of new GDRs based on new securities, such pre-emptive rights of existing holders of Shares, may be disapplied by such a special resolution, in which event the interests of the then-existing GDR holders could be diluted.

Even where pre-emption rights do apply, holders of GDRs who are located in the US may not be able to exercise their pre-emption rights unless a registration statement under the US Securities Act is effective with respect to such rights or an exemption from the registration requirements is available thereunder. There can be no assurance that the Company will file any such registration statements, or that an exemption to the registration requirements of the US Securities Act will be available, which would result in certain GDR holders in the US being unable to exercise their pre-emption rights. Securities laws of certain other jurisdictions may restrict the Company's ability to allow participation by GDR holders in such jurisdictions in any future issue of GDRs or of other securities carried out by the Company.

Holders of GDRs may not be able to exercise voting rights associated with the Shares on the same terms as holders of Shares.

Under the terms of the deposit agreement entered into with respect to the GDRs, holders of GDRs as of the applicable record date may instruct the Depositary how to vote the Shares represented by the GDRs. The Depositary has agreed in the deposit agreement to endeavour, as far as practicable and subject to Indian law, the terms of the Company's articles of association ("**Statutes**") and the deposit agreements for the GDRs, to vote the Shares represented by the GDRs in accordance with the instructions of the holders of GDRs.

At meetings of holders of the Company's Shares, the Depositary will vote (or cause to be voted) the Shares represented by the GDRs in respect of which it has received timely and valid voting instructions in accordance with such voting instructions. However, holders of GDRs may not receive voting materials in time to enable them to provide timely voting instructions to the Depositary. In addition, the Depositary will distribute the voting materials to holders of GDRs only if the Company so requests, and will not do so if it determines that the distribution of such materials to holders of GDRs may violate US law or the law of other jurisdictions. As a result, holders of GDRs may not receive the voting materials that the Company distributes to holders of the Company Shares in India.

Holders of GDRs may not receive distributions on Shares represented by the GDRs or any value if it is illegal or impractical to make the distribution available to holders of GDRs.

The Depositary has agreed in the deposit agreement to distribute to holders of GDRs, after deducting its fees and expenses, the cash dividends and other distributions it or the custodian of the Shares represented by the GDRs receives on Shares or other deposited securities. Holders of GDRs will receive these distributions in proportion to the number of Shares represented by the GDRs they hold. However, under the deposit agreement, the Depositary is not required to make any such distribution if it decides that it is unlawful or impractical to make the distribution available to any holders of GDRs. The Company will have no obligation to take any action to permit the distribution of GDRs, Shares, rights or anything else to holders of GDRs. This means that holders of GDRs may not receive the distributions the Company makes on its Shares or any value if it is illegal or impractical for the Company to make the distribution available to holders of GDRs. These restrictions may have a material adverse effect on the value of the GDRs.

Investors may have limited recourse against the Company or the Company's directors and executive officers because they generally conduct their operations outside the United States and the United Kingdom, and all of its current directors and executive officers may reside outside the United States and the United Kingdom.

The Company's presence outside the United Kingdom may limit legal recourse against the Company. Some or all of its directors and executive officers named in these Listing Particulars may reside outside the United States and the United Kingdom, principally in India. Almost all of its assets are and almost all of the assets of its directors and executive officers are located outside the United Kingdom, principally in India. As a result, it may not be possible to effect service of process within the United Kingdom upon the Company or its directors and executive officers or to enforce UK court judgements obtained against the Company or its directors and executive officers in jurisdictions outside the United Kingdom. In addition, it may be difficult to enforce, in original actions brought in courts in jurisdictions outside the United Kingdom, liabilities predicated upon UK securities laws.

INFORMATION ABOUT THE COMPANY

History and Development of the Company

The Company is a company incorporated under the 1956 Act with corporate identification number L51909MH1988PLC287553 and has its registered office at 18th Floor, A Wing, Marathon Futurex, NM Joshi Marg, Lower Parel, Mumbai, Maharashtra – 400 013, India. Its telephone number is +91(0)120-2467005.

As of the effective date of the Amalgamation, the Company owns two subsidiaries, namely Dish Infra Services Private Limited and Dish T V Lanka (Private) Limited (70% ownership) through which the Company conducts its businesses and operations. The Company also owns a 48% stake in a joint venture, C&S Medianet Private Limited.

The Company was originally incorporated as Navpad Texturisers Private Limited on 10 August 1988 under the Companies Act, 1956, as amended. The name of the Company was changed to ASC Enterprises Private Limited and a fresh certificate of incorporation reflecting the change in name was issued on 29 September 1995 by the Registrar of Companies, Maharshtra, Bombay. The Company was converted to a public company, and a fresh certificate of incorporation was issued by the Registrar of Companies, Maharashtra, Bombay on 13 December 1995. The name of the Company was then changed to Dish TV India Limited, and a fresh certificate of incorporation was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana, New Delhi on 7 March 2007.

On 11 November 2016, the boards of directors of Dish TV and Videocon approved a scheme of arrangement for the amalgamation of Videocon into Dish TV (the "**Scheme**") and the execution of definitive agreements in relation to such amalgamation (the "**Amalgamation**").

Pursuant to the Scheme, the Company agreed to issue Shares as consideration for the Scheme and the Videocon shareholders were allotted new Shares of the Company for every share held in Videocon. Pursuant to the Scheme, each holder of Videocon American Depositary Shares ("**ADSs**") (each ADS representing four equity shares in the capital of Videocon) received approximately 8.0733 new GDRs in exchange for each one ADS held by them. The equity shareholders of Videocon were issued 857,785,642 Shares (upon rounding off of fractional equity shares in terms of Clause 5.6 of Section I of the Scheme) in aggregate (including Shares underlying the GDRs).

DIVIDEND POLICY

The Company's dividend policy was approved and adopted by the Board of Directors on 24 March 2017.

At the end of each period ending on 31 March, every year ("**financial year**") or during any interim period, the Board will assess the Company's financial requirements including present and future organic and inorganic growth opportunities and other relevant factors to declare the equity dividend for any financial year.

The dividend for any financial year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

Since the Company has issued only one class of Shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per Share. In case of partly paid Shares, the members shall not be entitled to receive payment of any dividend. The Policy shall be suitably revisited/amended at the time of issue of any new class of Shares depending upon the nature and guidelines thereof.

The dividend for any financial year shall be paid out by the Company in accordance with the provisions of Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

BUSINESS

The Company is engaged in the business of providing direct-to-home broadcasting services to their respective subscribers in India and comprises the businesses of both Dish TV and Videocon.

Dish TV's Business

Overview

Dish TV's business commenced operations in October 2003 (pursuant to a DTH licence issued by the Ministry of Information & Broadcasting, Government of India in 2003) with 47 channels. Currently, Dish TV offers over 619 digital channels (including approximately 30 voice channels). Dish TV is listed on the NSE & BSE. Dish TV offers service to the market under the name "DISH TV".

Dish TV is the pioneer in digital entertainment, and it is Asia Pacific's largest direct-to-home (DTH) company. Dish TV has on its platform more than 619 channels & services including 30 audio channels and over 68 HD channels & services. Dish TV offers a host of active services including Comedy Active, Playin TV Active, Kids Active and Games Active. Other Active services include Bhakti Active, Multiplex Dish Box Office, Ibadat Active, Music Active etc. Dish TV uses the NSS-6 satellite platform along with the Asiasat 5, SES-8 and GSAT-15 platforms which makes its total bandwidth capacity equal 810 MHz, amongst the largest held by any DTH player in the country. Dish TV has a vast distribution network of over 1,665 distributors & over 232,570 dealers that span across 9,306 towns in the country. Dish TV has more than 222 service franchisees that strive to achieve a TAT of four hours for customer service.

Dish TV offers a wide array of multi-brand and multi-product portfolio to suit the needs of different consumer segments. It has been a conscious effort of Dish TV to lead on the content front for both HD and SD channels. Continuing to push the HD growth with bouquet of 68 HD channels, dishtruHD+ has taken the HD TV viewing experience to the next level whilst also building a high-ARPU base of HD users that helps in retention too. Evaluating the increase in trend on the usage of recording, Dish TV now only offers recorder ready set-top boxes which allow Indian consumers to taste the power of pause/play and other recording features. With the upgradation of customers from Standard Definition (SD) to High Definition (HD) and uptake from new launches, Dish TV expects to see an increasing trend in the ARPU. The introduction of long-term offers on recharge will aid retention.

The effort of Dish TV has always been to make entertainment accessible in the most convenient ways to the consumers. A few examples of such offerings are - DishOnline, stemming from high penetration of smart phones and the Internet. The Indian consumer today is spending increasing time on alternate screens like the laptop, tablet and smartphone, away from the conventional TV viewing. Understanding the new dynamics of evolving consumer trends of multi-screen behaviour, this product provides LIVE TV, on-demand movies, catch-up TV and video shows at the press of a button on the app.

Dish TV has elevated the TV viewing experience to a whole new level with its interactive gaming service, Games Active and Playin TV, offering its subscribers exciting and interactive games. Dish TV, through its strategic approach and correct market evaluations, has not only set standard but also has evolved to be a pacesetter.

Current Subscription Packages

Dish TV packages vary based on two categories, (i) standard definition and (ii) high definition packs. There are multiple base packs in both the categories varying from Rs. 134 to Rs. 770 catering different segments like regional, households with kids, sports lovers, premium subscribers, etc. In addition to the packages, Dish TV also offers add-on channels at additional cost that can be subscribed to customise entertainment needs.

New Initiatives and Services

In view of the needs of an urban Indian household, the Dish TV platform offers a basket of services in addition to satellite channels. Dish TV has entered into an agreement with Nagravision, Switzerland, provider of interactive solutions to DTH platforms. Dish TV provides services like, EPG, NVOD, Playzone Active, Music Active, Kids Active, Disney Active, Ibadat Active, Comedy Active and Bhakti Active.

Dish TV was the one of the first to launch NVOD service under the name "Movie on Demand", which today offers movies from both Bollywood and Hollywood, apart from language dubs of English titles.

Dish TV products include Dish+, DishFlix, Dish on Wheels. Dish+ offers unlimited recording of live tv with digital picture quality, stereophonic sound. DishFlix offers 50 preloaded Bollywood and Hollywood movies, wherein 15 movies are refreshed every month without the need of internet. Dish on Wheels offers digital entertainment while travelling, whether you're in your car, a bus, a train or ship.

Infrastructure facilities

A content aggregation, playout & up-linking facility and an integrated subscriber management system are some of the key facilities that exist at Dish TV earth-station based in Noida in operation since October 2003. Dish TV has NSS-6 satellite platform along with the Asiasat 5, SES-8 and GSAT-15 platforms making its total bandwidth capacity equal to 810 MHz, which provide a footprint across the country. Software systems have been developed for subscriber and field management supporting functions of sales promotion, performance monitoring, consumer and trade interface and service billing/collection features.

Dish TV technical facility comprises of Teleports with Multiple Antennas, Uplinking Equipment with High Power amplifiers, station control and automation system, play out facility, off air monitoring facility with silence audio detect system, DTH channel monitor, encryption system for DTH services, Network Management, SMS and call centre and facility for hosting all playout and uplink equipment.

Customer care

Call centre services are outsourced to third parties and are distributed mainly in the following way: inbound, outbound and email contact centres. Currently, Dish TV services its customers in 12 different languages and is engaged with eight different partners across 13 different locations.

Dish TV's inbound and email contact centres run on a hosted model and offer all the major services, including ACD, WFM, IVR, and unified messaging as well as stats and analytics for agent quality assurance. The outbound centres run on non-hosted setup, however, the network connectivity is provided by Dish TV, and the partners use their respective dialler and PRIs.

Sales & Distribution

Dish TV sells new activation/STB sales to customers though three major channels:

Traditional trade: Through this channel, Dish TV completes sales though its authorised distributors present all around India. Distributors receive materials from Dish TV and supply dealers who in turn sell to customers. This channel accounts for 71% of monthly total activations.

Go direct: Dish TV's direct sales to customers in urban areas through assigned promoters. This channel accounts for 15% of the total sales.

Alternate channel: Through this channel, Dish TV targets big corporate companies and hotels, for which Dish TV has a dedicated team who directly approaches the target customers. This channel accounts for 14% of total activations.

Strategy

The Company believes that the consolidation of the businesses and operations of Dish TV and Videocon through Amalgamation will provide substantial impetus to growth, enable synergies, reduce operational costs, increase operational efficiencies and enable optimal utilization of resources as a result of the pooling of the companies' financial, managerial and technical resources, as well as the companies' technologies, thereby significantly contributing to future growth and maximizing shareholder value. The Company believes that the Amalgamation will enable the management of the combined company to vigorously pursue its strategy of revenue growth and expansion opportunities, as further detailed below.

Grow Market Share

The Company aims to grow its market share in order to benefit from the rapid growth of the media and entertainment industry in India. It aims to grow its market share of net subscriber additions by investing further in innovative marketing, expanding its extensive dealership and distribution presence and providing excellent customer service. The Company plans to drive ARPU increases by continuing to improve its mixture of customer offerings and targeting high-value customers by providing products and services such as high-definition channels, value-added services, including pay-per-view and on-demand viewing, and new set-top boxes.

International Operations and Accessing the Mainstream Markets

In the fiscal year ended 31 March 2013, Dish TV entered into a joint venture with a local DTH licence holder in Sri Lanka for the provision of DTH services. Pursuant to the JV Agreement, Dish T V Lanka Pvt Ltd was incorporated and a DTH license was issued to Dish T V Lanka Pvt Ltd by the Government of Sri Lanka.

Proactively Pursue Investment Strategies to Derive Maximum Benefit from the digitisation of the Indian Television Distribution Market

The Company intends to continue to position itself strategically to derive maximum benefit from the mandatory digitisation of the Indian television distribution market by continuing to invest in and maintain its technology leadership by launching new product offerings and by purchasing set-top boxes and investing in digital headends for the Company's television distribution business.

Videocon

Videocon is India's fast growing DTH service provider which offers over 650 channels and services.

Business Portfolio

DTH Subscription Television Services

Videocon's primary business is the provision of DTH subscription television services to subscribers in India. Videocon operates under the "Videocon d2h" brand. Videocon carries out transmission of programming to subscribers through satellite broadcasting, which allows a subscriber to directly receive a broadcast signal from a satellite through a satellite dish antenna and other equipment installed at the subscriber's premises, which is then decoded by a set-top box.

All of Videocon's channels are turnaround channels meaning that Videocon rebroadcasts all of the channels offered without modifying the content. Videocon also derives advertising revenue from selling advertising on the "home" channel, which is the channel that comes on when the system is powered on, and certain pathway channels which serve as pathways to popular channels.

Subscription Packages and Package Options

Videocon's subscribers have access to over 650 national and international channels and services, including 62 HD channels and services and 42 audio and video services through Videocon's Music Channel Services through several subscription packages, as well as the option of choosing add-ons and a la carte channels and receiving certain discounts through long-term recharge offers. Videocon also launched various subscription packages to cater to the varied needs of customers from time to time.

As of 31 March 2017, the charges for most of Videocon's monthly subscription packages generally ranged from Rs. 199 to Rs. 680 per month (inclusive of taxes). The packages offered are similar throughout India. All packages include the Doordarshan channels and other free-to-air channels. During the fiscal year 2016, Videocon introduced the Flexi Pack, a special entry-level subscription package available for Rs. 99 per month (inclusive of taxes).

The following are the key monthly subscription packages currently been offered, in addition to certain other regional and HD related packages:

Entry level

Flexi Pack. Under this special package, the subscriber receives up to 282 channels and services for Rs. 84 per month (excluding goods and service tax). This package includes free-to-air channels.

Popular Pack. Under this package, the subscriber receives up to 270 channels and services for Rs. 169 per month (excluding goods and service tax). This package includes popular Hindi channels in addition to regional channels and free-to-air channels.

Gold Lite. Under this package, the subscriber receives up to 272 channels and services for Rs. 182 per month (excluding goods and service tax). This package includes popular Hindi channels, in addition to regional channels.

Super Gold Pack. Under this package, the subscriber receives up to 310 channels and services for Rs. 242 per month (excluding goods and service tax). This package includes popular Hindi channels in addition to regional channels.

Mid-tier

Gold Kids. Under this package, the subscriber receives up to 316 channels and services for Rs. 288 per month (excluding goods and service tax). This package includes popular Hindi channels in addition to regional channels.

New Gold Sports Pack. Under this package, the subscriber receives up to 320 channels and services for Rs. 322 per month (excluding goods and service tax). This package provides the Super Gold Pack channels plus a variety of sports channels.

Gold Sports Kids. Under this package, the subscriber receives up to 326 channels and services for Rs. 369 per month (excluding goods and service tax). This package provides the Super Gold Pack channels plus a variety of sports channels.

New Diamond Pack. Under this package, the subscriber receives up to 356 channels and services for Rs 381 per month (excluding goods and service tax). This package provides the New Gold Sports Pack channels plus additional English channels.

High-tier

Platinum Pack. Under this package, the subscriber receives up to 360 channels and services for Rs. 445 per month (excluding goods and service tax). This package provides the New Diamond Pack channels plus additional lifestyle channels.

Platinum HD Pack. Under this package, the subscriber receives up to 421 channels and services for Rs. 576 per month (excluding goods and service tax). This package, in addition to all the channels offered in the Platinum Pack, provides additional lifestyle channels and all of the HD channels offered by Videocon.

For any of the packages that are selected, the subscriber has a choice of 11 different language zones: Hindi, English, Punjabi, Marathi, Gujarati, Oriya, Bengali, Tamil, Malayalam, Kannada and Telugu. Upon selection of a language zone, the subscriber receives certain regional programming in his or her chosen language.

Add-Ons. With add-ons, a subscriber may add a set of channels to their current subscription package.

A La Carte. With a la carte programming, a subscriber may create a custom subscription package by selecting individual or a set of different channels.

Long-Term Recharge Offers. Long-term recharge offers reward subscribers who have subscribed to Videocon's services for a duration of at least three months with discounts.

Additional subscriptions are required for the use of an additional set-top box in the same household by a subscriber. Videocon charges a reduced price for the additional subscription and also subsidise the payment relating to installation of an additional set-top box as an incentive to subscribers.

User Experience Services

In addition to subscription packages and package options, Videocon offers certain services designed to augment customers' viewing experiences. The following sets forth the key services that Videocon offers currently:

26 Picture-in-Picture Mosaic. This feature allows a subscriber to view an on-screen mosaic of the current programming of up to 12 channels.

Electronic Programme Guide. The Electronic Programme Guide is a graphical user interface that allows subscribers to browse channels and programme schedules.

Value-Added Services

In addition to subscription packages, package options and user experience services, Videocon offers a variety of value-added services. The following sets forth the key value-added services that Videocon offers currently:

Movie Channel Services. Videocon offers five movie channel services to subscribers. Two of these services are available as a part of all subscription packages for no additional charge, with three of these services (d2h cinema: SD and HD and d2h Hollywood: HD) available as an add-on which can be subscribed for on a monthly basis.

Active Music Channel Services. Videocon offers 42 Music Channel Services that include a variety of musical genres.

Tickers. Videocon offers a variety of screen "tickers" that appear at the bottom of the screen which can be viewed simultaneously with any channel. The tickers display information, such as sports scores, stock market numbers and a variety of news, including Bollywood, politics, sci-tech, business, lifestyle and general news.

In 2016, Videocon expanded its value-added channels and continues to provide differentiated content tailored to the demographics in the Indian market that it targets. The following sets forth the value-added services that Videocon launched in 2016:

Smart Services. Videocon offers smart services to subscribers, namely, Smart English, Smart Kids and Smart Games. Smart English provides videos to help subscribers learn correct pronunciation, grammar and vocabulary in English. Smart Kids provide a collection of popular stories, nursery rhymes and educational science videos, narrated with colourful pictures and a background voice. Smart Games includes games such as Road Racer, Terror Attack and Defender.

New Active Channel Services: Videocon added four new active channel services, namely, d2h Kids, d2h Rhymes, d2h Darshan and d2h Spice. d2h Kids and d2h Rhymes are provided as add-ons under the d2h Kids World Pack. d2h Darshan is a divinity channel which includes prayers, mantras, bhajans and pilgrimages. d2h Spice contains hit numbers and popular dance songs.

Videocon's subscriber base has increased significantly since commencing operations in July 2009. Videocon's gross DTH subscriber base has increased from approximately 0.44 million as of 31 March 2010 to 17.98 million as of 31 March 2017.

The following table presents information regarding Videocon's gross and net subscriber base in millions as of 31 March 2015, 2016 and 2017:

	As of 31 March		
	2015	**2016**	**2017**
Gross Subscribers	13.09	15.74	17.98
Net Subscribers	10.18	11.86	12.91

Property, Plants and Equipment

Dish TV

Dish TV maintains a registered office at 18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai-400013, India and a corporate office and digital broadcast facility in Noida, Uttar Pradesh, India, where its digital broadcast centre is located.

Videocon

Videocon maintains a registered office in Aurangabad, Maharashtra, India, a corporate office in Mumbai, Maharashtra, India and a digital broadcast facility in Greater Noida, Uttar Pradesh, India where its digital broadcast centre is located.

Pursuant to a Transfer Deed of Leasehold Rights for Industry dated 25 April 2008, Videocon Industries transferred its leasehold rights in the industrial plot leased from the GNIDA (under a lease deed dated 29 March 2000 executed between Videocon Industries and GNIDA), and the ownership rights in the buildings constructed by it, comprising a covered area measuring 25 square meters and an industrial shed covering 2,358.29 square meters to Videocon. Videocon has the right to use this industrial plot until 2090 and it operates its digital broadcast centre at these premises.

"Auto Cars", a partnership firm, comprising members of the Dhoot family, has authorised Videocon to use the premises where Videocon's registered office is located pursuant to a letter dated 1 August 2012. Videocon is licenced to use the premises where its corporate digital DTH service office is located pursuant to a leave and licence agreement dated 23 October 2012 executed with V-Tecweb (India) Private Limited, which is valid until 30 September 2017.

Additionally, Videocon entered into leave and licence agreements with various parties in respect of 287 premises as of 31 March 2016, which are used by Videocon as branch offices and service centres for carrying out its business and marketing activities across India.

Research and Development, Patents and Licences

Dish TV

Dish TV has a dedicated in-house research and development team which specializes in designing and bringing new products as well as re-engineering existing products and services to the network in order to enrich the user engagement on Dish TV's platforms. One of the key focuses of the Dish TV's research and development team is to develop optimally designed hardware set-top boxes which optimise costs while providing a platform for value-added services and engagement with its customer base. Since last year, Dish TV has invested in merging two technologies, namely cloud computing and mobile platforms, to the set-top boxes. These platforms will allow Dish TV to design and deliver services such as mobile, remote control, audience measurement systems and interactive advertisement engines on Dish TV's platforms. All of Dish TV's HD platforms would be connected to using android mobile phones. Dish TV will be providing added features, such as allowing users to use the set-top box as a bluetooth speaker, audio streaming head phone and gesture control applications. Additionally, Dish TV is in the process of designing and producing its first hybrid wireless connected set-top boxes. Applications like Facebook, YouTube, Dailymotion, NDTV news and others are available on Dish TV's smart connect platforms. The research and development quality assurance team is responsible for maintaining the user experience and quality of the Dish TV's products. Dish TV expects to focus on enabling services around the connected platforms, "internet of things" security and surveillance-use cases in the future. Dish TV believes that its in-house research and development team provides it with greater flexibility in determining its product roadmap by working closely with middleware and chipset vendors.

The expenditure incurred on research and development is grouped under various functional related expenditure heads.

Analysis of Current Development

Dish TV's goal is to make an impact in the development of communication for DTH technology. Dish TV thinks it is currently transforming the present and shaping the future of television viewing. Dish TV understands that the interface with top R&D professionals will provide it with plenty of opportunities to continue to grow and develop in this area.

Dish TV is looking for influence projects that will create new concepts, initiate ideas, articulate new developments and present radical new thinking. The roles Dish TV has available cover a wide range of TV services, including research, technology specialists, product development, product management, commercialisation and software development to harmonise the latest UHD- and OTT-based video delivery to the its prestigious customers.

Feedback and Next Steps

Dish TV usually teams up with customers to accelerate R&D. By consulting consumers in the product development phase, it is able to better meet their expectations. By doing so, Dish TV saves time and resources that would otherwise be spent on developing rarely or never used features.

Such mutually beneficial partnerships can help Dish TV stay competitive in a market in which it is more challenging with each passing day to provide cost effective delivery to the customers.

Intellectual Property

Dish TV

As of 31 March 2017, Dish TV has registered 183 trademarks in relation to the "Dish TV" brand name and has applied for registration of further 314 trademarks.

Videocon

Videocon has entered into a renewal of Videocon trademark licence agreement with CE India Limited, a Videocon Group entity, for the use of the "Videocon" and "V" trademarks on a non-exclusive basis for a nominal fee. This licence is valid until 31 March 2022 and is renewable upon mutual agreement. As of 31 March 2016, Videocon has registered 33 trademarks, including in relation to the "d2h" brand name and have applied for registration of further 62 trademarks.

Material Contracts

Dish TV

There are no material contracts other than contracts entered into in the ordinary course of business, for the two years preceding the date of these Listing Particulars.

Videocon

The following is a summary of Videocon's material contracts, other than contracts entered into in the ordinary course of business, to which Videocon is a party, for the two years immediately preceding the date of these Listing Particulars.

Contribution Agreement

Silver Eagle and Videocon entered into a contribution agreement on 31 December 2014 pursuant to which Silver Eagle contributed approximately $273.3 million to Videocon in exchange for Shares of Videocon d2h represented by ADSs.

Legal Proceedings

Dish TV

Licence Fee Disputes

Dish TV has brought proceedings against the Union of India before the High Court of Jammu and Kashmir and before the TDSAT, in each case challenging the calculation of the annual licence fee levied on DTH operators by the applicable regulators in India. Dish TV's position is that the licence fee should be calculated on the basis of adjusted DTH gross revenue, which is revenue earned from licensed activities net of certain permitted deductions. Other DTH operators in India (including Videocon—see below) have also filed petitions challenging the calculation of the licence fees. As at 31 March 2017, Dish TV has taken a provision of Rs. 13,974 million for regulatory dues (including interest) relating to the disputed licence fees. The timeframe for resolution of these matters cannot be determined at this time.

Gulf DTH Copyright Infringement Litigation

In the year ended 31 March 2017, the Delhi High Court passed an order restraining Dish TV from operating in the Middle East and North Africa region. This arose due to a claim brought by the UAE-based company Gulf DTH FZ LLC, regarding copyright infringement by Dish TV in the region. The court has granted an application for interim stay filed by Gulf DTH FZ LLC. Dish TV has filed an appeal against the order. Based on the assessment of management and independent expert advice, the Company believes that no significant liabilities will arise against it from these proceedings and accordingly no provision has been recognised.

Tax Disputes

Claims against Dish TV (including unasserted claims) not acknowledged as debt:

(Rs. in millions)

Particulars	**As at 31 March 2017**	**As at 31 March 2016**
Income tax	31.3	36.2
Sales tax, value added tax and entry tax	650.5	473.3
Customs duty	10.9	79.5
Service tax*	719.5	719.5
Wealth tax	0.1	0.2
Entertainment tax	1,431.9	1,106.9
Other claims	48.5	48.9

*****Penalty, if any, levied on conclusion of this matter is currently not ascertainable.

Other than the above, Dish TV has certain ongoing disputes involving customers, however, the Company believes that none of these disputes will result in a material liability against the Company.

Income tax

In previous years, Dish TV has received demands for tax deducted at source (and interest thereon) amounting to Rs. 76.0 million (excluding penalties amounting to Rs. 1.6 million) relating to the alleged insufficient deduction of tax at source on certain payments for the assessment years 2009-'10 to 2013-'14. In respect of these demands, Dish TV has made payment under protest of Rs. 72.6 million, out of which Rs. 14.1 million was paid in the year ended 31 March 2016 and Rs. 3.9 million was paid in the year ended 31 March 2017. The remaining amount was paid in previous years. Dish TV has taken a provision on its balance sheet for these amounts paid under protest. Accordingly, the remaining amount Rs. 3.4 million has been included under contingent liabilities in the table above. The Company has, however, disputed all these matters and filed an appeal against the demands with the tax authorities.

Regarding Siti Cable Network Limited (which has now merged with the Company), a claim of Rs. 26.3 million in respect of the assessment year 2004 – '05 relating to additions of loans and advances and bandwidth charges has been issued by the relevant tax authorities. The Company has made an appeal, which is currently pending.

Sales tax, value added tax, entry tax, service tax, entertainment tax and other claims

The Company has received tax assessment orders in relation to the applicability of the taxes outlined above. The Company has contested these orders and these matters are ongoing.

Based on advice from independent tax experts and subject to the appeal process, the Company is confident that the additional tax claimed by the authorities will not succeed in court and as such, no provision has been made in the financial statements to account for this.

Videocon

Licence Fee Dispute

Videocon has filed a petition before the TDSAT contesting the calculation of licence fees levied by the relevant regulators in the amount of Rs. 6,414 million, which amount has been disclosed in Videocon's financial statements as a contingent liability. An interim stay has been granted to Videocon for the payment of the demand relating to the licence fee at issue. The Company is unable to determine the likely outcome or timeframe for resolution of this matter at this time.

Tax Disputes

In addition, from time to time, Videocon is involved in legal proceedings relating to Indian tax matters. At the date of these listing particulars, Videocon is involved in three such proceedings involving in the aggregate claims of Rs. 1,258 million. The Company does not believe that any of these proceedings individually would have a significant effect on the Company's financial position or profitability. Videocon cannot determine the likely outcome of the above matters or the timeframe for their resolution.

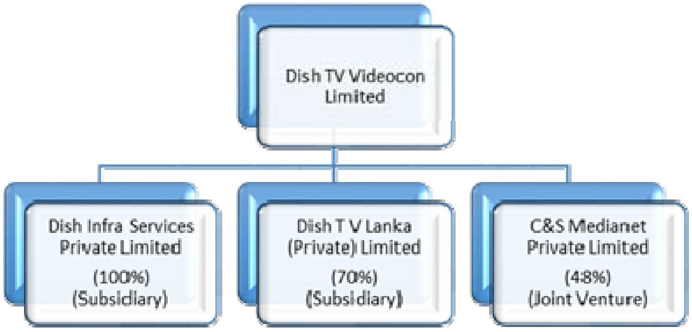
Other than the actions described above, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the publication of these Listing Particulars which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company, Dish TV or Videocon.

ORGANISATIONAL STRUCTURE

As of the the effective date of the Amalgamation, the Company owns two subsidiaries, namely Dish Infra Services Private Limited and Dish T V Lanka (Private) Limited (70% ownership) through which the Company conducts its businesses and operations. The Company also owns a 48% stake in a joint venture, C&S Medianet Private Limited.

Subsidiaries and Joint Ventures

The following chart shows the Company and its subsidiaries as well as ownership in a joint venture in the Group as of the effective date of the Amalgamation.



Subsidiary in Sri Lanka

The Company, upon the approval of Board, incorporated a joint venture Company with Satnet (Private) Limited, a Company incorporated under the laws of Sri Lanka, in the name and style of Dish T V Lanka (Private) Limited for providing Direct to Home Services in Sri Lanka, on April 25, 2012 with a paid-up share capital of 1 million Sri Lankan Rupees. The Company holds 70% of the paid-up share capital and Satnet (Private) Limited holds 30% of the paid-up share capital in Dish T V Lanka (Private) Limited. Dish T V Lanka (Private) Limited has commenced the operations under the requisite licences and permissions obtained from regulatory authorities. The Company has also been registered as a Board of Investment approved Company in Sri Lanka. The registration with Board of Investment grants various benefits to the Company, including duty-free imports of the equipment and set-top box for one year, tax holiday of seven years, etc.

Subsidiaries in India

The Company, upon the approval of Board and the shareholders, acquired the entire share capital of Xingmedia Distribution Private Limited ("**Xingmedia**") on 24 March 2014. Upon requisite approvals, the name of Xingmedia has been changed to Dish Infra Services Private Limited ("**Dish Infra**"). Post approval of shareholders of the Company by way of special resolution passed by postal ballot, the non-core business of the Company (undertaking pertaining to the provision of infra support services to the subscribers for facilitating the DTH services, including the instruments which are required for receiving DTH signals such as set-top boxes, dish antenna, low-noise boxes and other customer-related services including call centre services and repairs) has been transferred to Dish Infra with effect from 1 April 2015. Dish Infra has commenced its commercial operations (including call centre and back-end support service to the Company) in the first quarter of the financial year ended 31 March 2016.

Upon nomination by the Company, one independent director of the Board has been appointed as an independent director on the board of Dish Infra in compliance with the provisions of Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Joint Venture in India

The Company, upon the approval of Board incorporated a joint venture Company called C&S Medianet Private Limited on 5 May 2016. C&S Medianet Private Limited's initial paid-up capital is Rs 100,000. The Company holds 48% of the initial capital, and Siti Networks Limited also holds 48% of the initial capital. C&S Medianet Private Limited shall act as a negotiating agency for Content/Advertisement Sales/Carriage, etc. for the television channel distribution industry (DTH and Cable). C&S Medianet Private Limited commenced its first year of operation in the financial year ending 31 March 2017.

OPERATING AND FINANCIAL REVIEW

Dish TV

Overview

Dish TV India Limited (BSE Code - 532839, NSE Code -DISH TV) continues to be India's largest DTH operator in terms of the registered subscriber numbers.

The DTH industry had a very successful year on the background of rising disposable income and government initiatives to embark on digitalisation. The reason was high definition penetration—both through new acquisition and upgrade of existing subscribers from standard definition to high definition. Devices with recording facilities also saw traction. The higher penetration and acceptance of HD also resulted in higher revenue for the entire industry and contained subscriber churn. The year under review was an extremely successful year for the industry also on the account of increased acceptance of DTH services even in the digital cable dominated areas.

Though the consumer demand has not fully been reflected in GDP growth, the DTH sector grew well and fared much better than the previous financial years—both in terms of increased number of subscribers and increased revenue from the subscriber. The prices for new television sets continued their downward trend resulting in an increase in the target customer base for the sector. The year under review also saw settled economic indicators along with positive economic sentiments, which resulted increased willingness by consumers to spend more out of their disposable income.

During the year, Dish TV successfully converted these positive trends into business opportunities through aggressive penetration strategies in non-digitised markets and growth and revenue enhancement opportunities in digitised markets. This was done through a three-pronged strategy. First, an aggressive thrust in non-digitised markets through brand investments, regional product offerings, distribution and service network expansion. To acquire customers from the wider spectrum of population spread across the country having different languages, cultures and viewing choices, Dish TV strengthened its presence in the linguistic markets through its new and emerging brand, Zing. Second, emphasis on subscriber engagement continued through various innovative schemes and new offerings. The subscribers being the key focus area, Dish TV continues to invest its attention towards providing enhanced personalised services and solutions to its varied segments of subscribers. Third, continuing the lead in the category with the largest offering of HD channels, dishtruHD+, India's first HD set-top box with unlimited recording, has built a base of HD users that provide higher ARPU and better retention. Dish TV now offers consumer choices through a multi-brand and multi-product portfolio to cater to different consumer segments.

Dish TV's strategy is to provide the Indian consumer access to premium quality entertainment, thereby enhancing the viewing experience. The recent launch of DishFlix is yet another example of Dish TV's aim to innovate and its commitment to provide unmatched entertainment service experience to its consumers.

Dish TV has been able to touch millions of consumers' hearts by addressing their entertainment needs through product innovations and a commitment to convenience and quality. Personalisation is one key determinant that gives Dish TV an edge over the other market players. With innovative technology like "only for you", DIY Services and Multi Lingual services, Dish TV has earned a credible reputation for being consumer centric. Through these personalised services, Dish TV gives its consumers the freedom to customise and operate on their own according to their taste and needs. For consumers who are hard-pressed for time, Dish TV's online service, DISH Online, provides them entertainment on the go.

Dish TV's mission is to enrich people's lives by providing them with unmatched entertainment service experience. It strives to achieve this vision through a set of core values. The core values create shared purpose, collaboration and workplace pride. These core values coupled with Dish TV's approach of simplify, accelerate and build customer focus will help Dish TV to execute its strategy and achieve its goals.

The year 2016–2017 was a year of consolidation for Dish TV. Apart from recording growth in revenue and an increase in subscriber numbers, Dish TV also recorded net profit for the second consecutive year. There was less rupee- dollar volatility during the year under review as compared to the previous years resulting into less foreign exchange outflow on the foreign exchange exposure items. The total cost also had single-digit growth during the year.

Comparability of Results – Change in Accounting Policy

Dish TV has adopted a change in the accounting treatment of entertainment tax effective 1 April 2016. This change has resulted in subscription and activation revenue being presented net of entertainment tax, effective from 1 April 2016 (the "New Method"). Prior to 1 April 2016, entertainment tax was accounted for under operating expenses, thus subscription and activation revenue was presented without deduction of entertainment tax (the "Old Method"), and both subscription and activation revenue and operating expenses were higher under the Old Method than under the New Method.

Principal Factors Affecting Dish TV's Financial Condition and Results of Operations

Subscriber Growth

Dish TV continues to lead the DTH category from the front. The year has seen healthy growth in subscribers which has been a result of deep understanding of consumer needs translated into compelling propositions. Dish TV pursued its objective of enriching lives of TV viewers across all strata with aggressive penetration strategies and leveraged the third phase of digitisation. Dish TV's strength is its reach and Dish TV was instrumental in more and more households of the country to experience high quality TV viewing experience at affordable costs.

Competition

There is increasing competition both from within the industry as well as alternate solution providers. High-speed Internet at lower costs continues to be a potential alternate and could be a threat in the medium term. However restricted bandwidths are still a bottleneck to take to mass markets. Increased consumption of TV content via mobile is proliferating fast, however, mobile viewing experience as of now is restrictive.

Taxation

The introduction of new taxes last year further increased the cost burden in this industry which has been subject to multiple tax regime for years. With a majority of new consumers coming from relatively smaller population markets with limited disposable income, ARPU continues to be a challenge for this sector and for Dish TV.

High incidence of taxation and regulatory intervention will continue restricting the growth and profitability of the DTH sector, unless measures are taken by stakeholders and policy makers to ease the taxation framework.

Subscriber choice of packages

This year saw investments in brand as well as continued support to new products and services. Dish TV today is a stronger, more meaningful brand. It intends to put latest technologies and services like HD, live recording and universal remote within the reach of everyone. ZING, Dish TV's regional brand, has been a great success. It continued to serve the needs of the vernacular market and consumers with its unmatched value for money proposition for the consumers. Going forward, Zing markets are likely to get consolidated with enhanced value proposition for the end consumers. Investments to deliver seamless service experience are being pursued consistently with growth in Dish TV's reach, both in terms of sales and service network. Dish TV is continually getting closer to its customers.

Operating Results

Consolidated Financials as of 31 March 2017:

The table below presents the consolidated financials for the current and previous financial year. (Rs. in millions)

Consolidated Statement of Profit and Loss	Year ended 31 March 2017	2016	2015
Income			
Revenue from Operations	30,144 (1)	30,599	26,880
Other Income	475	641	635
Total Revenue	**30,619**	**31,240**	**27,515**
Expenses			
Purchase of stock in trade (Consumer premises equipment-related accessories/spares)	112	126	81
Change in inventories of stock-in-trade	(5)	(27)	(24)
Operating expenses	14,233 (1)	14,681	13,954
Employee benefit expense	1,440	1,229	1,018
Finance Cost	2,239	2,087	1,754
Depreciation & amortisation expense	6,631	5,907	6,138
Other expenses	4,578	4,342	4,520
Total Expenses	**29,228**	**28,345**	**27,441**
Profit before prior period items and tax	1,391	2,895	74
Prior period items	57	-	-
Profit/(Loss) before tax	1,334	2,895	74
Profit/(Loss) from continuing operation before tax	1,334	2,895	—
Tax expense	241	(4,029)	43
Profit/(Loss) from continuing operation after tax	1,093	6,924	31
Profit/(Loss) from discontinuing operation before tax	—	—	—
Tax expense	—	—	—
Profit/(Loss) from discontinuing operation after tax	—	—	—
Profit/(Loss) for the year	1,093	6,924	31

(1) Dish TV adopted a change in the accounting treatment of entertainment tax effective 1 April 2016. This change resulted in revenue from operations being presented net of entertainment tax. This change is reflected in Dish TV's financial information for the fiscal year ended 31 March 2017. Prior to 1 April 2016, entertainment tax was accounted for under operating expenses, thus revenue from operations was presented without deduction of entertainment tax. As a result, Dish TV's results of operations for periods after 1 April 2016 are not comparable with its results of operations for periods prior to 1 April 2016 due to this change in accounting treatment of entertainment tax effective 1 April 2016.

Results of operations — Year ended 31 March 2017 compared to year ended 31 March 2016

At the close of financial year 2017, Dish TV India Limited had two subsidiary companies i.e., Dish T V Lanka (Private) Limited (Dish Lanka) with 70% equity holding, Dish Infra Services Private Limited with 100% equity holding and one joint venture C&S Medianet Private Limited with 48% equity holding. Dish T V Lanka (Private) Limited has received the requisite licences and permissions from regulatory authorities and has commenced its commercial operations. The consolidated financial statements have been prepared after elimination of inter company transactions, if any.

Revenue from Operations: Dish TV's revenue from operations decreased by 1% to Rs. 30,144 million for the fiscal year 2017 from Rs. 30,599 million for the fiscal year 2016, principally reflecting a change in disclosure of revenue, as, with effect from 1 April 2016, entertainment tax is included in net revenue, rather than in operating expenses. However, on a like-for-like basis, revenue from operations increased by 4% to Rs. 31,733 million for the fiscal year 2017 from Rs. 30,599 million for the fiscal year 2016, primarily as result of a combination of increased subscribers numbers and higher product ARPU.

The following table shows a breakdown of Dish TV's revenue from operations for the periods indicated:

Revenue from operations

	For the year ended 31 March	
	2017	**2016**
	Amount	**Amount**
	(*Rs. in million*)	
Income from Direct to Home (DTH) subscribers:		
Subscription revenue	18,140	19,582
Infra Support Services	9,557	8,694
Lease rentals	142	406
Teleport services	226	216
Bandwidth charges	1,058	1,055
Sales of customer premises equipment (CPE) and accessories	58	57
Advertisement income	525	499
Other operating income	438	90
Total	**30,144**	**30,599**

Other Income: Dish TV's other income decreased by 26% to Rs. 475 million for the fiscal year 2017 from Rs. 640 million for the fiscal year 2016, primarily as a result of a decrease in interest income from long-term investments, as well as lower liabilities written back.

Purchases of stock-in-trade: Dish TV's purchases of stock-in-trade decreased by 11% to Rs. 112 million for the fiscal year 2017 from Rs. 126 million for the fiscal year 2016.

Changes in inventories of stock-in-trade: Dish TV's changes in inventories of stock in trade decreased by 81% to Rs. (5) million for the fiscal year 2017 from Rs. (27) million for the fiscal year 2016.

Operating expenses: Dish TV's operating expenses decreased by 3% to Rs. 14,233 million for the fiscal year 2017 from Rs. 14,681 million for the fiscal year 2016, principally reflecting a change in disclosure of revenue, as, with effect from 1 April 2016, entertainment tax is included in net revenue, rather than in operating expenses. However, on like-for-like basis, operating expenses increased by 8% to Rs. 15,854 million for the fiscal year 2017 from Rs. 14,681 million for the fiscal year 2016, primarily attributable to an increase in programming, other costs due to regrouping of entertainment tax and new High Definition content deals.

The following table shows a breakdown of Dish TV's operating expenses for the periods indicated:

	For the year ended 31 March	
	2017	**2016**
	Amount	**Amount**
	(*Rs. in million*)	
Transponder lease	1,850	1,618
Licence fees	2,175	2,175
Uplinking charges	73	71
Programming and other costs*	9,177	8,555
Entertainment tax	—	1,658
Call Centre Charges	885	604
Other Operating costs	73	0
Total	**14,233**	**14,681**

*includes prior period expenses of Rs. 32 million as of 31 March 2017.

Employee benefit expenses: Dish TV's overall employee benefit expenses increased by 17% to Rs 1,440 million for the fiscal year 2017 from Rs. 1,229 million for the fiscal year 2016, primarily as a result of annual increase in salaries and increase in numbers of sale and service workforce.

The following table shows a breakdown of Dish TV's employee benefit expenses for the periods indicated:

	For the year ended 31 March	
	2017	2016
	Amount	Amount
	(*Rs. in million*)	
Salary, bonus and allowance*	1,333	1,140
Contribution to provident and other funds	77	65
Staff welfare	15	10
Recruitment and training expenses	15	14
Total	**1,440**	**1,229**

*includes prior period expenses of Rs. 25 million as of 31 March 2017.

Finance Cost: Dish TV's finance cost increased by 7% to Rs. 2,239 million for the fiscal year 2017 from Rs. 2,087 million for the fiscal year 2016, primarily as a result of incremental currency hedging cost.

The following table shows a breakdown of Dish TV's finance costs for the periods indicated:

	For the year ended 31 March	
	2017	2016
	Amount	Amount
	(*Rs. in million*)	
Interest on:		
Debentures	363	346
Term loans from banks	88	364
Buyer's credits from banks	222	157
Regulatory dues	948	821
Others	369	167
Other borrowing costs	249	232
Total	**2,239**	**2,087**

Depreciation and amortisation expense: Dish TV's depreciation and amortisation increased by 12% to Rs. 6,631 million for the fiscal year 2017 from Rs. 5,907 million for the fiscal year 2016, primarily as a result of addition in fixed assets.

Other Expenses: Dish TV's other Expenses increased by 5% to Rs. 4,579 million for the fiscal year 2017 from Rs. 4,342 million for the fiscal year 2016, primarily as a result of an increase in sale commissions.

Profit and Loss before tax: Dish TV's profit before tax decreased by 54% to Rs. 1,334 million for the fiscal year 2017 from Rs. 2,895 million for the fiscal year 2016, primarily as a result of the factors listed above.

Tax expense: Dish TV's tax expense for the year ended 31 March 2017 was 241.2 million.

Profit and Loss for the year: Dish TV's profit decreased by 84% to Rs. 1,093 million for the fiscal year 2017 from Rs. 6,924 million for the fiscal year 2016, primarily as a result of a decrease in deferred tax.

Results of operations — Year ended 31 March 2016 compared to year ended 31 March 2015

Revenue from Operations: Dish TV's revenue from operations increased by 14 % to Rs. 30,599 million for the fiscal year 2016 from Rs.26,880 million for the fiscal year 2015, primarily as a result of an increase in infra support services to DTH subscibers, partially offset by lower subscription revenue. Further, with effect from 1 April 2016, entertainment tax is incluced in net revenue, rather than operating expenses.

The following table shows a breakdown of Dish TV's revenue from operations for the periods indicated:

Revenue from operations

	For the year ended 31 March	
	2016	**2015**
	Amount	**Amount**
	(*Rs. in million*)	
Income from Direct to Home (DTH) subscribers:		
Subscription revenue	19,582	24,499
Infra Support Services	8,694	-
Lease rentals	406	810
Teleport services	216	210
Bandwidth charges	1,055	810
Sales of customer premises equipment (CPE) and accessories	57	50
Advertisement income	499	417
Other operating income	90	84
Total	**30,559**	**26,880**

Other Income: Dish TV's other income increased by 1% to Rs. 640 million for the fiscal year 2016 from Rs. 635 million for the fiscal year 2015.

Purchases of stock-in-trade: Dish TV's purchases of stock-in-trade increased by 56 % to Rs. 126 million for the fiscal year 2016 from Rs. 81 million for the fiscal year 2015.

Operating expenses: Dish TV's operating expenses increased by 5% to Rs. 14,681 million for the fiscal year 2016 from Rs. 13,954 million for the fiscal year 2015, primarily as a result of the incurrence of call centre expenses in 2016 (not incurred in the prior year), partially offset by lower licence fees.

The following table shows a breakdown of Dish TV's operating expenses for the periods indicated:

	For the year ended 31 March	
	2016	**2015**
	Amount	**Amount**
	(*Rs. in million*)	
Transponder lease	1,618	1,509
Licence fees	2,175	2,888
Uplinking charges	71	69
Programming and other costs	8,555	8,008
Entertainment tax	1,658	1,480
Call Centre Charges	604	-
Total	**14,681**	**13,954**

Employee benefit expenses: Dish TV's overall employee benefit expenses increased by 21% to Rs. 1,229 million for the fiscal year 2016 from Rs. 1,018 million for the fiscal year 2015, primarily as a result of annual increase in salaries, bonus and increase in workforce.

The following table shows a breakdown of Dish TV's employee benefit expenses for the periods indicated:

	For the year ended 31 March	
	2016	2015
	Amount	Amount
	(*Rs. in million*)	
Salary, bonus and allowance	1,140	937
Contribution to provident and other funds	65	58
Staff welfare	10	8
Recruitment and training expenses	14	15
Total	**1,229**	**1,018**

Finance Cost: Dish TV's finance cost increased by 19 % to Rs. 2,087 million for the fiscal year 2016 from Rs. 1,754 million for the fiscal year 2015.

The following table shows a breakdown of Dish TV's finance costs for the periods indicated:

	For the year ended 31 March	
	2016	2015
	Amount	Amount
	(*Rs. in million*)	
Interest on:		
Debentures	346	124
Term loans from banks	364	515
Buyer's credits from banks	157	187
Regulatory dues	821	686
Others	167	34
Other borrowing costs	232	208
Total	**2,087**	**1,754**

Depreciation and amortisation expense: Dish TV's depreciation and amortization expense decreased by 4% to Rs. 5,907 million for the fiscal year 2016 from Rs. 6,138 million for the fiscal year 2015, principally owing to stability in the Indian rupee in the fiscal year 2016, as a result of which there was a lower impact of rupee depreciation on set-top box prices and depreciation.

Other Expenses: Dish TV's other expenses decreased by 4% to Rs.4,342 million for the fiscal year 2016 from Rs. 4,521 million for the fiscal year 2015, primarily as a result of decrease in recovery of installation charges from customers.

Profit and Loss before tax: Dish TV's profit before tax increased to Rs. 2,895 million for the fiscal year 2016.

Tax expense: for the year ended 31 March 2016, Dish TV recorded a tax credit of Rs. 4,029 million, compared to tax expense of Rs. 42 million for the year ended 31 March 2015.

Profit and Loss for the year: Dish TV's profit increased to Rs 6,924 million for the fiscal year 2016 from Rs. 31 million for the fiscal year 2015, primarily as a result of the factors discussed above.

Videocon

Introduction

The following discussion and analysis of Videocon's financial condition and results of operations is based upon, and should be read in conjunction with, Videocon's financial statements. Videocon's financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**") and fiscal year ends on 31 March of each year. Accordingly, all references to a particular fiscal year are to the 12 months ended 31 March of that year. The following discussion and analysis contains forward-looking statements that involve risks and uncertainties.

Overview

Videocon is one of the fastest growing direct-to-home, or DTH, service providers in India by acquisition of new subscribers, adding approximately 15.12 million gross subscribers during the period from April 2011 to March 2017 across India. Videocon distributes multiple digital television channels and allied video and audio services to subscribers via direct satellite feeds as part of its DTH services. Videocon brings its subscribers quality digital television viewing and currently it carries over 650 national and international channels and services, including 62 high definition, or HD, channels and 42 audio and video services as part of its Music Channel Services. Videocon commenced DTH operations in July 2009 and have since grown to a gross subscriber base of 17.98 million. It provides services throughout India and believes it will be well positioned to capitalize on the growth opportunities in the Indian DTH market, including as a result of India's ongoing digitalisation program. In December 2015, India began implementing Phase III Digitalisation in cities that come under that phase of the digitalisation scheme. According to the MPA Report, it is estimated that around 144 million television homes will be affected by under Phase III and Phase IV Digitalisation, of which 49 million television homes are already on the digital platform. Thus, the target market for homes that may switch to the digital platform as a result of Phase III and Phase IV Digitalisation is the balance of an estimated 95 million television homes in affected markets that are currently on analogue cable, terrestrial and free satellite.

Principal Factors Affecting Videocon's Financial Condition and Results of Operations

Subscriber Growth

Almost all of Videocon's revenue comprises income from DTH subscribers, particularly, subscription and activation revenue and lease of CPE. Subscription and activation revenue is dependent upon the number of subscribers, pricing of offerings and services and subscriber loyalty. The total number of gross subscribers was 13.09 million, 15.74 million and 17.98 million at the end of fiscal years 2015, 2016 and 2017 respectively.

Videocon's revenue growth is driven primarily by subscriber additions and subscriber churn management. It seeks to increase its subscriber base by providing a wide range of subscription packages at competitive prices, along with providing attractive value-added services that Videocon believes are competitive. Additionally, with its marketing efforts, Videocon intends to increase its subscriber base by reaching out to a wider population. Videocon also utilises dealer incentives to drive subscriber growth. As subscribers grow, so does the amount of consumer premise equipment leased, which results in an increase in lease revenue.

Subscriber churn is a critical factor affecting Videocon's results of operations. Churn is calculated as the number of subscribers who have not made payments and remain disconnected for at least 120 days. Any amount of churn tends to result in loss of operating revenue from those subscribers. The monthly churn rate (as a percentage of average net subscribers) was 0.8% in the 2015 fiscal year, 0.7% in the 2016 fiscal year, and 0.8% in the 2017 fiscal year. Churn arises mainly as a result of personal economic factors and, to a lesser extent, changes in consumer preferences and competitor offerings. Churn also tends to increase after major sports events which have led to a spike in new subscriber additions. Churn may also increase due to factors beyond Videocon's control, including, a slowing economy and consumer fraud. Videocon seeks to control churn through managing the consumer life cycle, continuously improving and increasing content, providing innovative products and technology, and providing quality customer service. Videocon controlled exclusive direct service centres in over 230 cities as of 31 March 2017, which allowed it to retain control of the customer service experience, unlike certain other competitors which outsource the majority of their customer service operations. Videocon believes the reliability of its content offerings serves to limit churn. Videocon has been able to maintain good relationships with broadcasters, allowing access to the full range of offerings from such content providers. Videocon also believes that the quality of new subscribers can also serve to decrease churn. In line with industry practice, it ceased the practice of granting a free viewing period to new subscribers in recent years. It also believes that this has led to increased quality of new subscribers and a decrease in churn rate, as new subscribers have demonstrated a willingness to pay for its services. However, as competition for new subscribers increases in the market, for example as a result of digital platforms competing to attract customers affected by Phase III and Phase IV digitalisation, competitive factors may lead to the reinstatement of free viewing periods, which could have an impact on churn in the future. The total number of net subscribers, which is calculated as gross subscribers less churn, was 10.18 million, 11.86 million and 12.91 million for the fiscal years 2015, 2016, and 2017 respectively.

Videocon intends to capitalize on the digitalisation of the analogue market in India in order to grow its subscriber base. This digitalisation program provides DTH operators, such as Videocon d2h, a significant opportunity to further expand its subscriber base in urban areas and cable stronghold markets. According to the MPA Report, the DTH market is projected to grow rapidly over the next few years, garnering a high share of new pay-TV subscribers as well as increasing its share of the pay-TV market from the market share of cable television as a result of the digitalisation initiative. Videocon believes that its pan-India presence, along with its broad distribution network, wide selection of channels, service offerings and content helps leverage off the new digital addressable cable TV system, or DAS being implemented, and maximise subscriber additions.

Content and Programming Costs

Content and programming costs comprise the largest portion of Videocon's operating expenses, comprising 37.3%, 40.4% and 44.5% of its total expenses for fiscal years 2015, 2016 and 2017, respectively. Programming procurement by DTH operators in India, including Videocon d2h, generally takes place through channel distributors or owners. These programming procurement costs consist primarily of licence fees paid to broadcasters and distributors of channels and content. Videocon enters into content agreements with channel broadcasters and distributors to licence channels and its pays them content and programming fees that are stipulated under the agreements. The major channel broadcasters and distributors, from whom it procures content include Star India Private Limited, Zee Entertainment Enterprises Ltd (formerly Taj Television (India) Private Limited), Turner International India Private Limited, TV 18 Broadcast Limited, and Multi Screen Media Private Limited. Under the new agreements, a portion of Videocon's costs is determined on a variable basis depending on its number of subscribers. Thus, as the number of their gross subscribers increases, it can be expected that the variable cost portion of the content agreements to increase as well. Typically upon expiration of existing contracts, content suppliers renegotiate the commercial terms based on subscriber and ARPU growth, which tends to increase content and programming costs. Given the competitive DTH market, broadcasters have limited ability to pass on increases in content and programming costs to the subscribers. As such, increases in content and programming costs may have an impact on Videocon's results of operations.

Subscriber Acquisition Costs

Videocon incurs significant expenses in acquiring new subscribers. Subscriber acquisition cost per subscriber was Rs. 1,870, Rs. 1,774 and Rs. 1,901 in the fiscal years 2015, 2016 and 2017, respectively. Videocon calculates subscriber acquisition cost as the difference between upfront charges received from new subscribers (net of taxes) and costs incurred towards activation of those subscribers, including the cost of CPE and distributors' margin. Videocon previously included marketing cost in its subscriber acquisition cost, but, in line with market practice among competitors in the DTH market in India, it began computing subscriber acquisition cost without including marketing cost in the fiscal year 2016. The subscriber acquisition cost figures included in these Listing Particulars are all presented without including marketing cost. Videocon's subscriber base has grown significantly since the commencement of operations. As Videocon grows its business, the subscriber acquisition costs may increase to the extent it continues to add new subscribers or due to increased competition.

Subscriber Choice of Packages

Videocon provides subscribers with a choice of packages through three tiers: entry level, mid-tier and high-tier, as well as add-on, à la carte channels. As of 31 March 2017, the monthly subscription packages generally ranged from Rs. 199 to Rs. 680 per month (inclusive of taxes). Generally, the sale of higher priced packages is more profitable and positively affects Videocon's results of operations. Videocon seeks to improve ARPU, by encouraging customers to adopt higher-priced packages, à la carte channels and value-added services; and seek to minimise lapses in subscription payments. During the year 2016, Videocon introduced the Flexi Pack, an entry level subscription package available for Rs. 99 per month (inclusive of taxes).

ARPU was Rs. 196 and Rs. 207 in the fiscal years 2015 and 2016, respectively. ARPU for the fiscal year 2016 is calculated after adding back distribution margin of approximately 5.0%. The increase in ARPU has primarily resulted from an increase in monthly subscription rates and an increase in customers choosing higher-priced packages. ARPU was Rs. 207 in the fiscal year 2017. For the fiscal year 2017, ARPU is calculated by dividing revenue from operations by the average of Videocon's net subscribers for the period. For prior periods, ARPU was calculated by dividing Videocon's subscription and activation revenue by the average of its net subscribers for the periods. Subscription and activation revenue were considered on a gross basis without netting off the recharge margins or discounts provided to the distributors. As a result, ARPU for periods from 1 April 2016 onwards are not comparable with ARPU for periods prior to 1 April 2016.

Videocon adopted a change in the accounting treatment of entertainment tax effective from 1 April 2016. This change resulted in operating revenue and ARPU being presented net of entertainment tax, effective from 1 April 2016. Prior to 1 April 2016, entertainment tax was accounted for under operating expenses, thus operating revenue and resulting ARPU was presented without deduction of entertainment tax.

Competition

Videocon competes directly with other DTH operators, as well as indirectly with cable operators, free-to-air television, media-on-demand and other mass media. Videocon believes that it competes, primarily based on price, content offering, service, viewing experience and customer satisfaction, and the quality of the system and distribution network and content delivery.

Finance Costs

Videocon uses debt to finance its business and operations. Total long-term and short-term borrowings outstanding were Rs. 25,947.07 million, Rs. 23,171.70 million and Rs. 20,320.45 million, as of 31 March 2015, 2016 and 2017, respectively. Finance costs (net of finance income) in the fiscal years 2015, 2016 and 2017 were Rs. 4,614.22 million, Rs. 3,142.83 million and Rs. 2,815.88 million, respectively. The decrease in total borrowings and in finance costs in the fiscal year 2017 was due to repayment of loans in the fiscal year 2017. Videocon expects that it will continue to use debt to finance its business and operation.

Depreciation

Consumer premise equipment comprises a large part of Videocon's property, plant and equipment. As subscribers are added, the amount of consumer premise equipment deployed increases along with the related depreciation. As of 31 March 2015, 2016 and 2017, Videocon had deployed consumer premise equipment of Rs. 32,704.35 million, Rs. 40,594.22 million and Rs. 45,953.22 million, respectively. Videocon depreciated consumer premise equipment over a seven-year period using the straight line method. In the fiscal years 2015, 2016 and 2017, the depreciation expenses relating to this equipment were Rs. 4,604.4 million, Rs. 5,428.49 million and Rs. 6,248.93 million, respectively.

Operating Results

The following table sets forth select financial data from Videocon's income statement for the periods indicated, the components of which are also expressed as a percentage of total revenue for such periods.

	Fiscal Year					
	2015		2016		2017	
	Amount	**% of Total Revenue**	**Amount**	**% of Total Revenue**	**Amount**	**% of Total Revenue**
			(Rs. in million)			
INCOME						
Revenue from operations	23,377.08	100.0%	28,558.62	100.0%	30,717.34	100.0%
	23,377.08	**100.0%**	**28,558.62**	**100.0%**	**30,717.34**	**100.0%**
EXPENSE						
Operating expense	13,853.05	59.3%	16,492.80	57.8%	16,191.51	52.7%
Employee benefits expense	1,023.28	4.4%	1,207.31	4.2%	1,288.53	4.2%
Administration and other expenses	688.04	2.9%	704.51	2.5%	815.42	2.7%
Selling and distribution expenses	1,856.32	7.9%	2,258.84	7.9%	2,349.31	7.6%
Depreciation, amortisation and impairment	5,286.82	22.6%	6,088.42	21.3%	6,866.09	22.4%
Total Expenses	**22,707.51**	**97.1%**	**26,751.88**	**93.7%**	**27,510.86**	**89.6%**
Profit/(Loss) from operations	669.57	2.9%	1,806.74	6.3%	3,206.48	10.4%
Finance costs/Finance Income (Net)	(4,614.22)	(19.7)%	(3,142.83)	(11.0)%	(2,815.88)	(9.2)%
Other Income	0.08	0.0%	36.64	0.1%	52.70	0.2%
Profit/(loss) before tax	(3,944.57)	(16.9)%	(1,299.45)	(4.6)%	443.30	1.4%
Income tax expense						

	Fiscal Year					
	2015		2016		2017	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue
	(*Rs. in million*)					
Current tax	—	0.0%	—	0.0%	-	0.0%
Deferred tax	(1,217.93)	(5.2)%	(377.40)	(1.3)%	138.88	0.5%
Profit/(Loss) after tax	(2,726.64)	(11.7)%	(922.05)	(3.2)%	304.42	1.0%

Revenue

Videocon's revenue comprises revenue from operations and other income.

Revenue from Operations

The following table shows a breakdown of Videocon's revenue from operations for the periods indicated:

	Fiscal Year					
	2015		2016		2017	
	(*Rs. in million*)	*%*	(*Rs. in million*)	*%*	(*Rs. in million*)	*%*
Subscription and activation revenue	20,628.48	88.2	26,068.06	91.3	28,075.20	91.4
Other operating revenue	1,713.09	7.3	1,367.52	4.8	1,410.91	4.6
Lease rentals	927.35	4.0	1,032.46	3.6	1,143.83	3.7
Sale of set-top box and accessories	108.16	0.5	90.58	0.3	87.40	0.3
Total	**23,377.08**	**100.0**	**28,558.62**	**100.0**	**30,717.34**	**100.0**

Subscription and Activation Revenue: Subscription and activation revenue comprises (i) monthly subscription fees paid by Videocon's subscribers for its programming packages, (ii) fees for extra services such as additional channels, combination of channels or other add-on packages or value-added services that Videocon offers and (iii) fees for activation which are collected up front and are recognised as revenue upon the activation of CPE. Fees for activation are reflected net of any applicable activation expenses. The total amount of subscription revenue depends on the number of paying subscribers and the amount of monthly subscription fees paid for the packages subscribed by the subscribers.

Other Operating Revenue: Other operating revenue comprises income received from advertisement, carriage fees received from broadcasters for carrying their channels on Videocon's platform, revenue received for repairs undertaken and for services provided to the subscriber.

Lease Rental: Lease rental represents the rental revenues for the lease of set-top boxes and outdoor units and any associated spares and accessories. The lease rental Videocon receives from a new subscriber is recognised over a period of seven years from the date of activation. Videocon offers subscribers the option to lease, buy or rent-to-own the set-top box, in accordance with applicable Indian regulations.

Sale of Set-top Boxes and Other Accessories: Sale of set-top boxes and other accessories primarily comprises revenue received from the sale of set-top boxes, spares and tools. The sale price of set-top boxes depends on the model type of the product. These sales also include the sale of related spares and accessories

Other Income

Videocon's other income comprises fees received from the depository and, in previous years, it included liabilities/provisions no longer required to be written back which primarily relate to recovery of credit provided to customers once their subscriptions expire and other non-operating income. The following table shows Videocon's components of other income for the periods indicated:

	Fiscal Year		
	2015	2016	2017

	(*Rs. in million*)	%	(*Rs. in million*)	%	(*Rs. in million*)	%
Liabilities/provisions no longer required written back................	—	—	—	—	—	—
Other non-operating income..........	0.08	100.0	36.64	100.0	52.70	100.0
Total	**0.08**	**100.0**	**36.64**	**100.0**	**52.70**	**100.0**

Videocon's expenses comprise (i) operating expenses; (ii) employee benefits expense; (iii) administrative and other expenses; and (iv) selling and distribution expenses.

Operating Expenses: Operating expenses comprise content and programming costs, licence fees and taxes, space segment charges and fees, installation and service expenses, IT support costs, and cost of materials and components consumed. Content and programming costs comprise monthly licence fees due to television broadcasters and channel distributors. Licence fees and taxes comprise licence fees payable to the MIB and also include entertainment taxes paid under protest to the respective authorities. Space segment charges and fees comprise fees paid towards the rental of the transponders of the ST2 satellite of SingTel pursuant to the KuBand Lease Agreements, with the Department of Space, as well as the network operations control centre fee and spectrum charges. Installation and service expenses comprise expenses incurred for support during the installation of CPE for a new subscriber and expenses incurred towards repair of such equipment. IT support costs comprise expenses for IT support activities. Cost of materials and components consumed comprise the cost of set-top boxes that are sold to subscribers and the cost of consumption of spares and tools for the purpose of undertaking repairs of CPE. The following table shows the components of Videocon's operating expenses for the periods indicated:

	Fiscal Year					
	2015		**2016**		**2017**	
	(Rs. in million)	***%***	***(Rs. in million)***	***%***	***(Rs. in million)***	***%***
Content and programming costs......	8,459.24	61.0	10,796.54	65.4	12,250.51	75.7
Licence fees and taxes....................	2,489.52	18.0	3,342.91	20.3	1,721.56	10.6
Space segment charges and fees......	1,403.49	10.1	1,555.40	9.4	1,602.92	9.9
Installation and service expenses.....	938.36	6.8	273.42	1.7	7.73	0.0
IT support costs..............................	330.01	2.4	346.57	2.1	342.68	2.1
Cost of materials and components consumed	232.43	1.7	177.96	1.1	266.11	1.6
Total	**13,853.05**	**100.0**	**16,492.80**	**100.0**	**16,191.51**	**100.0**

Employee Benefits Expense: Videocon's employee benefits expense comprises salaries, discretionary bonuses and allowances, contributions to Provident and other funds, and staff welfare expenses. The following table shows the components of Videocon's employee benefits expenses for the periods indicated:

	Fiscal Year					
	2015		**2016**		**2017**	
	(Rs. in million)	***%***	***(Rs. in million)***	***%***	***(Rs. in million)***	***%***
Salaries, bonus and allowances	957.87	93.6	1,132.85	93.8	1,207.38	93.7
Contributions to Provident and other funds.........................	37.77	3.7	43.42	3.6	49.36	3.8
Staff welfare expenses...........	27.64	2.7	31.04	2.6	31.79	2.5
Total	**1,023.28**	**100.0**	**1,207.31**	**100.0**	**1,288.53**	**100.0**

Administrative and Other Expenses: Administrative and other expenses include, among other things, expenses related to state government fees and taxes, travelling and conveyance expenses, rent, office and general expenses and power and fuel expenses. The following table shows the components of Videocon's administrative and other expenses for the periods indicated:

Fiscal Year

	2015		2016		2017	
	(Rs. in million)	*%*	*(Rs. in million)*	*%*	*(Rs. in million)*	*%*
Travelling and conveyance expenses	154.46	22.5	159.92	22.7	159.19	19.5
Rent	108.18	15.7	117.83	16.7	119.75	14.7
Power and fuel	77.31	11.3	88.06	12.5	93.69	11.5
Legal and professional charges	147.55	21.4	84.66	12.0	219.88	27.0
Office and general expenses	86.23	12.5	89.89	12.8	125.95	15.4
Exchange fluctuation loss (net)	18.87	2.7	42.40	6.0	—	—
Communication expenses	28.20	4.1	29.37	4.2	26.09	3.2
Repairs and maintenance	27.51	4.0	30.73	4.4	24.44	3.0
Printing and stationery	15.96	2.3	15.54	2.2	13.18	1.6
Insurance expenses	5.05	0.7	13.98	2.0	21.49	2.6
Rates and taxes	7.86	1.1	25.99	3.7	2.01	0.2
Auditors' remuneration	9.39	1.4	5.00	0.7	5.52	0.7
Bad debts	1.05	0.2	1.04	0.1	2.31	0.3
Provision for doubtful debts	0.42	0.1	0.10	—	1.92	0.2
Total	**688.04**	**100.0**	**704.51**	**100.0**	**815.42**	**100.0**

Selling and Distribution Expenses: Selling and distribution expenses comprise advertisement and marketing expenses, customer support services, which are expenses incurred towards customer care, subscriber management and logistics costs, and expenses incurred for distribution. The following table shows the components of Videocon's selling and distribution expenses for the periods indicated:

	Fiscal Year					
	2015		**2016**		**2017**	
	(Rs. in million)	*%*	*(Rs. in million)*	*%*	*(Rs. in million)*	*%*
Advertisement and marketing expenses	899.32	48.4	1,106.42	49.0	1,015.73	43.2
Customer support services	871.77	47.0	1,131.71	50.1	1,304.70	55.5
Distribution expenses	85.23	4.6	20.71	0.9	28.88	1.2
Total	**1,856.32**	**100**	**2,258.84**	**100.0**	**2,349.31**	**100.0**

Finance Costs/Finance Income (Net): Finance costs comprise interest expense, other borrowing costs and bank charges incurred. Finance income comprises interest income on deposits. The following table shows the components of Videocon's finance costs/finance income (net) for the periods indicated:

	Fiscal Year					
	2015		**2016**		**2017**	
	(Rs. in million)	*%*	*(Rs. In million)*	*%*	*(Rs. In million)*	*%*
Finance costs						
Bank loan interest	(4,223.47)	(91.5)	(3,406.48)	(108.4)	(2,666.20)	(94.7)
Other interest	(368.82)	(8.0)	(348.19)	(11.1)	(340.94)	(12.1)
Bank charges	(124.46)	(2.7)	(112.64)	(3.6)	(177.00)	(6.3)
Finance income						
Interest income	102.53	2.2	724.48	23.1	368.26	13.1
Finance (Cost) / Finance Income (Net)	**(4,614.22)**	**(100.0)**	**(3,142.83)**	**(100.0)**	**(2,815.88)**	**(100.0)**

Depreciation, Amortisation and Impairment Expense: Depreciation and amortisation expense comprises depreciation of plant and machinery and other equipment, furniture, office equipment, vehicles, computer hardware and amortisation of computer software and other intangible assets. It also includes the amortisation of CPE that Videocon leases to its subscribers. Videocon amortises the cost of CPE over a period of seven years. Impairment expense includes the net cost of CPE installed at the premises of subscribers who have not made payment for more than 500 days after recognizing churn (which is currently recognised after non-payment by a subscriber for a continuous period of 120 days).

Income Tax Expense: Income tax comprises current tax and deferred tax. Provision for current income tax is made on the assessable income and benefits at the rate applicable to the relevant assessment year. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences, subject to certain considerations. Deferred tax is measured using the tax rates enacted or substantively enacted as of the balance sheet date. Deferred assets carried forward are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised. Any reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Comparability of Results – Change in Accounting Policy

Videocon have adopted a change in the accounting treatment of entertainment tax effective 1 April 2016. This change has resulted in subscription and activation revenue being presented net of entertainment tax, effective from 1 April 2016 (the "New Method"). Prior to 1 April 2016, entertainment tax was accounted for under operating expenses, thus subscription and activation revenue was presented without deduction of entertainment tax (the "Old Method"), and both subscription and activation revenue and operating expenses were higher under the Old Method than under the New Method. In addition, Videocon has adopted a change in its calculation of ARPU. ARPU represents the revenue Videocon received per average number of subscribers per period.

Certain Key Measures of Financial Performance

Average Revenue Per User

ARPU represents the revenue Videocon receives per average number of subscribers per period. Videocon calculates ARPU by dividing its subscription revenue by the average of its net subscribers for the period. In this calculation, subscription and activation charges includes margins provided to distributors for distribution of subscriptions and consumer premises equipment for the fiscal years 2015 and 2016 in the amounts of Rs. 1,204.43 million, and Rs. 1,286.55 million respectively. Subscription and activation charges collected from subscribers is a non-IFRS measure. In the fiscal year 2017, Videocon calculated ARPU by dividing our revenue from operations by the average of our net subscribers for the period.

The following table provides Videocon's ARPU and churn (as a percentage of subscription revenue) for fiscal years 2016 and 2015.

		Fiscal Year	
		2015	**2016**
	Closing Gross Subscribers (millions)	13.09	15.74
	Less: Churn Subscribers (Gross minus Net Subscribers) (millions)*	2.91	3.88
A	Net Subscribers (millions)	10.18	11.86
B	Average Net Subscribers (millions)**	9.31	11.02
C	Incremental Churn Subscribers (millions)	0.90	0.97
D	Total subscription and activation charges (Rs. in millions)***	21,915.04	27,381.59
E = (D/B/Number of Months)	ARPU (in Rs.)	196.2	207.1
F = (C/B/Number of Months)	Monthly Churn (as a percentage of average Net Subscribers)	0.80%	0.73%

* Churn has been calculated as the number of subscribers who have not made payment for at least 120 days and is the difference between the number of gross subscribers and the number of net subscribers

** (Opening net subscribers + closing net subscribers)/2

*** Includes margins provided to distributors for distribution of subscriptions and consumer premises equipment for fiscal years 2016 and 2015 in the amounts of Rs. 1,204.43 million and Rs. 1,286.55 million, respectively. Subscription and activation charges collected from subscribers is a non-IFRS measure.

The following table provides Videocon's ARPU and churn for the fiscal year 2017. As a result of the change in method of calculation, ARPU for the fiscal year 2017 is not comparable with ARPU from previous years.

		Fiscal Year
		2017
	Closing Gross Subscribers (millions)	17.98
	Less: Churn Subscribers (Gross minus Net Subscribers) (millions)(1)	5.07
A	Net Subscribers (millions)	12.91
B	Average Net Subscribers (millions) (2)	12.38
C	Incremental Churn Subscribers (millions)	1.19
D	Revenue from operations (Rs. in millions)	30,717.34
E=(D/B/Number of Months)	ARPU (in Rs.)	206.7
F = (C/B/Number of Months)	Monthly Churn (as a percentage of average Net Subscribers)	0.80%

(1) Churn has been calculated as the number of subscribers who have not made payment for at least 120 days and is the difference between the number of gross subscribers and the number of net subscribers

(2) (Opening net subscribers + closing net subscribers) / 2

ARPU is a common terminology used in the pay TV industry worldwide to measure the operational performance of a company in the DTH pay-TV business. The subscription and activation charges are considered on a gross basis without netting off the margins or discounts provided to the distributors as an industry practice.

Videocon's financial statements include items labelled as "Subscription Revenue" and "Other Operating Revenue". Other operating revenue comprises income received from advertisement, carriage fees received from broadcasters for carrying their channels on Videocon's platform, revenue received for repairs undertaken and for services provided to the subscriber.

Subscriber Acquisition Costs

Videocon calculates subscriber acquisition cost as the difference between upfront charges received from new subscribers (net of taxes) and costs incurred towards activation of those subscribers, including the cost of consumer premises equipment and distributors' margin. Videocon previously included marketing cost in its subscriber acquisition cost, but, in line with market practice among competitors in the DTH market in India, Videocon began computing subscriber acquisition cost without including marketing cost in the fiscal year 2016. The subscriber acquisition cost figures included in these Listing Particulars are all presented without including marketing cost. The following table provides Videocon's subscriber acquisition costs per subscriber for fiscal years 2016 and 2015:

	Fiscal Year		
	2015	**2016**	**2017**
Particulars (in Rs. per subscriber)			
Subscriber Acquisition Costs	1,870	1,774	1,901

Fiscal year 2017 compared to fiscal year 2016

Revenue from operations: Videocon recorded revenue from operations of Rs. 30,717.34 million for the fiscal year 2017. Videocon has adopted a change in the accounting treatment of entertainment tax effective 1 April 2016. This change has resulted in subscription and activation revenue being presented net of entertainment tax under the New Method. Videocon reported its revenue from operations for the fiscal year 2017 using the New Method, which resulted in lower revenue than as would be presented under the Old Method. As a result, Videocon would have recorded revenue from operations of Rs. 32,980.86 million for the fiscal year 2017 under the Old Method (which was Rs. 2,263.52 million higher than as would be presented under the New Method) which represented an increase of 15.5% from Rs. 28,558.62 million for the fiscal year 2016, which it recorded under the Old Method. This increase was primarily as a result of an increase in total subscription revenue due to an increase in the total number of gross subscribers of 14.24% in the fiscal year 2017 to 17.98 million as of 31 March 2017 from 15.74 million as of 31 March 2016, which also led to a corresponding increase in lease rentals.

Subscription and Activation revenue: Videocon recorded subscription and activation revenue of Rs. 28,075.20 million for the fiscal year 2017. Videocon has adopted a change in the accounting treatment of entertainment tax effective 1 April 2016. This change has resulted in subscription and activation revenue being presented net of entertainment tax under the New Method. Videocon reported its subscription and activation revenue for the fiscal year 2017 using the New Method, which resulted in lower subscription and activation revenue than as would be presented under the Old Method. As a result, Videocon would have recorded subscription and activation revenue of Rs. 30,338.72 million for the fiscal year 2017 under the Old Method (which was Rs. 2,263.52 million higher than as would be presented under the New Method) which represented an increase of 16.4% from Rs. 26,068.06 million for the fiscal year 2016, which it recorded under the Old Method. This increase was primarily as a result of an increase in our total number of gross subscribers and an increase in the base prices of the packages that Videocon offers and an increase in subscribers choosing premium packages. Videocon’s monthly package prices increased to the range of Rs. 215 to Rs. 680 per month in the fiscal year 2017 from the range of Rs. 275 to Rs. 650 per month in the fiscal year 2016.

Other Operating Revenue: Videocon’s other operating revenue increased by 3.2% to Rs. 1,410.91 million for the fiscal year 2017 from Rs. 1,367.53 million for the fiscal year 2016 primarily due to an increase in carriage fees of 23.7% to Rs. 1,093.73 million in the fiscal year 2017 from Rs. 884.02 million in the fiscal year 2016, which was partially offset by a decrease in advertisement income of 26.1% to Rs. 298.75 million in the fiscal year 2017 from Rs. 404.02 million in the fiscal year 2016.

Lease Rental: Videocon’s lease rental revenue increased by 10.8% to Rs. 1,143.83 million for the fiscal year 2017 from Rs. 1,032.46 million for the fiscal year 2016, primarily as a result of an increase in the total number of gross subscribers.

Sale of Set-top Boxes and Accessories: Videocon’s revenue from sale of set-top boxes and other accessories decreased by 3.5% to Rs. 87.40 million for the fiscal year 2017 from Rs. 90.58 million for the fiscal year 2016, primarily as a result of a decrease in sales of set-top boxes.

Other Income: Videocon’s other income increased to Rs. 52.70 million for the fiscal year 2017 from Rs. 36.64 million for the fiscal year 2016, primarily as a result of exchange gains of Rs. 14.73 million recorded in the fiscal year 2017 compared to nil in the fiscal year 2016.

Total Expenses: Videocon’s recorded total expenses of Rs. 27,510.86 million for the fiscal year 2017. Videocon has adopted a change in the accounting treatment of entertainment tax effective 1 April 2016. This change has resulted in subscription and activation revenue being presented net of entertainment tax under the New Method. Videocon reported its total expenses for the fiscal year 2017 using the New Method, which resulted in lower total expenses than as would be presented under the Old Method. As a result, Videocon would have recorded total expenses of Rs. 29,774.38 million for the fiscal year 2017 under the Old Method (which was Rs. 2,263.52 million higher than as would be presented under the New Method) which represented an increase of 11.3% from Rs. 26,751.88 million for the fiscal year 2016, which it recorded under the Old Method. This increase was primarily as a result of an increase in employee benefit expenses, selling and distribution expenses and administrative and other expenses and depreciation, amortization and impairment, which was partially offset by a decrease in operating expenses in the fiscal year 2017.

Operating Expenses: Videocon recorded operating expenses of Rs. 16, 191.51 million for the fiscal year 2017. Videocon has adopted a change in the accounting treatment of entertainment tax effective 1 April 2016. This change has resulted in subscription and activation revenue being presented net of entertainment tax under the New Method. Videocon reported its operating expenses for the fiscal year 2017 using the New Method, which resulted in lower operating expenses than as would be presented under the Old Method. As a result, Videocon would have recorded operating expenses of Rs. 18,455.03 million for the fiscal year 2017 under the Old Method (which was Rs. 2,263.52 million higher than as would be presented under the New Method) which represented an increase of 11.9% from Rs. 16,492.80 million for the fiscal year 2016, which Videocon recorded under the Old Method. This increase was primarily as a result of an increase in content costs of 13.5% to Rs. 12,250.51 million for the fiscal year 2017 from Rs. 10,796.54 million for the fiscal year 2016 and an increase in license fees of 18.8% to Rs. 1,721.56 million in the fiscal year 2017 from Rs. 1,448.78 million in the fiscal year 2016, both of which were in line in with the increase in the number of Videocon’s gross subscribers.

Employee Benefit Expenses: Videocon's employee benefit expense increased by 6.7% to Rs. 1,288.53 million for the fiscal year 2017 from Rs. 1,207.31 million for the fiscal year 2016, primarily as a result of an increase in salaries and wages of 6.6% to Rs. 1,207.38 million for the fiscal year 2017 from Rs. 1,132.85 million for the fiscal year 2016 primarily due to the periodic increase in compensation to its employees.

Administrative and Other Expenses: Videocon's administrative and other expenses increased by 15.7% to Rs. 815.42 million for the fiscal year 2017 from Rs. 704.51 million for the fiscal year 2016, primarily due to an increase in legal and professional fees to Rs. 219.88 million in the fiscal year 2017 from Rs. 84.66 million in the fiscal year 2016 primarily due to the merger, an increase in office and general expenses to Rs. 125.95 million in the fiscal year 2017 from Rs. 89.88 million in the fiscal year 2016, which was partially offset by a decrease in rates and taxes to Rs.2.01 million in the fiscal year 2017 from Rs. 25.99 million in the fiscal year 2016 and a decrease of exchange losses to nil in the fiscal year 2017 from Rs. 42.40 million recorded in the fiscal year 2016.

Selling and Distribution Expenses: Videocon's selling and distribution expenses increased by 4.0% to Rs. 2,349.31 million for the fiscal year 2017 from Rs. 2,258.84 million for the fiscal year 2016, primarily due to an increase in customer support expenses to Rs. 1,304.70 million for the fiscal year 2017 from Rs. 1,131.71 million for the fiscal year 2016 which was generally in line with the increase in the total number of gross subscribers, which was partially offset by a decrease in advertisement and marketing expenses to Rs. 1,015.73 million in the fiscal year 2017 from Rs. 1,106.42 million in the fiscal year 2016.

Depreciation, Amortization and Impairment Expense: Videocon's depreciation, amortization and impairment expense increased to Rs. 6,866.09 million for the fiscal year 2017 from Rs. 6,088.42 million for the fiscal year 2016, primarily as a result of an increase in the total number of gross subscribers. This in turn led to the corresponding increase in depreciation recognized for consumer premises equipment installed.

Finance Costs / Finance Income (Net): Videocon's finance costs (net) decreased by 15.8% to Rs. 2,815.88 million for the fiscal year 2017 from Rs 3,142.83 million for the fiscal year 2016, as a result of repayment of borrowings made during the fiscal year 2017.

Tax Expense: Videocon did not have any current tax expense for the fiscal year 2017 or the fiscal year 2016. Videocon recorded a deferred tax expense of Rs.138.88 million for the fiscal year 2017 compared to a deferred tax credit of Rs.377.40 million for the fiscal year 2016 as a result of its positive income before tax.

Profit / Loss for the Year: As a result of the foregoing, Videocon's profit for the fiscal year 2017 was Rs.304.42 million compared to a loss of Rs.922.05 million for the fiscal year 2016.

Fiscal year 2016 compared to fiscal year 2015

Revenue from operations: Videocon's revenue from operations increased by 22.2% to Rs. 28,558.62 million for the fiscal year 2016 from Rs. 23,377.08 million for the fiscal year 2015, primarily as a result of an increase in total subscription revenue due to an increase in the total number of gross subscribers to 15.74 million as of 31 March 2016 from 13.09 million as of 31 March 2015, which also led to a corresponding increase in lease rentals.

Subscription and Activation revenue: Videocon's subscription and activation revenue increased by 26.4% to Rs. 26,068.06 million for the fiscal year 2016 from Rs. 20,628.48 million for the fiscal year 2015, primarily as a result of an increase in Videocon's total number of gross subscribers by 2.65 million in the fiscal year 2016, an increase in base prices of packages offered and subscribers opting for premium packages. Videocon's base package prices increased to the general range of Rs. 275 to Rs. 650 per month in the fiscal year 2016 from the range of Rs. 241 to Rs. 590 per month for the fiscal year 2015. During the fiscal year 2016, Videocon introduced the Flexi Pack, a special entry-level subscription package available for Rs. 99 per month (inclusive of taxes).

Other Operating Revenue: Videocon's other operating revenue decreased by 20.2% to Rs. 1,367.52 million for the fiscal year 2016 from Rs. 1,713.09 million for the fiscal year 2015 primarily due to outsourcing of installation and repair services in the second half of the 2015 fiscal year, which continued through the 2016 fiscal year.

Lease Rental: Videocon's lease rental revenue increased by 11.3% to Rs. 1,032.46 million for the fiscal year 2016 from Rs. 927.35 million for the fiscal year 2015, primarily as a result of an increase in the total number of gross subscribers.

Sale of Set-top Boxes and Accessories: Videocon's revenue from sale of set-top boxes and other accessories decreased by 16.3% to Rs. 90.58 million for the fiscal year 2016 from Rs. 108.16 million for the fiscal year 2015, primarily as a result of decrease in sale of set-top boxes.

Other Income: Videocon's other income increased to Rs. 36.64 million for the fiscal year 2016 from Rs. 0.08 million for the fiscal year 2015, primarily resulting from fees received from the depository for its ADSs in the fiscal year 2016.

Total Expenses: Videocon's total expenses increased by 17.8% to Rs. 26,751.88 million for the fiscal year 2016 from Rs. 22,707.51 million for the fiscal year 2015, as a result of an increase in operating expenses, employee benefit expenses, selling and distribution expenses and administrative and other expenses and depreciation, amortisation and impairment during the fiscal year 2016 compared to the fiscal year 2015.

Operating Expenses: Videocon's operating expenses increased by 19.1% to Rs. 16,492.80 million for the fiscal year 2016 from Rs. 13,853.05 million for the fiscal year 2015, primarily as a result of an increase in content costs to Rs. 10,796.54 million for the fiscal year 2016 from Rs. 8,459.24 million for the fiscal year 2015 as Videocon began operating under new content agreements midway through fiscal year 2015, while the full year impact of the new content agreements was reflected in the results for fiscal year 2016, an increase in licence fees and taxes to Rs. 3,342.91 million for the fiscal year 2016 from Rs. 2,489.52 million for the fiscal year 2015 resulting from the increase in revenue and gross subscribers, an increase in space segment charges and fees to Rs. 1,555.40 million for the fiscal year 2016 from Rs. 1,403.49 million for the fiscal year 2015 primarily resulting from the increase in the number of leased transponders from 10 to 12 in December 2015 and partially offset by a reduction in installation and service expenses to Rs. 273.42 million for the fiscal year 2016 from Rs. 938.36 million for the fiscal year 2015 as a result of Videocon's outsourcing of installation and service operations and a reduction of cost of material consumed to Rs. 177.96 million in the fiscal year 2016 from Rs. 232.43 million in the fiscal year 2015.

Employee Benefit Expenses: Videocon's employee benefit expense increased by 15.2% to Rs. 1,207.31 million for the fiscal year 2016 from Rs. 1,023.28 million for the fiscal year 2015, primarily as a result of an increase in salaries and wages to Rs. 1,132.85 million for the fiscal year 2016 from Rs. 957.87 million for the fiscal year 2015 as a result of the periodic increase in compensation to Videocon's employees, partially offset by a decrease in its total number of employees, and recognition of ESOP expenses of Rs. 117.77 million in the fiscal year 2016 in comparison of Rs. 29.74 million in the fiscal year 2015, primarily as a result of full year impact of ESOP expenses in the fiscal year 2016 compared to only partial year impact in the fiscal year 2015.

Administrative and Other Expenses: Videocon's administrative and other expenses increased by 2.4% to Rs. 704.51 million for the fiscal year 2016 from Rs. 688.04 million for fiscal year 2015, primarily due to an increase in exchange fluctuation loss by Rs. 23.53 million to Rs. 42.40 million in the fiscal year 2016 due to the weakening of the Rupee versus the U.S. dollar, an increase in rates and taxes by Rs. 18.13 million to Rs. 25.99 million, an increase in power and fuel cost by Rs. 10.75 million to Rs. 88.06 million, partly offset by reduction in legal and professional fees by Rs. 62.89 million to Rs. 84.66 million in the fiscal year 2016 resulting from the non-recurrence in the fiscal year 2016 of fees incurred relating to Videocon's listing on NASDAQ in the fiscal year 2015.

Selling and Distribution Expenses: Videocon's selling and distribution expenses increased by 17.80% to Rs. 2,258.84 million for the fiscal year 2016 from Rs. 1,856.32 million for the fiscal year 2015, primarily due to an increase in customer support expenses to Rs. 1,131.71 million for the fiscal year 2016 from Rs. 871.77 million for the fiscal year 2015 as a result of an increase in the total number of gross subscribers and an increase in advertisement and marketing expenses by Rs. 207.10 million to Rs. 1,106.42 million in the fiscal year 2016 from Rs. 899.32 million in the fiscal year 2015, primarily resulting from efforts to attract customers affected by Phase III and Phase W digitalisation to Videocon's platform, as well as advertising expenses in connection with special events such as the Twenty20 Cricket World Cup.

Depreciation, Amortisation and Impairment Expense: Videocon's depreciation, amortisation and impairment expense increased to Rs. 6,088.42 million for the fiscal year 2016 from Rs. 5,286.82 million for the fiscal year 2015, primarily as a result of an increase in the total number of gross subscribers. This in turn led to the corresponding increase in depreciation recognised for consumer premises equipment installed, and an increase in the number of subscribers who had not made payment for more than 500 days after recognizing churn.

Finance Costs/Finance Income (Net): Videocon's finance costs/finance income (net) decreased by 31.9% to Rs. 3,142.83 million for the fiscal year 2016 from Rs. 4,614.22 million for the fiscal year 2015, as a result of repayment of borrowings made during the fiscal year 2016.

Tax Expense: Videocon did not have any current tax expense for the fiscal year 2016 or fiscal year 2015. Videocon's deferred tax credit decreased by 69.0% to Rs. 377.40 million for the fiscal year 2016 from Rs. 1,217.93 million for the fiscal year 2015.

Loss for the Year: Videocon's loss for the year decreased by 66.2% to Rs. 922.05 million for the fiscal year 2016 from Rs. 2,726.64 million for the fiscal year 2015, as a result of the factors described above.

Critical Accounting policies

In preparing its financial statements, Videocon makes estimates and judgements that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. Videocon's bases its estimates on historical experience and various assumptions that it believes to be reasonable under the circumstances, the results of which form Videocon's basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Videocon's results of operations may differ if prepared under different assumptions or conditions. Videocon believes the following principal accounting policies affect the more significant judgements and estimates used in the preparation of its financial statements:

Impairment reviews

IFRS requires the management to undertake an annual test for impairment for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections that have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including the management's expectations of:

- growth in EBITDA, calculated as operating profit before depreciation and amortisation;
- timing and quantum of future capital expenditures;
- long-term growth rates; and
- the selection of discount rates to reflect the risks involved.

Videocon's property, plant and equipment are mainly classified under two broad categories:

(i) Assets that are located at Videocon's premises or are in its possession. These assets are tested for impairment based on their revenue generating ability and remaining useful lives. Videocon determines whether the future profitability will be sufficient to cover the written-down value of these assets and until ascertained no provision is required; and

(ii) Consumer premises equipment comprised 78.1%, 83.4% and 83.7% of Videocon's total property, plant and equipment as of 31 March 2015, 31 March 2016 and 31 March 2017, respectively. Videocon provides for impairment of consumer premises equipment on a cost basis for subscribers who have not recharged their subscription for a period more than 500 days after recognizing churn. Videocon provided for impairment of consumer premises equipment of Rs. 359.04 million and Rs. 210.01 million, for fiscal years 2015 and 2016, respectively. However, there was a reversal of impairment of Rs. 164.81 million for the fiscal year 2017.

Revenue recognition

The subscribers to Videocon's services buy a recharge balance from its distribution network (which includes Videocon's distributors, direct dealers and subdealers) and which enables them to recharge their subscription account with Videocon. The current recharge balances appear as liabilities under the head "Income Received in Advance" under current liabilities in Videocon's financial statements. On delivering the services Videocon provides to the subscribers with the recharge balance, the revenue is recognised on a time proportionate basis. Videocon debits the daily burn rate based on the package selected by the subscriber, which gets accumulated over a period of a month or over a period of service, whichever is less, and this is accounted for at the end of the month.

Arrangements with multiple deliverables

In revenue arrangements including more than one deliverable, the arrangement consideration is assigned to one or more separate deliverables based on the relative fair value of the applicable deliverable for revenue recognition purposes.

The initial amount charged to new subscribers is assigned to various deliverables including activation charges, service access fees and lease rental of set-top box, outdoor unit and accessories on the basis of fair value of each element. While determining the fair value of each of these deliverables, Videocon considers the relevant cost of the service and/or goods provided to the new subscriber. Videocon also incurs charges such as discounts and margin to the distribution network (which includes Videocon's distributors, dealers and sub-dealers) and other charges relating to the creation of a subscriber database, the assigning of the selected packages, and other such matrix at the time the new subscriber is activated. Videocon assigns its activation revenue considering these costs towards activation.

Income taxes

Videocon is subject to income taxes in a number of Indian jurisdictions. A significant amount of judgement is required to determine the amount of provision for income taxes. There are certain transactions and calculations for which the ultimate determination by the relevant taxing authorities is uncertain. Videocon recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be found to be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Where considered necessary, estimates are computed by management based on advice from an external specialist, such as an actuary.

Recognition of deferred assets

Videocon needs to make substantial investments to grow its subscriber's base. Videocon funds this investment through a mix of borrowing and funding from operations in order, which increase its interest payments going forward. In addition, Videocon's revenue may decrease if Videocon is unable to increase its subscription package pricing due to the competition. Furthermore, any change in government regulations or increase in any levy of taxes or duties may impact Videocon's revenue, but this tax burden can be passed on to subscribers.

Notwithstanding the above, Videocon believes that it will be able to achieve sufficient taxable profits within the next six years to utilise the benefit of its deferred tax assets as it has acquired a threshold level of subscriber base which has resulted in cash profits. Videocon believes that it will be able to make cash profits as it expects to maintain and grow the subscriber market share. In addition, Videocon expects to add new subscribers as the DTH pay-TV industry will benefit from the digitalisation in Phase III and IV of the Government's DAS program. It is estimated that there will be an addition of 95 million digital subscribers in India during Phase III and IV of the Government's DAS program (as a result of the conversion of analogue cable, terrestrial and free air satellite to the digital base (Source: MPA Report)). Videocon believes that these additions in subscriber base and favourable pricing trends in the industry will help Videocon achieve sufficient taxable profits to utilise the deferred tax assets.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be realised.

Videocon notes that it reduced deferred tax assets to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefit of part or all of the deferred tax asset to be utilised. Videocon will reverse any such reduction to the extent that it becomes probable that sufficient taxable profit will be available.

Material Adverse Change in Financial Position

There has been no material adverse change in the financial position or prospectus of the Company, Dish TV or Videocon and no significant change in their financial positions or trading positions since 31 March 2017, except as may otherwise be indicated in these Listing Particulars.

Employee benefits

The present value of the employee benefit obligation is determined upon actuarial valuation made in conformity with generally accepted actuarial principles and practices by the professional actuary, industry practices and underlying assumptions. The assumptions used in determining the net cost (income) for employment benefits include mortality, retirement age, attrition rate, salary escalation rate, discount rate, and others which are done by professional actuary as per the actuary practices prevailing in India. For example, management confirmed the discount rate of 7.8%, 7.8% and 7.45% for each of the fiscal years 2015, 2016 and 2017. Any changes in these assumptions will have an effect on the carrying amount of employment benefits. After considering professional advice, management determines the appropriate discount rate at the end of each fiscal year. This is the interest rate used to discount the defined benefit obligation and calculate the net interest recognised in profit or loss on the net defined benefit liability. In determining the appropriate discount rate, consideration is given to the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits are to be paid and that have terms of maturity approximating the terms of the related pension obligation. For example, management confirmed that the other key assumptions relevant to the defined employment benefit obligations are based in part on current market conditions.

ESOP Plan 2014

The employee stock option plan is measured by reference to fair value at the date when the equity instruments are granted, and is recognised as an expense over the vesting period, which ends on the date on which the employee becomes fully entitled to the award. Fair value is determined by using the Black-Scholes Model of valuation.

Licence Fees

Management uses its discretion and interpretation of law to determine the amount of licence fees Videocon should pay to the Government. The Government interprets the licence agreement differently and accordingly believes that a different amount is due as licence fees. This dispute is currently in litigation. Videocon recognises liabilities based on estimates of whether additional fees will be found to be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income statement and liabilities for the applicable period.

Property, plant and equipment

Estimates of useful life

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, using the straight-line method, over their estimated useful lives, which are as follows:

Type of asset	Estimated useful lives (Years)
Building	30
Plant and Machinery	13-15
Consumer premises equipment	7
Computer hardware	3-6
Furniture and fixtures	10
Vehicles	8

Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the income statement.

The useful lives and residual values of Videocon's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets, certificates obtained from technical persons and anticipation of future events which may impact their life such as changes in technology. Historically, changes in useful lives and residual values have not resulted in material changes to Videocon's depreciation charge and as of date hereof no such adjustments have been made.

Provisions and contingent liabilities

Videocon exercises judgement in measuring and recognizing provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

Capital Resources

<u>Dish TV</u>

Liquidity and Capital Resources

Dish TV has earned profit of Rs. 1,092.8 million during the year ended 31 March 2017 and has accumulated losses amounting to Rs. 11,784.9 million. As of 31 March 2017 Dish TV had Rs. 11,428.2 million in outstanding indebtedness, out of which Rs. 312.5 million was base rate plus spread Rupee denominated indebtedness, Rs. 3,000 million was fixed interest rate Rupee denominated indebtedness, Rs. 8,116.0 million was ranging from Libor 12 months plus 50 bps to Libor 12 months plus 130 bps, ranging from Libor six months plus 75 bps to Libor six months plus 115 bps, LIBOR three month plus 208 bps, U.S. Dollar (USD) denominated indebtedness.

There were no delays in repayment of Dish TV's indebtedness.

Cash Flows

The table below summarises Dish TV's cash flows for the fiscal years 2017, 2016 and 2015:

	Fiscal Year		
	2015	**2016**	**2017**
		(***Rs. in millions***)	
Net Cash From/(Used in) Operating Activities	7,674.6	11,323.7	8,203.9
Net Cash From/(Used in) Investing Activities	(6,698.9)	(8,090.5)	(6,234.4)
Net Cash From/(Used in) Financing Activities	(362.2)	(3,518.8)	(1,145.4)
Net Increase in/(Decrease in) Cash And Cash Equivalents	613.5	(285.6)	824.0
Decrease in cash and cash equivalents on disposal of subsidiary	-	-	-

Net Cash From/Used in Operating Activities

Net cash from operating activities was Rs. 8,203.9 million for the fiscal year 2017 and consisted of a net profit before tax of Rs. 1,334.0 million, as adjusted primarily for non-cash and non-operating items, of Rs 8,269.3 million. In the fiscal year 2017, cash collection predominantly increased on account of increase in revenue from operations (entertainment tax is included in net revenue, rather than in operating expense) of Rs. 1,133.5 million compared with the fiscal year 2016. Dish TV's industry operates on a prepaid model which generates cash upfront from subscribers to use its services. The decrease in net cash from operating activities is mainly attributable to increase in loan and advances and other assets and payment of taxes (net of refund). In the fiscal year 2017, Dish TV added 1.0 million net subscribers leading to a closing net subscriber base of 15.5 million. This increase in cash collection was utilised for meeting increased operating expenditures, acquiring capital assets and paying finance charges. Dish TV's operating cash flow before changes in assets and liabilities was Rs. 9,603.3 million for the fiscal year 2017. Changes in assets and liabilities primarily consisted of an increase in inventories Rs. 5.2 million, increase in trade receivables Rs. 263.2 million, increase in loans and advances and other assets Rs. 575.9 million, increase in trade payables and other liabilities Rs. 684.7 million. Dish TV also paid income taxes (net of refund) of Rs. 1,239.8 million for the year ended 31 March 2017.

Net cash from operating activities was Rs. 11,323.7 million for the fiscal year 2016 and consisted of a net profit before tax of Rs. 2,895.2 million, as adjusted primarily for non-cash and non-operating items of Rs 7416.2 million. In the fiscal year 2016, cash collection predominantly increased on account of increase in revenue from operations of Rs. 3,719.8 million compared with the fiscal year 2015. Dish TV's industry operates on a prepaid model which generates cash upfront from subscribers to use its services. The increase in net cash from operating activities is mainly attributable to growth in subscriber base and increase in ARPU due to the increase in package prices and subscribers opting for premium packages. In the fiscal year 2016, Dish TV added 1.6 million net subscribers leading to a closing net subscriber base of 14.5 million. This increase in cash collection was utilised for meeting increased operating expenditures, acquiring capital assets and paying finance charges. Dish TV's operating cash flow before changes in assets and liabilities was Rs. 10,311.4 million for the fiscal year 2016. Changes in assets and liabilities primarily consisted of an increase in inventories Rs. 26.9 million, increase in trade receivables Rs. 188.9 million, decrease in loans and advances and other assets Rs. 642.1 million, increase in trade payables and other liabilities Rs. 785.0 million. Dish TV also paid income taxes (net of refund) of Rs. 199.0 million for the year ended 31 March 2016.

Net cash from operating activities was Rs. 7,674.6 million for the fiscal year 2015 and consisted of a net profit before tax of Rs. 73.6 million as adjusted primarily for noncash and non-operating items of Rs. 7289.9 million. In the fiscal year 2015, the cash collection predominantly increased on account of an increase in revenue from operations of Rs. 2,726.7 million compared with the fiscal year 2014. The increase was mainly attributable to growth in subscriber base and increase in ARPU due to the reduction of free airtime extended to subscribers, an increase in base prices of packages offered and subscribers opting for premium packages. In the fiscal year 2015, Dish TV has added 1.5 million net subscribers leading to a closing net subscriber base of 12.9 million. This increase in cash collection was utilised for meeting increased operating expenditures, acquiring capital assets and paying finance charges. Dish TV's operating cash flow before changes in assets and liabilities was Rs. 7,363.5 million. Changes in assets and liabilities primarily consisted of an increase in inventories Rs. 23.9 million, increase in trade receivables Rs. 222.2 million, increase in loans and advances and other assets Rs. 367.1 million, increase in trade payables and other liabilities Rs. 1,023.6 million. Dish TV also paid income taxes (net of refund) of Rs. 99.3 million.

Net Cash From/Used in Investing Activities

Net cash used in investing activities was Rs. 6,234.4 million for the fiscal year 2017 and consisted of purchase of fixed assets of Rs. 8,614.5 million, proceeds from sale of fixed assets Rs. 2.8 million, purchase of current investments Rs. 13,390 million, proceeds from sale of current investments Rs. 14,119.4 million, receipts from fixed deposits Rs. 1,317.0 million, interest received Rs. 330.9 million.

Net cash used in investing activities was Rs. 8,090.5 million for the fiscal year 2016 and consisted of purchase of fixed assets of Rs. 9,083.9 million, proceeds from sale of fixed assets Rs. 3.0 million, purchase of current investments Rs. 9,257.5 million, proceeds from sale of current investments Rs. 8,970.5 million, receipts from fixed deposits Rs. 849.4 million, interest received Rs. 428.0 million.

Net cash used in investing activities was Rs. 6,698.9 million for the fiscal year 2015 and consisted of purchase of fixed assets of Rs. 7,063.5 million, proceeds from sale of fixed assets Rs. 6.2 million, purchase of current investments Rs. 5,060.0 million, proceeds from sale of current investments Rs. 5,084.3 million, refund of loans given to body corporates Rs. 3.6 million, investment in fixed deposits Rs. 232.5 million, interest received Rs. 563.0 million.

Net Cash From/Used in Financing Activities

Net cash used in financing activities was Rs. 1,145.4 million for the fiscal year 2017 and consisted of interest paid Rs. 657.0 million, proceeds from issue of capital / call money received Rs. 6.1 million, proceeds from borrowings Rs. 1,662.6 million, repayments of borrowings Rs. 2,128.7 million, repayments of short-term borrowings Rs 28.4 million.

Net cash used in financing activities was Rs. 3,518.8 million for the fiscal year 2016 and consisted of interest paid Rs. 665.6 million, proceeds from issue of capital / call money received Rs. 16.7 million, proceeds from borrowings Rs. 3,533.2 million, repayments of borrowings Rs. 6,403.1 million.

Net cash generated in financing activities was Rs. 362.2 million for the fiscal year 2015 and consisted of interest paid Rs. 761.0 million, proceeds from issue of capital / call money received Rs. 34.6 million, proceeds from borrowings Rs. 7,704.2 million, repayments of borrowings Rs. 7,147.2 million, repayments of short-term borrowings Rs. 192.8 million.

Financial Condition, Liquidity and Sources of Capital

As of 31 March 2017 Dish TV had Rs. 11,428.2 million in outstanding indebtedness, out of which Rs. 312.5 million was base rate plus spread Rupee denominated indebtedness, Rs. 3,000 million was fixed interest rate Rupee denominated indebtedness, Rs. 8,116.0 million was ranging from Libor 12 months plus 50 bps to Libor 12 months plus 130 bps, ranging from Libor six months plus 75 bps to Libor six months plus 115 bps, Libor three month plus 208 bps, U.S. Dollar (USD) denominated indebtedness and cash and cash equivalents of Rs. 1,733.3 million. Dish TV has term deposits with banks of Rs. 1,201.5 million (deposit with bank with maturity period more than 12 months is Rs. 3.7 million, Deposit of maturity of up to three months is Rs. 8.6 million and Deposit with maturity with more than three months but less than 12 months is Rs. 1,189.2 million) which are placed towards margin / reserves for loans and bank guarantees. These are shown under other financial assets on Dish TV's balance sheet. Dish TV did not have any delays in repayment of its indebtedness. Dish TV anticipates that it will have annual capital expenditure of approximately Rs. 9,000 million to Rs. 9,500 million for purchase of consumer premises equipment in the fiscal year 2018. These capital expenditures for consumer premises equipment are necessary for the acquisition of new subscribers. In the initial years of operations, when Dish TV's subscriber base was low and it was generating relatively low cash flow from operations and the operational expenditures were high, Dish TV met its revenue gap and capital expenditure requirement from rights issue, GDR, etc. However, with the year on year increase in Dish TV's subscriber base and revenue, its financial position is improving and is expected to continue to improve further. This is expected to improve Dish TV's liquidity and financial position, enabling it to service its debt obligations in a timely manner in the future.

There are certain restrictive covenants in certain of Dish TV's arrangements with its lenders, including being required to maintain certain security margins and financial ratios; and being required to obtain lender consent for, among other things:

1. issuing new Shares;
2. undertaking any new project, diversification, modernisation or substantial expansion of Dish TV's DTH operations;
3. formulating any scheme of amalgamation or reconstruction or reorganisation;
4. making any material changes to Dish TV's constitutional documents; incurring further indebtedness;
5. creating further encumbrances on or disposing of, Dish TV's assets;
6. changing Dish TV's fiscal year or making investments or acquisitions beyond certain limits in a particular fiscal year;
7. any payable due from the borrower to promoter to be subordinated at all times to any obligation of the borrower under the facility;
8. DTIL to maintain 100% ownership in the Dish Infra Services Private Limited. Any dilution in the same would require consent of the lender;
9. Promoter (DTIL) to provide a certificate validated by authorized signatories on a half yearly basis that the shareholder of the promoter group in DTIL has been maintained at or above 51% .Any dilution below 51% shall require the consent of the lender;
10. investing by way of share capital in or lend or advance to or place deposits with any other concern (normal trade credit or security deposit in the routine course of business or advances to employees can however be extended);
11. declaring dividend for any year except out of profits relating to that year after making all the due and necessary provisions provided that no default had occurred in any repayment obligation and bank's permission is obtained; and

12. during the currency of the bank's credit facility (s), the borrower will not without prior intimation to the bank in writing make any changes in their management set-up.

Dish TV was in compliance with the applicable financial covenants under its loan agreements as of 31 March 2017.

Interest Rate during the fiscal year2017

Interest rates on Dish TV's Term Loan indebtedness ranged from 11.05% to 11.85% per annum during the fiscal year 2017.

Contingent Liabilities

		Amt in Rs millions
Particulars	**31-Mar-17**	**31-Mar-16**
Claim against Dish TV not acknowledged as debt.......................	49	49
Income tax..	31	36
Sales tax and Value added tax..	651	473
Customs duty..	11	80
Service tax case	720	720
Wealth tax	0.1	0.2
Entertainment tax	1,432	1,107

Capital Expenditure

Dish TV has historically financed its capital expenditure requirements with cash flows from operations and long-term borrowings. Dish TV made capital expenditures of Rs. 7,063.5 million, Rs. 9,083.9 and Rs. 8,614.5 in the fiscal years 2015, 2016 and 2017 respectively.These capital expenditures were for the purchases of fixed assets.

Dish TV expects that it will incur annual capital expenditure of approximately Rs. 9,000 million to Rs. 9,500 million for purchase of consumer premises equipment in the fiscal year 2018. These capital expenditures for consumer premises equipment are for acquisition of new subscribers. With the year on year increase in Dish TV's subscriber base and revenue, the financial position of Dish TV has been improving and it believes it has sufficient working capital to operate its business.

Dish TV's actual capital expenditures may vary due to various factors including

- D2H number is not included in the capital expenditure above
- Due to investment in technology
- Due to merger with D2H

Dish TV's Indebtedness

Consolidated Outstanding Loans

A. Details of Secured Borrowings of Dish TV

Set forth below is a summary of Dish TV's secured borrowings as of 31 March 2017 (unless otherwise stated)

Lender	**Nature of Facility**	**Description**	**Amount outstanding as of 31 March 2017 (Rs. in mn)**	**Repayment/Tenor**
ICICI Bank	Term Loan	Novation agreement dated 01 June 2015 for the facility of Rs. 3,700 million	2,180.84	Buyer's Credit of Rs. 1,464.51 mn. Each transaction is repayable in full on maturity dates falling between February 2019 (being the farthest) and

Lender	Nature of Facility	Description	Amount outstanding as of 31 March 2017 (Rs. in mn)	Repayment/Tenor
				April 2017 (being the closest).
		Rupee Term Loan agreement dated 30 June 2015 for the facility of Rs. 150 million		Buyer's Credit of Rs. 716.33 mn. Each transaction is repayable in full on maturity date falling between January 2018 (being the farthest) and October 2017 (being the closest).
		Term Loan agreement dated 28 September 2015 for the facility of Rs. 2,000 million.		
		Term loan agreement dated 27 September 2016 for the facility of Rs. 2,000 million.		
Axis Bank	Overdraft Facility	Novation Agreement dated 01 April 2015 for the facility of Rs. 400 million	0	
Templeton MF	Non-Convertible Debenture	Information Memorandum for Private Placement of Rs. 2,000 million allotment date 01 April 2015	3,000	For 2,000 mn- 3 year from 01 October 2014
		Information Memorandum for Private Placement of Rs. 1,000 million allotment date 28 May 2015		For 1,000 mn- 3 year from Allotment date 28 May 2015
IDBI Bank	Buyer's Credit	Novation Agreement dated 22 July 2015 for the facility of Rs. 5,000 million	4,369.60	Buyer's Credit of Rs. 4,369.60 mn. Each transaction is repayable in full on maturity dates, falling between November 2018 (being the farthest) and April 2017 (being the closest).
Yes Bank	Term Loan	Novation agreement dated 01 April 2015 for the facility of Rs. 2,500 million	1,221.02	Buyer's Credit of Rs. 1,221.02 mn. Each transaction is repayable in full on maturity dates falling between December 2018 (being the farthest) and July 2017 (being the closest)
		Loan Agreement dated 14 August 2015 for the facility of Rs. 1,000 million		
		Loan Agreement dated 23 June 2016 for the facility of Rs. 2,500 million.		

Lender	Nature of Facility	Description	Amount outstanding as of 31 March 2017 (Rs. in mn)	Repayment/Tenor
Kotak Mahindra Bank	Term Loan	Novation Agreement dated 10 April 2015 for the facility of Rs. 3,000 million Master Facility Agreement dated 23 November 2015 for the facility of Rs. 1,000 million	656.78	Term Loan amount of Rs. 312.50 mn payable in 16 equal quarterly instalments after a moratorium period of 1 year and if used for Buyer's Credit loan shall be repaid in 8 equal quarterly instalments Buyer's Credit of Rs. 344.28 mn. Each transaction is repayable in full on maturity dates falling between March 2019 (being the farthest) and June 2017 (being the closest).
Standard Chartered Bank	Supplier's Credit	Novation Agreement dated 01 April 2015 for the facility of USD 25 million	1,615	Supplier's Credit of Rs. 1,615 mn. Each transaction is repayable in full on maturity dates falling between November 2017 (being the farthest) and June 2017 (being the closest).
Kotak Mahindra Bank	Bank Guarantee	Bank Guarantee of Rs. 400 million	400	
Yes Bank	Bank Guarantee	Bank Guarantee of Rs. 500 million	454	

B. Details of unsecured Borrowings of Dish TV

As of 31 March 2017, there were no unsecured borrowings.

<u>Videocon</u>

Liquidity and Capital Resources

Videocon incurred losses for the years ended 31 March 2015 and 2016 of Rs. 2,726.64 million and Rs. 922.05 million, respectively. Videocon has accumulated losses amounting to Rs. 17,918.32 million as of 31 March 2017. Videocon's auditors have stated in their audit opinion that Videocon's ability to continue as a going concern is dependent on Videocon's ability to fund its operations and capital expenditure requirements. In addition, Videocon's accumulated losses exceed its paid-up share capital. As of 31 March 2017, Videocon had Rs. 20,320.45 million in outstanding indebtedness, substantially all of which was floating rate Rupee denominated indebtedness. During the fiscal year 2015, Videocon sometimes experienced delays in payment on its indebtedness as the industry it operate in is highly capital intensive. However, there were no delays in payment during the fiscal years 2016 and 2017. Videocon believes that it has a good relationship with its lenders and it keep them apprised of any payment delays.

Videocon anticipates that it will incur annual capital expenditure of approximately Rs. 7,000 million to Rs. 8,000 million for purchase of consumer premises equipment in the fiscal year 2018. These capital expenditures for consumer premises equipment are for acquisition of new subscribers. In the initial years of operations, when the subscriber base was low, Videocon generated relatively low cash flow from operations and its operational expenditures were high, Videocon met its revenue gap and capital expenditure requirements with term loans from banks and its principal shareholders, and also from unsecured loans received from Videocon Industries Limited. Videocon has experienced cash flow mismatches in the past, resulting in delays in servicing its debt repayment obligations. However, with the year on year increase in Videocon's subscriber base and revenue, the financial position of Videocon has been improving and it believes it has sufficient working capital to operate its business.

Cash Flows

The table below summarises Videocon's cash flows for the fiscal years 2017, 2016 and 2015:

	Fiscal Year		
	2015	**2016**	**2017**
Net Cash From/(Used in) Operating Activities	9,107.87	4,727.49	10,989.01
Net Cash From/(Used in) Investing Activities	(7,546.74)	(6,544.89)	(5,880.82)
Net Cash From/(Used in) Financing Activities	8,142.75	(6,642.68)	(5,875.05)
Net Increase in/(Decrease in) Cash and Cash Equivalents	9,703.87	(8,460.08)	(766.87)

Net Cash From/Used in Operating Activities

Net cash from operating activities was Rs. 10,989.01 million for the fiscal year 2017 and consisted of a net profit before tax of Rs. 443.30 million, as adjusted primarily for non-cash and non-operating items, such as depreciation, amortization and impairment of Rs. 6,866.09 million and finance costs of Rs. 3,184.14 million. In the fiscal year 2017, cash collection predominantly increased on account of increase in revenue from operations of Rs. 2,158.72 million compared with the fiscal year 2016. Videocon's industry operates on a prepaid model which generates cash upfront from subscribers to use its services. The increase in net cash from operating activities is mainly attributable to growth in subscriber base and increase in ARPU due to the increase in package prices and subscribers opting for premium packages. In the fiscal year 2017, Videocon has added 2.24 million subscribers leading to a closing gross subscriber base of 17.98 million. This increase in cash collection was utilized for meeting increased operating expenditures, acquiring capital assets and paying finance charges. Videocon's operating cash flow before changes in assets and liabilities was Rs. 10,293.97 million for the fiscal year 2017. Changes in assets and liabilities primarily consisted of an a decrease in other financial and non financial assets by Rs. 1,775.90 million primarily resulting from decreases in bank deposits and balances with Central Excise and VAT Authority, a decrease in trade payable by Rs. 544.60 million and a decrease in other financial and other non financial liabilities by Rs. 533.30 million. Videocon also paid income taxes of Rs. 23.72 million for the fiscal year 2017.

Net cash from operating activities was Rs. 4,727.49 million for the fiscal year 2016 and consisted of a net loss before tax of Rs. 1,299.45 million, as adjusted primarily for non-cash and non-operating items, such as depreciation, amortisation and impairment of Rs. 6,088.42 million and finance costs of Rs. 3,867.31 million. In the fiscal year 2016, cash collection predominantly increased on account of increase in revenue from operations of Rs. 5,181.54 million compared with the fiscal year 2015. Videocon's industry operates on a prepaid model which generates cash upfront from subscribers to use its services. The increase in net cash from operating activities is mainly attributable to growth in subscriber base and increase in ARPU due to the increase in package prices and subscribers opting for premium packages. In the fiscal year 2016, Videocon added 2.65 million subscribers leading to a closing gross subscriber base of 15.74 million. This increase in cash collection was utilised for meeting increased operating expenditures, acquiring capital assets and paying finance charges. Videocon's operating cash flow before changes in assets and liabilities was Rs. 8,061.53 million for the fiscal year 2016. Changes in assets and liabilities primarily consisted of an increase in trade payables by Rs. 1,264.83 million, a decrease in financial and non-financial liabilities by Rs. 285.07 million, an increase in financial and non-financial assets by Rs. 4,219.82 primarily resulting from an increase in bank deposits by Rs. 2,169.78, inter corporate deposit by Rs. 500 million, balance with central excise / VAT authority by Rs. 421.37 million, capital advances by Rs. 908.53 to pay for consumer premises equipment, prepaid expenses by Rs. 101.72 million, an increase in inventories by Rs. 58.98 million and an increase in trade receivables by Rs. 1.16 million for the fiscal year 2016. Videocon also paid income taxes of Rs. 33.84 million for the year ended 31 March 2016.

Net cash from operating activities was Rs. 9,107.87 million for the fiscal year 2015 and consisted of a net loss before tax of Rs. 3,944.57 million as adjusted primarily for non-cash and non-operating items, such as depreciation, amortisation and impairment of Rs. 5,286.82 million and finance costs of Rs. 4,716.75 million. In the fiscal year 2015, the cash collection predominantly increased on account of increase in revenue from operations of Rs. 5,732.98 million compared with the fiscal year 2014. The increase was mainly attributable to growth in subscribers base and increase in ARPU due to the reduction of free-airtime extended to subscribers, increase in base prices of packages offered and subscribers opting for premium packages. In the fiscal year 2015, Videocon has added an addition of 2.64 million subscribers leading to a closing gross subscriber base of 13.09 million. This increase in cash collection was utilised for meeting increased operating expenditures, acquiring capital assets and paying finance charges. Videocon's operating cash flow before changes in assets and liabilities was Rs. 6,010.37 million for the fiscal year 2015. Changes in assets and liabilities primarily consisted of an increase in trade payable by Rs. 2,134.17 million, and an increase in financial and non-financial liabilities of Rs. 1,228.81 million.

Net Cash From/Used in Investing Activities

Net cash used in investing activities was Rs. 5,880.82 million for the fiscal year 2017 and consisted primarily of property, plant and equipment and capital work-in-progress of Rs. 6,065.08 million primarily relating to consumer premises equipment and purchase of intangible assets of Rs. 184.00 million, partly offset by interest income of Rs. 368.26 million.

Net cash used in investing activities was Rs. 6,544.89 million for the fiscal year 2016 and consisted primarily of property, plant and equipment and capital work-in-progress of Rs. 7,227.96 million primarily relating to consumer premises equipment and purchase of intangible assets of Rs. 41.83 million, partly offset by interest income of Rs. 724.48 million.

Net cash used in investing activities was Rs. 7,546.74 million for the fiscal year 2015 and consisted primarily of property, plant and equipment and capital work-in-progress of Rs. 7,597.34 million primarily relating to consumer premises equipment.

Net Cash From/Used in Financing Activities

Net cash used in financing activities was Rs. 5,875.05 million for the fiscal year 2017 and consisted of proceeds from share capital and premium of Rs. 160.34 million, proceeds from borrowings of Rs. 2,500.00 million, offset by repayment of borrowings of Rs. 5,351.25 million and finance charges of Rs. 3,184.14 million, partially offset by proceeds from borrowings of Rs. 2750.00 million.

Net cash used in financing activities was Rs. 6,642.68 million for the fiscal year 2016 and consisted of repayment of borrowings of Rs. 5,525.37 million and finance charges of Rs. 3,867.31 million, offset by proceeds from borrowings of Rs. 2,750.00 million.

Net cash generated in financing activities was Rs. 8,142.75 million for the fiscal year 2015 and consisted of an increase in Share capital by Rs. 1,510.00 million, an increase in Share premium by Rs 15,540.88 million, proceeds from borrowings of Rs. 8,163.82, partly offset by repayment of borrowings of Rs. 12,355.20 million and finance charges of Rs. 4,716.75 million.

Financial Condition, Liquidity and Sources of Capital

As of 31 March 2017, Videocon had Rs. 20,320.45 million in outstanding indebtedness, substantially all of which was floating rate, Rupee denominated indebtedness and cash and cash equivalents of Rs. 661.83 million. Videocon also has term deposits with banks of Rs. 3,447.14 million which are placed towards margin / reserves for loans and bank guarantees. These are shown under other financial assets on Videocon's balance sheet. Videocon did not have any delays in repayment of its indebtedness in the 2016 and 2017 fiscal years, although in the past Videocon has regularly experienced delays in payment on its indebtedness as the industry in which it operates in is highly capital intensive. Videocon anticipates that it will have annual capital expenditure of approximately Rs. 7,000 million to Rs. 8,000 million for purchase of consumer premises equipment in the fiscal year 2018. These capital expenditures for consumer premises equipment are necessary for the acquisition of new subscribers. In the initial years of operations, when Videocon's subscriber base was low and it was generating relatively low cash flow from operations and the operational expenditures were high, Videocon met its revenue gap and capital expenditure requirement with borrowings of term loans from banks and its Principal Shareholders, and also from unsecured loan received from Videocon Industries Limited. Videocon has experienced cash flow mismatches in the past, resulting in delays in servicing its debt repayment obligations. However, with the year on year increase in its subscriber base and revenue, Videocon's financial position is improving and is expected to continue to improve further. This is expected to improve Videocon's liquidity and financial position, enabling it to service its debt obligations in a timely manner in the future.

There are certain restrictive covenants in certain of Videocon's arrangements with its lenders, including being required to maintain certain security margins and financial ratios; and being required to obtain lender consent for, among other things:

1. issuing new Shares;

2. undertaking any new project, diversification, modernisation or substantial expansion of Videocon's DTH operations;

3. formulating any scheme of amalgamation or reconstruction;

4. making any material changes to Videocon's constitutional documents, incurring further indebtedness;

5. creating further encumbrances on or disposing of, Videocon's assets; and

6. changing Videocon's fiscal year or making investments or acquisitions beyond certain limits in a particular fiscal year.

Although Videocon was in compliance with the applicable financial covenants under its loan agreements as of 31 March 2016 and 31 March 2017, Videocon has, in the past, occasionally been unable to meet its financial covenant requirements under such agreements, and Videocon has not received waivers for such noncompliance. However, Videocon's lenders have neither enforced any security nor have accelerated repayment of the loans for any such non-compliance.

The following table summarises Videocon's long-term indebtedness and subordinated debt obligations, all of which were secured, as of 31 March 2017.

	As of 31 March		
	2017	2016	2015
Name of Banks	**Amount (Rs. in million)**	**Amount (Rs. in million)**	**Amount (Rs. in million)**
Secured Loans			
Central Bank of India	833.25	908.25	958.25
IDBI Bank Limited	4,606.25	4,965.00	5,140.63
Bank of Baroda	1,750.00	1,900.00	1,975.00
ICICI Bank Limited	120.00	1,800.00	2,550.00
Karur Vysa Bank Limited	500.00	300.00	425.00
Canara Bank	1,481.25	2,779.69	3,378.12
Jammu and Kashmir Bank Limited	600.00	850.00	975.00
Syndicate bank	260.00	700.00	900.00
Dena Bank	890.00	1,130.00	850.00
Oriental Bank of Commerce	140.00	600.00	850.00
Bank of India	3,237.50	3,425.00	1,925.00
Bank of Maharashtra	875.00	950.00	1,000.00
Union Bank of India	1,312.50	1,396.88	1,481.25
United Bank of India	1,340.63	1,443.75	1,500.00
IFCI Ltd	2,000.00	—	2,000.00
Total Term Loan from banks	**19,946.38**	**23,148.56**	**25,908.25**
Finance Lease Obligation	374.07	23.13	38.82
Total Borrowings	**20,320.45**	**23,171.70**	**25,947.07**

Interest Rate during the fiscal year 2017

Interest rates on Videocon's indebtedness ranged from 12.08 % to 13.90% per annum during the fiscal year 2017.

Contingent Liabilities

See Note 27 to Videocon's financial statements for the year ended 31 March 2017 included in these Listing Particulars.

Capital Expenditures

Videocon has historically financed its capital expenditure requirements with cash flows from operations, as well as through long-term and short-term borrowings.

Videocon made capital expenditures of Rs. 7,597.34 million, Rs. 7,227.95 and Rs. 6,249.06 million in the fiscal years 2015, 2016 and 2017, respectively. Videocon expects to spend approximately Rs. 7,000 to Rs. 8,000 million on capital expenditures during the 2018 fiscal year, primarily to finance the purchases of consumer premises equipment. These capital expenditures for consumer premises equipment are necessary for the acquisition of new subscribers.

Videocon's actual capital expenditures may vary from projected amounts due to various factors, including changes in market conditions, ability to obtain adequate financing for planned capital expenditures, the Government of India's policies regarding the DTH industry and the condition of the Indian economy. In addition, Videocon's planned capital expenditures do not include any expenditure for potential acquisitions or investments that it may evaluate from time to time.

Videocon's Indebtedness

Set forth below is a brief summary of Videocon's outstanding borrowings of approximately Rs. 20,320.45 million, as of 31 March 2017, together with a brief description of certain significant terms of such borrowings. Since 1 April 2016, Videocon has further reduced is term loan outstanding by Rs. 3,869.06 million.

A. Details of Secured Borrowings of Videocon

Set forth below is a summary of Videocon's secured borrowings as of 31 March 2016 (unless otherwise stated):

Lender	Description	Amount outstanding as of 31 March 2017 (Rs. million)	Repayment/Tenor
Central Bank of India	Term loan agreement dated 25 February 2013, for a term loan facility of Rs. 1,000 million	833.25	24 unequal quarterly instalments commencing on 30 June 2015 after a moratorium of 27 months from the date of first disbursement
	A bank guarantee of Rs. 250 million and a letter of credit of Rs. 600 million	431.60	
IDBI Bank Limited	Rupee loan agreement dated 7 January 2014 for a rupee term loan facility of Rs. 3,000 million	2,625.00	24 unequal quarterly instalments commencing from 1 April 2015, after a moratorium of 15 months from the date of first disbursement
	Loan agreement dated 10 January 2013 for a term loan facility of Rs. 1,750 million	1,487.50	24 unequal quarterly instalments commencing from 1 April 2015 after a moratorium of 27 months from the date of first disbursement
	Loan agreement dated 28 February 2015 for a term loan facility of Rs. 500 million.	493.75	24 unequal quarterly instalments commencing from 1 February 2017 after a moratorium of 2 years from the date of first disbursement
Bank of Baroda	Loan agreement dated 5 March 2013 for a term loan facilities of Rs. 2,000 million	1,750.00	24 unequal quarterly instalments commencing 30 June 2015 after a moratorium of 27 months from the date of first

			disbursement.
Dena Bank	Term loan agreement dated 18 September 2015, for term loan facilities of Rs. 750 million	750.00	24 unequal quarterly instalments commencing 1 October 2017, after a moratorium of 27 months from the date of first disbursement.
ICICI Bank	Bank guarantee agreement dated 25 June 2015, for bank guarantee facilities of Rs. 400 million	383.96	-
Canara Bank	Term loan agreement dated 7 March 2013 for a rupee term loan facility of Rs. 1,750 million	1,481.25	24 structured quarterly instalments, commencing on 1 April 2015 after 27 months from the date of first disbursement. (from the lead bank IDBI bank)
Bank of India	Term loan facility agreement dated 21 March 2013, for term loan facilities of Rs. 1,500 million	1,312.50	24 quarterly ballooning instalments starting on 30 June 2015, after a moratorium period of 27 months from the date of first disbursement. (from the lead bank IDBI bank)
	Term loan facility agreement dated 21 October 2015, for term loan facilities of Rs. 2,000 million	1,925.00	24 quarterly ballooning instalments starting on 30 September 2016, after a moratorium period of 24 months from the date of first disbursement (from the lead bank IDBI bank).
Union Bank of India	Term loan agreement dated 5 April 2013 for term loan facilities of Rs. 1,500 million	1,312.50	24 unequal quarterly instalments commencing on 1 April 2015 after 27 months from the date of first disbursement. (from the lead bank IDBI bank)
United Bank of India	Term loan agreement dated 14 May 2013 for term loan facility of Rs. 1,500 million	1,340.63	24 unequal quarterly instalments commencing on 31 August 2015 after 27 months from the date of first disbursement
Bank of Maharashtra	Agreement for term loan dated 13 May 2013 for term loan facility of Rs. 1,000 million	875.00	24 unequal quarterly instalments commencing on 30 June 2015 after 27 months from the date of first disbursement
Karur Vysya Bank Limited	Sanction dated 13 May 2013 for term loan facility of Rs. 500 million	500.00	24 unequal quarterly instalments commencing on 27 June 2017
Yes Bank Limited	Facility letter dated 27 March 2017, for term loan of Rs	2,000.00	24 unequal quarterly instalments commencing

	4,500 million		on 30 June 2017
ICICI Bank Limited (arranger), IDBI Trusteeship Services Limited (security trustee), Dena Bank, Jammu and Kashmir Bank, Syndicate Bank and Oriental Bank of Commerce	Syndicate term loan facility agreement dated 20 December 2010 for a term loan of Rs. 10,000 million entered between ICICI Bank Limited (arranger), IDBI Trusteeship Services Limited (agent), Canara Bank, Karur Vysya Bank, Dena Bank, Jammu and Kashmir Bank , Syndicate Bank, Bank of India and Oriental Bank of Commerce. This includes: Rs. 3,000 million from ICICI Bank; Rs. 1,000 million from Dena Bank**; Rs. 1,000 million from Syndicate Bank^^; Rs. 1,000 million from Jammu and Kashmir Bank** Rs. 1,000 million from Oriental Bank of Commerce^^	1,260.00	78 months after the first utilization date under the facility agreement

* pursuant to deed of accession dated 8 February 2012
^ pursuant to deed of accession dated 2 December 2011
** pursuant to deed of accession dated 29 November 2011
^^ pursuant to deed of accession dated 14 June 2012

Videocon's secured financing arrangements contain various restrictive covenants which require it to obtain prior written consent of its lender(s) for undertaking, among others, the following activities:

- effecting any change in the capital structure;
- formulating any scheme of amalgamation or reconstruction;
- undertaking any new project or expansion, unless the expenditure of such expansion is covered by Videocon's net cash accrual after providing for dividend, investment or from long-term funds received from financing such new projects or expansion;
- making any investments by way of deposits, loans or in share capital of any other concerns (including any subsidiaries) except investments in the usual course of business or advances to employees;
- entering into borrowing arrangements, either secured or unsecured with any other banks, financial institutions or companies or otherwise;
- undertaking guarantee obligations on behalf of any other company and declaring dividends for any year except out of profits relating to that year and with the specific approval of the lender(s);
- issuing any debentures, raising any loans, accepting deposits from the public, issuing equity or preference capital or creating any charge on Videocon's assets or giving any guarantee;

- creating any subsidiary or permitting any company to become Videocon's subsidiary;
- selling, granting, leasing, transferring, or otherwise disposing of Videocon's assets except for such transfers, sales made in the ordinary course of business or permitted disposals which have a cumulative value per financial year not exceeding Rs. 500 million;
- changing Videocon's financial year;
- making any investment or acquisition in excess of Rs. 1,000 million in any financial year;
- amend the Memorandum of Association and Articles of Association of Videocon; and effecting any change in the composition of Videocon's board of directors or its management, or the appointment/reappointment or removal of Videocon's managing director or another person holding substantial management powers.

B. Details of Videocon's Unsecured Borrowings

As of 31 March 2017, Videocon had no unsecured borrowings.

Significant change in the Company's financial or trading position

The Amalgamation closed effective as at 22 March 2018.

Other than as set out above, there has been no significant change in the financial or trading position of Dish TV or Videocon which has occurred since 31 March 2017, being the date to which the historical financial information of Dish TV and Videocon has been prepared and included in these Listing Particulars.

MANAGEMENT, BOARD OF DIRECTORS AND EMPLOYEES

Board of Directors

The board of directors of the Company (the "**Board**") shall be entitled to exercise all such powers, and to do all acts in furtherance of its objects, specified in the Memorandum of Association for which the Company is established, except such powers as are required by the Act or the Memorandum or Articles of Association of the company to be exercised or done by the Company in the General Meeting.

The Board is responsible for and committed to sound principles of corporate governance and plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The day- to-day management of the Company is entrusted to the key and senior management personnel led by the chairman and managing director who operates under the superintendence, direction and control of the Board. No potential conflicts of interest exist between the Directors' duties to the Company and their private interests and/or other duties.

Board Composition

As of the date of these Listing Particulars, the board of directors of the Company is comprised of the individuals listed below:

Name	Date of Birth (Age)	Title	Member since	Term
Jawahar Lal Goel	17 December 1954 (63)	Executive Director, Chairperson, MD	2007	Until 05/01/2019
B D Narang	12 April 1945 (72)	Non-Executive - Independent Director	2007	Up to Annual General Meeting of the Company to be held in calendar year 2022
Arun Duggal.........	1 October 1946 (70)	Non-Executive - Independent Director	2007	
Ashok Kurien	21 January 1950 (67)	Non-Executive - Non Independent Director	2007	Retires by rotation at the Annual General Meeting of the Company to be held in calendar year 2018
Rashmi Aggarwal.............	16 October 1974 (42)	Non-Executive - Independent Director	2015	Up to Annual General Meeting of the Company to be held in calendar year 2018

Executive Officers

Name	Age	Position
*Arun Kapoor..	57	Chief Executive Officer
Gaurav Goel	37	President, Business Development Strategy
Jawahar Lal Goel..	63	Chairman & Managing Director
Rajeev K. Dalmia	53	CFO
Ranjit Singh...	40	Company Secretary
Veerender Kumar Gupta	48	Chief Operating Officer

*Mr. Arun Kumar Kapoor has resigned from the post of Chief Executive officer of Dish TV from the close of 15 May 2017 and Mr. Anil Kumar Dua has been appointed as the Group Chief Executive Officer with effect from 17 May 2017

Biographical Information

Biographical information is presented for each of the members of the Company's Board.

Mr. Jawahar Lal Goel was appointed as the Managing Director of Dish TV on 6 January 2007. He has been actively involved in the creation and expansion of Dish TV. He was central in pioneering the DTH services in India, he has been instrumental in establishing Dish TV as a prominent brand with India's most modern and advanced technological infrastructure.

Mr. Goel led the initiatives of the Indian Broadcasting Foundation (IBF) as its president for four consecutive years from September '06 to September '10. He is also on the Board of various committees and task forces set up by MIB, Government of India, and continues to address several critical matters related to the industry. He is a prime architect in establishing India's most modern and advanced technological infrastructure for the implementation of Conditional Access System (CAS) and DTH services, which has revolutionised the distribution of various entertainment and electronic media products in India in the ensuing months and years and would enormously benefit the consumers (TV viewers).

Apart from the Company, as on 31 March 2017, Mr. Goel holds directorship in Two(2) other Indian Public Limited Companies viz., Rankay Investment and Trading Company Ltd and Chiripal Industries Ltd.

As on 31 March 2017, Mr. Goel holds 176,800 shares comprising of 0.02% of the paid-up share capital in Dish TV.

Mr. Bhagwan Dass Narang is an independent non-executive member of the Board of the Company. Mr. Narang is a Post Graduate in agricultural economics and brings with him 37 years of banking experience. During this period, he also held the coveted position of the chairman and managing director of Oriental Bank of Commerce. Mr. Narang has handled special assignments viz. alternate chairmanship of the committee on banking procedures set up by Indian Banks Association for the year 1997-98, chaired a panel on serious financial frauds appointed by RBI, chaired a panel on financial construction industry appointed by Indian Banks Association (IBA), appointed as chairman of governing council of national institute of banking studies & corporate management, elected member of management committee of IBA, member of the advisory council of Bankers Training College (RBI) Mumbai, chairman of IBA's advisory committee on NPA Management, CDR Mechanism, DRT, ARC etc., elected as a fellow and member of governing council of the Indian Institute of Banking & Finance, Mumbai, elected as deputy chairman of Indian Banks Association, Mumbai and recipient of business standard "banker of the year" award for 2004.

Apart from the Company, as on 31 March 2017, Mr. Narang holds directorship in five (5) other Indian public limited companies viz., Shivam Autotech Limited, VA Tech Wabag Limited, Karvy Stock Broking Limited, Karvy Financial Services Limited and SLR Metaliks Limited.

As on 31 March 2017, Mr. Narang holds 7,500 shares comprising of 0.00% of the paid-up share capital in Dish TV.

Mr. Ashok Kurien is one of the non-executive directors on the Board of the Company. Mr. Kurien has been in the business of building brands for over 35 years, particularly in the fields of media, marketing and communications, and most recently, menstrual hygiene and non-electric water filters for the pool. An early bird, Ashok Kurien has the keen eye of driving start-ups in emerging businesses, guiding them to size and scale. These include advertising, TV, lottery, PR and dot coms, where he both invested and mentored, creating resounding success stories. His latest venture is Livinguard Technologies, a company developing disinfecting textile technology. Mr. Kurien has co-invented Saafkins, an affordable solution for the women who cannot afford sanitary napkins.

Mr. Kurien is a founder-promoter of Zee Entertainment Enterprises Ltd., Playwin Lotteries (PPIL), the Company and India.com. He is also a founder partner of Hanmer & Partners Public Relations and Ambience Advertising.

Apart from the Company, as of 31 March 2017, Mr. Kurien holds directorship in one (1) other Indian public limited company viz., Zee Entertainment Enterprises Ltd.

As of 31 March 2017, Mr. Kurien holds 1,174,150 shares, comprising of 0.11% of paid-up capital of Dish TV.

Mr. Arun Duggal is an independent non-executive member of the Board of Dish TV. Mr. Duggal is a mechanical engineer from Indian Institute of Technology, Delhi, and holds an MBA from the Indian Institute of Management, Ahmedabad (recipient of distinguished alumnus award). Mr. Duggal is a US national and resident of India.

Mr. Arun Duggal is Chairman of ICRA (a subsidiary of Moody's USA). He is also chairman of Mangalore Chemicals & Fertilisers Limited and International Asset Reconstruction Company. He is also on the boards of directors of ITC Limited, Info Edge (Chairman Audit Committee), and Dr. Lal Path Labs Ltd (chair N&R committee). Mr. Duggal has also been chairman and on the board of other companies in India and was on the board of directors of the companies in Korea, Australia, Singapore, London and South Africa.

Mr. Duggal had a 27-year career with Bank of America, mostly in the U.S., Hong Kong and Japan. His last assignment was as Chief Executive of Bank of America in India from 1998 to 2001.

Apart from the Company, as on 31 March 2017, Mr. Duggal holds directorship in five (5) other Indian public limited companies viz., Info Edge (India) Ltd, ITC Limited, ICRA Limited, Dr. Lal Path Labs Limited and Mangalore Chemicals & Fertilisers Limited.

As on 31 March 2017, Mr. Duggal holds 7,500 shares comprising of 0.00% in the paid-up share capital of Dish TV.

Mr. Lakshmi Chand is an independent non-executive director on the Board of Dish TV. Mr. Lakshmi Chand is a post graduate in M.A. (Economics) from Punjab University and is a Law Graduate from Delhi University. He joined Indian administrative service, the country's premier civil service, in 1969 and was assigned Uttar Pradesh Cadre. Mr. Lakshmi Chand held various important positions in the government of Uttar Pradesh and in government of India. During his 36 years of service he served both the union government and the state government whereby he handled a variety of assignments both at the policy formulation level and at the implementation level. While at the state level, in addition to the usual assignments of SDM/DM/DIV commissioner, he worked on the posts of secretary/principal tourism, sugar industry, CMD, UPSRTC and chairman, Noida, Greater Noida, UPSIDC, UPFC, UP Nirman Nigam, UP Bridge Corporation, UP Textile Corporation etc. While at the centre he worked as dy. director (admin) AIIMS, and joint secretary, ministry of development of industrial policy & promotion. He retired as secretary, ministry of development of north eastern region on 31 July 2005. After retirement he joined the national commission for denotified, nomadic & semi-nomadic tribes as member secretary.

Mr. Lakshmi Chand does not hold directorship in any other Indian public limited companies except for Dish Infra Services Private Limited, wholly owned subsidiary of the Company.

As on 31 March 2017, Mr. Lakshmi Chand did not hold any shares in Dish TV.

Dr. Rashmi Aggarwal is a non-executive independent woman director on the Board of the Company since 26 May 2015. Dr. Aggarwal has a bachelors of science, law graduate, masters in law, and PhD (Patents Law) from the law department of Punjab University, Chandigarh. She started her career as an advocate in the Punjab and Haryana High Court and Supreme Court of India before joining academics. Dr. Rashmi Aggarwal is presently associated with IMT Ghaziabad since 2007, in the area of economics, environment and policy as a professor of law. She is currently on the faculty in the area of economics, environment and policy at IMT Ghaziabad and visiting faculty with IIMs and management institutes in France and Dubai. She was the chairperson for the 2 years PDGM Programme at IMT Ghaziabad. She was the Chairperson - 2 years PDGM Programme and core coordinator for the coveted AACSB accreditation at IMT Ghaziabad.

Dr. Aggarwal's research domains are predominately in the area of Corporate law, Corporate governance, Cybercrimes, Labour Laws and Intellectual Property Rights, with more than 70 reputed publications to her credit, including books, international research publications, book chapters, book reviews and case studies. Dr Aggarwal has presented her research work in national and international conferences in India and abroad including USA, Japan, UK, Hong Kong, UAE and Italy. She has been a visiting professor at various IIM's and reputed institutes abroad like Toulouse Business School, France and SP Jain Dubai. She has designed and delivered numerous executive training programmes both as a facilitator and Programme Director for In-company and Open Company and conducts workshops and training programmes for higher education accreditation.

Apart from the Company, as on 31 March 2017, Dr. Aggarwal holds independent directorship in two (2) other Indian Public Limited Companies viz., Zee Media Corporation Ltd. and Essel Finance VKC Forex Limited.

As of 31 March 2017 Dr. Rashmi Aggarwal does not hold any shares in the Company.

Mr. Anil Kumar Dua, Group Chief Executive Officer joined Dish TV India Limited on 17 May 2017. Mr. Dua has a vast experience of over 28 years of handling and supervising senior management positions at well known brands and he aims to transform the Company's brand.

Mr. Dua has worked with major global and Indian brands like Gillette, Hero Moto Corp. and Hindustan Unilever in the past. Prior to joining Dish TV, he served as the Managing Director of OTE Group of Companies with operations in Oman and UAE. He also served as Senior Vice President - Sales, Marketing & Customer Care at Hero MotoCorp (erstwhile Hero Honda) from 2006 to 2014, where he was responsible for Hero MotoCorp's entire gamut of marketing and advertising strategy, and sales growth.

Mr. Dua holds a Post Graduate diploma in Management from Indian Institute Management, Ahmedabad and a Bachelor's degree in Mechanical Engineering from the prestigious Indian Institute of Technology, Delhi.

Mr. Dua has been an active participant in different forums like CII, SIAM, FADA & FICCI, and has also been the Chairman of the Retail Council of Society of Indian Automobile Manufacturers (SIAM). He was also on the board of Audit Bureau of Circulation (ABC).

Mr. Rajeev K. Dalmia, Chief Financial Officer, joined Dish TV India Limited on January 5, 2007. He is responsible for managing the financial risks of the Company, financial planning and maintaining financial records of the Company.

Rajeev has a vast experience of over 30 years in diverse organizations' including petrochemicals, capital markets and textile industries. Prior to joining Dish TV, he was Senior Vice-President - Finance of South Asian Petrochem Limited from September 2000 to December 2006.

He is a qualified chartered accountant from the Institute of Chartered Accountants of India and a commerce graduate from St. Xavier's College, Calcutta.

Mr. Ranjit Singh, Company Secretary & Compliance Officer and Senior Vice President – Legal of the Company, joined Dish TV India Limited in December 2009. He is responsible for the legal, regulatory and secretarial / statutory functions of the Company.

Ranjit has more than 15 years of work experience having worked with FMCG, Electrometrical and Software Firms. Prior to joining Dish TV, he was the Company Secretary of Parsec Technologies Limited from November 2003 to November 2004.

He is a qualified Company Secretary and a member of the Institute of Company Secretaries of India. He also holds a bachelors degree of law from Delhi University.

Nomination and Remuneration

In compliance with the requirements of Section 178 of the Indian Companies Act, 2013, the 'nomination & remuneration committee' (the "**NRC Committee**") of the Board of Dish TV had fixed the criteria for nominating a person on the Board which *inter alia* include desired size and composition of the Board, age limit, qualification/experience, areas of expertise and independence of individual. The NRC Committee had also approved in-principle that the initial term of an independent director shall not exceed three years. Videocon has also adopted a nomination, appointment, remuneration and training policy.

Further, pursuant to provisions of the Companies Act, 2013, the NRC Committee of the Board has formulated the remuneration policy for the appointment and determination of remuneration of the directors, key management personnel, senior management and other employees of Videocon. The NRC Committee has also developed the criteria for determining the qualifications, positive attributes and independence of directors and for making payments to executive directors of Videocon.

The NRC Committee takes into consideration the best remuneration practises in the industry while fixing appropriate remuneration packages and for administering the long-term incentive plans. Further, the compensation package of the directors, key management personnel, senior management and other employees are designed based on the set of principles enumerated in the said policy. The directors affirm that the remuneration paid to the directors, key management personnel, senior management and other employees is as per the remuneration policy of Videocon.

Remuneration Paid

Dish TV

Particulars of Remuneration	**Key Managerial Personnel**			**(Rs. in Million)**
	Mr. Arun Kumar Kapoor*	**Mr. Rajeev K Dalmia**	**Mr. Ranjit Singh**	**Total**
	Chief Executive Officer	**Chief Financial Officer**	**Company Secretary**	
Gross Salary (As per Income Tax Act)				
Salary	32.77	18.99	6.22	57.98
Perquisites	0.04	0.04	0.04	0.12
Profits in lieu of salary	0.00	0.00	0.00	0.00
Stock Option (gain)	0.00	0.00	0.00	0.00
Sweat Equity	0.00	0.00	0.00	0.00
Commission (as % of profit or otherwise)	0.00	0.00	0.00	0.00
Others (Contribution to Provident Fund)	2.01	1.09	0.39	3.48
Total	**34.82**	**20.12**	**6.65**	**61.58**

* Mr. Arun Kumar Kapoor was appointed as Chief Executive Officer of Dish TV w.e.f. 23 November 2015. He resigned w.e.f. from 15 May 2017.

Name of Director/Key Managerial Personnel	**Remuneration for FY 2016-17# (Rs in Millions)**	**% increase in Remuneration in FY 2016-17$**	**Ratio of Director's Remuneration to Median remuneration**
Non-Executive Directors			
Mr. Arun Duggal	NIL	NA	NA
Mr. Ashok Kurien	NIL	NA	NA
Mr. B D Narang	NIL	NA	NA
Mr. Eric Louis Zinterhofer	NIL	NA	NA
Mr. Lakshmi Chand	NIL	NA	NA
Dr. Rashmi Aggarwal	NIL	NA	NA
Executive Director			
Mr. Jawahar Lal Goel	22.7	143.6	32.1
Key Managerial Personnel			
Mr. Jawahar Lal Goel	22.7	143.6	32.1
Mr. Arun K Kapoor&	35.65	15	NA
Mr. Rajeev K Dalmia	21.01	21	NA
Mr. Ranjit Singh	7.86	20	NA

\# Non-Executive Directors Remuneration excludes sitting fees. Remuneration refers gross salary including all perquisites

$ The % increase in remuneration refers to the % increase in remuneration from FY 2015-16

& Resigned as Chief Executive Officer w.e.f. 15 May 2017

S. No.	Requirement	Disclosure
1.	The Percentage increase in median remuneration of employees in FY	3.8%
2.	Number of permanent employees on the rolls of Dish TV	1,261
3.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average annual increase in the salaries of employees during the year was 15.86%while there was an increase of 144% in the managerial remuneration (Managing Director's remuneration) during financial year 2016-17
4.	Affirmation that the remuneration is as per the remuneration policy of Dish TV	Dish TV affirms that the remuneration is as per the remuneration policy of Dish TV

Videocon

For the fiscal year 2017, the aggregate amount of cash compensation paid to the Directors and Executive Officers of Videocon d2h was Rs. 78.67 million, comprising sitting fees for directors of Rs. 0.94 million and salaries for executive officers aggregating to Rs. 77.73 million. For the fiscal year 2017, Anil Khera received a salary of Rs. 30.25 million, Rohit Jain (resigned and not working with Videocon as on date of filing this document) received a salary of Rs. 18.86 million, Himanshu Patil (resigned and not working with Videocon as on date of filing this document) received a salary of Rs. 10.62 million, Avanti Kumar Kanthaliya received a salary of Rs. 7.09 million and Siddharth Kabra received a salary of Rs. 10.93 million.

Board Practises

The Company

Corporate Governance

The Company's core corporate governance principles are independence, transparency, accountability, responsibility, compliance, ethics, values and trust, among others. The Company believes that sound corporate governance is critical for enhancing and retaining investor trust and the Company always seeks to ensure that its performance goals are met accordingly. The Company's philosophy of corporate governance is built on the principles of transparency, fairness, integrity, equity and accountability. For the Company, corporate governance is an ethically driven business process that is committed to values - aimed at enhancing an organisation's brand and reputation.

The Company's governance philosophy is all encompassing and it is the Company's constant endeavour to align its vision and business strategy with the welfare and best interest of all stakeholders. It is the Company's firm conviction that good corporate governance practises are powerful enablers, which infuse trust and confidence and are able to attract and retain financial and human capital. These resources, in turn, are leveraged to maximise long-term shareholder value, on a sustainable basis. Transparency and accountability are the fundamental principles of the Company which ensures that the Company is managed and monitored in a responsible manner for 'creating and sharing value'.

The Company believes that the highest standards of corporate behaviour towards everyone the Company works with, including the communities and the environment on which the Company has an impact, are required to succeed. This is the Company's road to consistent, competitive, profitable and responsible growth and creating long-term value for its shareholders, its people and its business partners. Strong leadership and effective corporate governance practises have been the Company's hallmark.

Corporate Governance primarily involves the establishment of structures and processes, with appropriate checks and balances that enable the Board, as collegian, to discharge their responsibilities in a manner which is beneficial to all stakeholders. The Board considers good corporate governance to be a key driver of sustainable corporate growth and long-term value creation, and exercises its fiduciary responsibilities accordingly.

The Securities and Exchange Board of India ("**SEBI**") introduced the SEBI (listing obligations and disclosure requirements) regulations, 2015, (the "**Listing Regulations**"), introducing additional corporate governance requirements for listed entities. These norms provide for additional disclosures and preparation of various new policies such as policy for preservation of documents, policy for determining material subsidiary, policy for determination of materiality etc.

The Company is in compliance with the mandatory requirements of the Listing Regulations.

Declaration by Independent Directors

Independent directors of the Company provide declarations, both at the time of appointment and annually, confirming that they meet the criteria of independence as prescribed under the Indian Companies Act, 2013 and the Listing Regulations.

Vigil Mechanism

The Board has adopted a whistleblower policy to provide an opportunity to directors/employees/stakeholders of Dish TV to report concerns about unethical behaviour, actual or suspected fraud of any director and/or employee of Dish TV or any violation of the code of conduct.

Board Committees of Dish TV

The Board has constituted committees for smooth and efficient operation of day-to-day business of the Company. These committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. Each committee of the Board is guided by and operates under the terms of reference, which have been framed in compliance with applicable laws defining the scope, powers and composition of the committee. The minutes of the meetings of all the committees are placed before the Board.

Audit Committee

Composition

In compliance with Section 177 of the Companies Act, 2013 read with rules made thereto and Regulation 18 of the Listing Regulations, the audit committee of the board comprises of 3 (three) members, all of whom are independent directors, with Mr. B.D. Narang, non-executive independent director, as its chairman.

The details of current composition of the Audit Committee, is as detailed under:

Name of the Director	Designation	Category	Date of Appointment
B. D. Narang	Chairman	Independent	6 January 2007
Arun Duggal	Member	Independent	6 January 2007
Lakshmi Chand	Member	Independent	1 October 2012

Scope and Terms of Reference of Audit Committee

The role and powers of the audit committee is as set out in the Regulation 18 read with Schedule II part C of the Listing Regulations and Section 177 of the Companies Act, 2013 read with rules made thereto. The brief terms of reference of the audit committee *inter alia* include:

a) Monitoring the end use of funds raised through public offers and related matters.

b) The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.

c) The audit committee shall have authority to investigate any matter within its scope/terms of reference or any matter referred to it by the board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.

d) Functioning of the whistleblower and vigil mechanism policy.

e) Transaction proposed to be entered into by the Company with related parties and approve such transactions including any subsequent modifications thereto.

f) Recommends proposals for appointment and remuneration payable to the statutory auditor and internal auditor.

g) To review the financial statements, in particular, the investments made by the unlisted subsidiary company.

The audit committee also reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;

3. Management letters/letters of internal control weaknesses issued by the statutory auditors, if any;

4. Internal audit reports relating to internal control weaknesses; and

5. Appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee.

The audit committee also reviews adequacy of disclosures and compliance with all relevant laws and compliance with requirements of Regulation 24 of the Listing Regulations. The audit committee also reviews operations of subsidiary companies viz., its financial statements, significant related party transactions and statement of investments.

Audit Committee Meetings

In addition to the audit committee members, the audit committee meetings are generally attended by the chairman and managing director, company secretary, chief executive officer, chief financial officer, president – business development and strategy, statutory auditors and internal auditors of the Company. The Company's secretary acts as the secretary of the audit committee.

During the year under review, the audit committee met at least once in each quarter and the maximum time gap between two audit committee meetings did not exceed the limit prescribed in Regulation 18 of the Listing Regulations.

The audit committee of Dish TV met seven (7) times during the year under review i.e. on 23 May 2016, 28 July 2016, 12 August 2016, 28 October 2016, 11 November 2016, 30 January 2017 and 24 March 2017. The necessary quorum was present for all the meeting held during the year.

Names of the Committee Members	**Meeting Details**			**Whether attended last AGM (Y/N)**
	Held during the tenure of Director	**Attended**	**% of Total**	
B D Narang	7	5	71.43	Y
Arun Duggal	7	5	71.43	Y
Lakshmi Chand	7	7	100	Y

Mr. B D Narang, chairman of the audit committee was present at the 28th annual general meeting of Dish TV held on 29 September 2016.

Internal Audit

At the Board meeting held on 23 May 2016, upon the recommendation of the audit committee, Protiviti Advisory India Member LLP was re-appointed as the internal auditor for the financial year 2016-17. The Company's system of internal controls covering financial, operational, compliance, IT, HR, service, etc., are reviewed by the internal auditors from time to time and presentations are made by them before the audit committee. The representative of internal auditors of the Company attends meetings of the audit committee on a regular basis and findings of internal audits are reported directly to the audit committee.

The Company's audit committee *inter alia*, reviews the adequacy of internal audit function, the internal audit reports and reviews the internal control processes and systems. The audit committee is provided necessary assistance and information to render its function efficiently.

The internal auditor representative attends meetings of the audit committee on a regular basis and findings of internal audits are reported directly to the audit committee.

Nomination and Remuneration Committee

Composition

In compliance with Regulation 19 of Listing Regulations and Section 178 of the Companies Act, 2013 read with rules made thereto, nomination and remuneration committee of the Board comprises of 4 (four) members, 3 (three) of whom are independent directors with Mr. B D Narang, non-executive independent director as its chairman. The Company's secretary acts as the secretary of the committee.

The details of current composition of the nomination and remuneration committee, is as detailed under:

Name of the Director	**Designation**	**Category**	**Date of the Appointment**
B D Narang	Chairman	Independent	27 May 2014
Arun Duggal	Member	Independent	27 May 2014
Lakshmi Chand	Member	Independent	27 May 2014
Ashok Kurien	Member	Non-Executive	27 May 2014

Terms of Reference

The brief terms of reference of the nomination and remuneration committee *inter alia* include:

1) Formulation of guidelines for evaluation of candidature of individuals for nominating and/or appointing as a director on the Board including but not limited to recommendation on the optimum size of the board, age/gender/functional profile, qualification/experience, retirement age, number of terms one individual can serve as director, suggested focus areas of involvement in the Company, process of determination for evaluation of skill sets, etc. and to devise a policy on Board diversity;

2) To identify persons who are qualified to be appointed as KMP and in senior management in accordance with the criteria laid down and recommend to the Board their appointment;

3) Formulation of the process for evaluation of functioning of the Board – individually and collectively;

4) Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

5) To approve remuneration of directors, key managerial personnel, senior management and senior employees (employees one level below KMP) and to approve promotion / increments / rewards / incentives for the said employees;

6) To note the information on appointment and removal of KMP and senior officers;

7) Decide and approve grant of stock options, including terms of grant etc. under the Company's employee stock option scheme.

Performance Evaluation Criteria for Independent Directors

Performance of each of the Independent Directors is evaluated every year by the entire Board with respect to various factors like personal traits which include business understanding, communication skills, ability to exercise objective judgement in the best interests of the Company and on specific criteria which include commitment, guidance to management, deployment of knowledge and expertise, management of relationship with various stakeholders, independence of behaviour and judgement, maintenance of confidentiality and contribute to corporate governance practise within the Company.

A formal evaluation of performance of the Board, its Committees, the Chairman and individual Directors was carried out in the year 2015-16, details of which are provided in the Board's Report.

Remuneration Policy

The guiding principle of the remuneration policy of the Company is that the remuneration and other terms of engagement/employment shall be competitive enough to ensure that the Company is in a position to attract, retain and motivate the right kind of human resource(s) for achieving the desired growth set by the Company's management year on year thereby creating long-term value for all stakeholders of the Company.

Attendance at Nomination and Remuneration Committee Meetings

During the year under review, the nomination & remuneration committee met (5) five times via 23 May 2016, 28 July 2016, 28 October 2016, 30 January 2016 and 24 March 2017.

Names of the Committee Members	Meeting Details		
	Held during the tenure of Director	Attended	% of Total
B D Narang	5	4	80
Arun Duggal	5	3	60
Lakshmi Chand	5	5	100
Ashok Kurien	5	4	80

In addition to the nomination & remuneration committee members, the meetings of the committee are generally attended by the managing director, chief executive officer, chief financial officer and president – business development and strategy of the Company.

Remuneration paid to Executive Directors

The Board currently comprises one executive director viz. Mr. Jawahar Lal Goel, managing director.

The details of remuneration paid to Mr. Jawahar Lal Goel, managing director of the Company during the year ended 31 March 2017 is as below:

Particulars of Remuneration	Rs in Million
Gross salary (As per Income tax act):	
Salary..........	20.60
Perquisites	0.00
Others (Contribution to Provident Fund)..........	1.26
Total..........	**21.86**

Mr. Jawahar Lal Goel, Managing Director of the Company has been reappointed with effect from 6 January 2016 for period of 3 years in terms of special resolution passed by the shareholders with requisite majority on 29 September 2015, and the said appointment has been approved by Ministry of Corporate Affairs ("**MCA**"), Government of India, as per applicable provisions of the Companies Act, 2013. The MCA, vide its approval letter no. C68324631/2015 – CL – VII dated 18 February 2016, has approved the reappointment of Mr. Goel for a period of three years with effect from 6 January 2016, at a remuneration of Rs. 1,03,50,000/- for the period from 6 January 2016 to 5 January 2017, Rs. 1,19,03,000 for the period from 6 January 2017 to 5 January 2018 and Rs. 1,36,88,000 for the period from 6 January 2018 to 5 January 2019. The Nomination and Remuneration Committee at their meeting held on 28 October 2016 approved the revision in remuneration of Mr. Jawahar Lal Goel from Rs. 1.03 Cr to Rs. 4 Cr with effect from 1 November 2016.

Remuneration to Non-Executive Directors

During the financial year 2016-17, the non-executive directors were paid sitting fee of Rs. 30,000 for attending each meeting of the Board of Directors and audit committee and Rs. 20,000 for attending each committee meeting other than audit committee.

Particulars of sitting fee paid to non-executive directors of Dish TV for financial year 2016-17 are as under:

Name of Directors	(Rs in Million) **Sitting Fees**
Independent Directors	
Mr. Arun Duggal..........	0.43
Mr. B D Narang..........	0.42
Mr. Eric Louis Zinterhofer	0.00
Mr. Lakshmi Chand..........	0.56
Dr. Rashmi Aggarwal..........	0.25
Total..........	**1.66**
Non-Executive Directors	
Mr. Ashok Kurein	0.29
Grand Total	**1.95**

As on 31 March 2017, the non-executive directors of Dish TV held the following shares in Dish TV:

Name of the Non-Executive/Independent Directors	No. of Shares held
B D Narang	7,500
Arun Duggal	7,500
Ashok Kurien	1,174,150

During financial year 2016-17, Dish TV did not advance any loan to any of its directors. Further, there are no pecuniary relationships or transactions between the independent directors and the Company or its directors, senior management, subsidiary or associate, other than in normal course of business, other than the sitting fees paid to directors for attending the meetings of the directors, Board and its committees.

Stakeholders Relationship Committee

Composition

In compliance with Section 178 of the Companies Act, 2013 read with rules made thereto and Regulation 20 of the Listing Regulations the stakeholders' relationship committee of the Company comprises of Mr. Ashok Kurien, non-executive director as its chairman and Mr. Jawahar Lal Goel, managing director as its member. The Company's secretary acts as the secretary of the committee.

Terms of Reference

The brief terms of reference of the stakeholders relationship committee *inter alia* include:

a) To approve transfer of Shares;

b) To specifically look into the redressal of grievances of shareholders, investors, debenture holders and other security holders;

c) To provide adequate and timely information to shareholders; and

d) To consider and resolve the grievances of security holders of the Company, including complaints related to transfer of Shares, issue of duplicate Share certificates, non-receipt of balance sheet, non-receipt of declared dividends and other Shares related matters.

The Committee has delegated the power of approving requests for transfer, transmission, rematerialisation and dematerialization etc. of Shares of the Company to the executives of the Company.

Meeting and Attendance during the year

During the year under review, stakeholders relationship committee met (2) two times i.e. on 28 July 2016 and 30 January 2017. The meetings were attended by all the members of the committee.

Details of number of complaints received and resolved/replied during the year ended 31 March 2017, are as under:

Nature of Correspondence	Received	Replied Resolved	Pending
Non-receipt of Shares	3	3	-
Non-receipt of Annual report	2	2	-
Non-receipt of Dividend Payment	1	1	-
Non-Receipt of fractional payment	0	0	-
Non-receipt of call payment confirm	0	0	-
Complaint lodged with SEBI	0	0	-
Complaint lodged with ROC	0	0	-
Complaint lodged with NSE/BSE	2	2	-
Total	**8**	**8**	**Nil**

Meeting of Independent Directors

The independent directors of the Company meet at least once a year without the presence of the executive directors. During the financial year 2016-17, 1 (one) meeting of the independent directors of Dish TV was held on 24 March 2017. The meeting was attended by all the independent directors except Mr. Eric Louis Zinterhofer and Mr. Bhagwan Dass Narang.

Other Board Committees

In addition to the above committees, the Board has constituted the following Committees:

The corporate social responsibility committee, comprises of Mr. B. D. Narang independent director as its chairman, Mr. Jawahar Lal Goel, managing director, Mr. Arun Duggal, independent director, Ashok Kurien Non Executive Director and Dr. Rashmi Aggarwal, Independent Director as its members. The committee has formulated and recommended to the board, a CSR policy indicating the activity or activities to be undertaken by the Company as per applicable provisions of Section 135 read with Schedule VII of the Companies Act, 2013 and rules made thereto. During the period under review, the corporate social responsibility committee met on 28 October 2016 and 30 January 2017. On 28 October 2016, the meeting was attended by Mr. B D Narang, Mr. Arun Duggal and Mr. Jawahar Lal Goel. On 30 January 2017, the meeting was attended by Mr. B D Narang, Mr. Ashok Kurien, Mr. Jawahar Lal Goel and Dr. Rashmi Aggarwal.

The finance committee, which is comprised of Mr. Jawahar Lal Goel, managing director, Mr. Arun Duggal, non-executive independent director and Mr. Ashok Kurien, non-executive director as members. The Committee facilitates monitoring and expediting fund raising process of the Company, from time to time. The finance committee *inter alia* considers and approves financing facilities offered and/or sanctioned to the Company by banks and/or Indian financial institutions. The Company's secretary acts as secretary to the committee.

The corporate management committee, which is comprised of key executives including the managing director, CEO, CFO and President-Business Development & Strategy of the Company, to review, approve and/or grant authorities for managing day-to-day affairs of the Company within the limits delegated by the Board. The Company's secretary acts as secretary to the committee.

The cost evaluation and rationalization committee, which evaluates various options to rationalise the cost and work out the ways to increase the productivity / enhance the average return. Cost evaluation & rationalization committee comprises of senior executives including the managing director as its member.

The Board has provided for detailed guidelines on constitution, quorum, scope and procedures to be followed by these committees in discharging their respective functions. Minutes of the proceedings of committee meetings are circulated to the Board members and are placed for record by the Board at its subsequent meeting.

Subsidiary Companies' Monitoring Framework

The Company's subsidiary companies viz., Dish T V Lanka (Private) Limited and Dish Infra Services Private Limited are managed by a well constituted board, which provides direction and manages the companies in the best interest of their stakeholders. The Company has one material unlisted Indian subsidiary viz. Dish Infra Services Private Limited. The Company has nominated Mr. Lakshmi Chand, an Independent Director of The Company to the board of Dish Infra Services Private Limited. The Company monitors the performance of subsidiary companies, *inter alia*, by:

a) Reviewing the financial statements, in particular investments made by the unlisted subsidiary company(ies), on quarterly basis by its audit committee.

b) Taking note of the minutes of the board meeting of unlisted subsidiary company(ies) at its Board meeting.

c) Taking on record/reviewing significant transactions and arrangements entered into by the unlisted subsidiary company(ies).

Relationship between Directors

None of the Directors are, in any way related to each other.

Policies

In compliance with the requirements of Listing Regulations and Companies Act, 2013, the Board has approved various policies, as detailed below.

Whistle Blower and Vigil Mechanism Policy

As per Section 177 of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, whistleblower and vigil mechanism policy has been approved and implemented within the organisation. The policy enables the employees and directors to raise and report concerns about unethical behaviour, actual or suspected fraud of any director and/or employee of the Company or any violation of the code of conduct. This policy is also available on the Company's website and is accessible at http://www.dishtv.in/Pages/Investor/Corporate-Governance.aspx. Further during the year under review, no case was reported under the vigil mechanism. No person was denied access to the audit committee.

Related Party Transaction Policy

In compliance with the requirements of Regulation 23 of the Listing Regulations, the Board of Directors of the Company has approved a related party transaction policy, which is in compliance with the applicable provisions of law including the provisions of the Companies Act, 2013. The said related party transaction policy is also available on Dish TV's website and is accessible at http://www.dishtv.in/Pages/Investor/Corporate-Governance.aspx.

Policy for determining Material Subsidiaries

In compliance with the requirements of Regulation 16 (c) of the Listing Regulations, the Board of Directors of the Company has approved a Policy for determining material subsidiaries. The said policy determines material subsidiaries of the Company and provides a governance framework for them. The said Policy is also available on the Company's website and is accessible at http://www.dishtv.in/Pages/Investor/Corporate-Governance.aspx.

Policies and Code as per SEBI Insider Trading Regulations

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an insider trading code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information.

The said code regulates and monitors trading by insiders and reporting thereof. The said code lays down guidelines which provide for the procedure to be followed and disclosures whilst dealing with shares of the Company.

Mr. Ranjit Singh, Company Secretary and Compliance Officer of the Company is compliance officer for the purposes of Insider Trading Code, while Mr. Rajeev K Dalmia, Chief Financial Officer of the Company has been appointed as Chief Investor Relations Officer for the purpose of fair disclosure policy. The said code and Policy is also available on the Company's website and is accessible at http://www.dishtv.in/Pages/Investor/Corporate-Governance.aspx.

Familiarisation Program for Independent Directors

Independent Directors of the Company have been familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programs at the time of their appointment as Directors. To familiarize the Directors with strategy, operations and functions of the Company, the senior managerial personnel make presentations about the Company's strategy, operations, product offering, market, technology, facilities and risk management. The Board including all Independent Directors are provided with relevant documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices from time to time besides regular briefing by the members of the senior management team. Also the Board including all Independent Directors were given a detailed presentation on 24 March 2017 by J. Sagar Associates on the various aspects of

Companies Act, 2013, roles and responsibilities of Directors, Corporate Governance, Insider Trading regulations and compliances and recent key changes to Companies Act and Listing Regulations.

The said Policy is also available on the Company's website and is accessible at http://www.dishtv.in/Pages/Investor/Corporate-Governance.aspx.

Foreign Exchange Risk and Hedging Activities

The Company's payables and receivables are in foreign currency and due to fluctuations in foreign exchange prices, it is subject to foreign exchange risks. The Company has in place a risk management framework for identification and monitoring and mitigation of foreign exchange risks. The Company has entered into foreign exchange forward, option and futures contracts to manage its exposure to exchange rate fluctuations, in accordance with its risk management policies. The risks are tracked and monitored on a regular basis and mitigation strategies are adopted in line with the risk management policy.

Moreover, the foreign exchange exposure is also reviewed by the Audit committee of the Board of Directors of the Company for optimisation and risk mitigation.

Apart from the above policies, the Board has in accordance with the requirements of Companies Act, 2013 and Listing Regulations, approved and adopted Remuneration Policy, Material Events Determination and Disclosure Policy, Document Preservation Policy and Corporate Social Responsibility Policy. The required policies can be viewed on the Company's website at www.dishtv.in

Code of Conduct

The Company has adopted a code of conduct for the members of the Board and senior management. All the Directors and senior functionaries, as defined in the code, provide their annual confirmation of compliance with the code. A copy of the code is also available on the Company's website and is accessible at http://www. dishtv.in/Pages/Investor/Corporate-Governance.aspx.

Employees

As on 31 March 2017, the total number of employees on the records of Dish TV was 1,261 and the total number of Videocon employees was 979.

PRINCIPAL SHAREHOLDERS

The following table sets forth information with respect to shareholders holding 5% or more of Dish TV's and Videocon's shares and having a (notifiable) interest in the capital or voting rights upon effectiveness of the Amalgamation.

	Upon effectiveness of the Amalgamation	
Shareholders	**Number**	**%**
Veena Investments Private Limited [(1)]......................................	543,307,082	29.51%
Deutsche Bank Trust Company Americas[(2)]………..............	277,095,615	15.05%
Electroparts (India) Private Limited…………………...	122,072,040	6.63%
Greenfield Appliances Private Limited	101,760,931	5.53%
Solitaire Appliances Pvt. Ltd…………………………….....	101,760,932	5.53%
Waluj Components Private Limited………………………	101,275,125	5.50%
Direct Media Solutions LLP..	76,905,278	4.18%

(1) Includes 86,094,822 Shares held directly by Veena Investments Private Limited and 457,212,260 Shares held indirectly through Direct Media Distribution Ventures Private Limited.

(2) In its capacity as Depositary under the Deposit Agreement in respect of the GDRs.

RELATED PARTY TRANSACTIONS

In the financial year ending on 31 March 2017 all of the transactions with related parties entered during the year were in ordinary course of the business and on arm's length basis. No transactions were entered which were – as a single transaction or in their entirety – material to the Company.

In compliance with requirements under Indian law, the Board has approved a related party transaction policy that is available on the Company's website, http://www.dishtv.in/Pages/Investor/Corporate-Governance.aspx.

(A) Transactions with Related Parties:

DISH TV INDIA LIMITED (Consolidated)

	Year ended 31 Mar 2017	
Particulars	**Amount for Major Parties**	**Nature of Transaction**
Zee Entertainment Enterprises Limited	150,027,907	Teleport income
ZEE Media Corporation Limited	107,886,716	Teleport income
Zee Entertainment Enterprises Limited	1,785,873,715	Advertisement charges paid
Taj Television India Private Limited	364,829,789	Advertisement charges paid
Zee Entertainment Enterprises Limited	30,548,620	Rent Paid

INFORMATION ABOUT THE UNDERLYING SHARES

Share Capital

Share capital of Dish TV as of 31 March 2017	**Amount (In Rs.)**
1. Authorised Share capital	
1,500,000,000 Shares of face value of Rs. 1.00 each	**1,500,000,000.00**
2. Issued, subscribed and paid-up Share capital	
a. Issued, subscribed and fully paid-up capital	
1,065,934,528 Shares of face value of Rs. 1.00 each, fully paid-up	*1,065,934,528.00*
b. Issued, subscribed but not fully paid-up capital	
34,377 partly paid-up Shares comprising of:	
(i) 15,262 Shares of face value of Rs. 1 each, Rs. 0.75 paid-up	11,446.50
(ii) 19,115 Shares of face value of Rs. 1 each, Rs. 0.50 paid-up	9,557.50
Sub-Total	*21,004.00*
Total Paid-Up Share Capital	**1,065,955,532.00**

Changes in Share capital pursuant to Amalgamation	**Amount (In Rs.)**
1. Authorised Share capital	
Authorised Share capital will increase by Rs. 5,000,000,000 post-Amalgamation. On the basis of the authorised Share capital as of 31 March 2017, the post-Amalgamation authorised Share capital will be: 6,500,000,000 Shares of face value of Rs. 1.00 each	**6,500,000,000.00**
2. Issued, subscribed and paid-up Share capital	
The issued, subscribed and paid-up capital will increase post-Amalgamation by: 857,785,642 Shares+ of face value of Rs. 1.00 each, fully paid-up	**857,785,642.00**
+*- upon rounding off of fractional equity shares in terms of Clause 5.6 of Section I of the Scheme*	

Details of employee stock options granted to employees of Dish TV as of 31 March 2017	**Number of stock options***
1. Number of stock options granted but which have not vested.	396,220
2. Number of stock options granted, accepted and vested but which have not been exercised	24,000

**- each stock option may be exercised for 1 fully paid-up share of Dish TV.*

Security Identification Codes

The ISIN for the GDRs and the underlying Shares are US25471A4013 and INE836F01026, respectively. The CUSIP Number for the GDRs is 25471A401. The trading symbol for the GDRs is “DTVL”.

Memorandum and Articles of Association

The paragraphs below represent only a summary of certain provisions of the Company’s Memorandum of Association and Articles of Association. The complete Memorandum and Articles of Association of the Company are available at www.dishtv.in.

Objects and purposes of the Company

Article III (A) of the Memorandum of Association states that the objects to be pursued by the Company are the following:

To plan, establish, develop, provide, operate, maintain and market various services, including cable or satellite based communications and networking services or broadcasting or broadcasting content services, direct-to-home (DTH) services, satellite based transmission services and maintain telecommunication networks, systems, services including telephones, telex, message, relay, data transmission, facsimile, television, telematics, value added network services, paging cellular, mobile, audio and video services, maritime and aeronautical communication services and other telecommunication services as are in use elsewhere or to be developed in future and to act as satellite based service provider and carry on the business of generation, distribution, redistribution, reception, transmission, re-retransmission of audio, video, data and radio signals.

To carry on business of manufacture, assemble, put to place, set up, plant, establish, develop, acquire, purchase, launch, relaunch, hire, lease, time share, manage, maintain, operate, run, replace, sale, upgrade, or otherwise commercially exploit, satellite, space craft, ground station assets, transponders, control stations, via uplink or downlink or otherwise for the purpose of transmitting relaying, telecommunicating, broadcasting, narrowcasting, telecasting, any form of radio, audio, video signals both terrestrially and spatially including obtaining rights of distribution and marketing of communication signals and electronic data by means of satellite, wireless, wire or other electronic or mechanical methods of delivery or otherwise and to providing consultancy services relating to telecommunication, satellite, transponder, communication, broadcasting network systems, mobile systems, telephony, information technology and exploiting software associated with provision and management of telecommunication and broadcasting / channel distribution services.

To receive, buy, sell, procure, develop, produce, commission, decrypt, aggregate, turn around, encrypt and distribute various kinds of entertainment contents/software (programmes), data for their aggregation, exhibition, distribution and dissemination on TV channels/TV signals/video and audio signals, be it satellite TV channels or terrestrial TV channels or cable channels or through any other mode or through encryption, decryption of signals/channels using existing and/or emerging technologies, including distribution via internet, distribution via internet protocol or webcasting or exhibition in cinema and/or video theatre in all forms, be it analogue signals or digital signals or through sale of physical material like cassettes including audio cassettes, video cassettes, digital video discs, CD ROM's etc. and any emerging technology.

Article III (B) of the Memorandum of Association also states further activities the Company might engage with for the furtherance of the main objects described above.

Variation of shareholders' rights

The Memorandum and Articles of Association of the Company provide for the right of the Company to increase or reduce its Share capital and to consolidate, sub-divide or cancel Shares, subject to the provisions thereof and applicable law. They further provide for the right of the directors, subject to the provisions thereof and applicable law, to issue Shares on such terms and conditions as they think fit.

Rights attached to any class of Shares (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of law and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three fourths of the issued Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of that class.

Shareholders meetings and how they are called

The Company shall hold from time to time, in addition to any other meeting of shareholders, an annual general meeting of shareholders at the intervals prescribed and in accordance with applicable law. Subject to the requirements of applicable law, the board of directors of the Company ("**Board**") may, whenever it thinks fit, call a general meeting other than an annual general meeting, to be called an extraordinary general meeting of the shareholders. The Board shall also call an extraordinary general meeting upon receipt of a requisition in writing by any member or members holding in the aggregate not less than one tenth of such of the paid-up capital of the Company as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

Rights and restrictions on existing shares

The Company has only one class of equity shares, having a par value of R 1 per share. Each shareholder is eligible to one vote per fully paid equity share held. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the Annual General Meeting, except in the case of interim dividend. Dish TV has not paid dividend for the fiscal years of 2015 and 2016.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.

TAXATION

Indian Tax Considerations

General

The following summary is based on the law and practice under the (Indian) Income Tax Act, 1961 ("**IT Act**"), including the special tax regime contained in Section 115AC of the IT Act read with the Depository Receipts Scheme, 2014. The IT Act is amended every year by the Finance Act of the relevant year. Some or all of the tax consequences of Section 115AC may be amended or changed by future amendments to the IT Act. The following summary considers the amendments introduced by Finance Act 2018 (to the extent relevant), which are applicable with effect from 1 April 2018.

The summary below is limited to implications for holders of GDRs who are "non-residents" under the IT Act during the relevant period. Further, while the Scheme allows the holders of ADSs of Videocon to elect between receiving GDRs or Shares of the Company in exchange for the ADSs, the tax considerations discussed below are limited to the implications for receipt of GDRs of the Company in exchange for ADSs in Videocon.

The Company believes this information is materially complete as of the date hereof. However, these details are not intended to constitute a complete analysis of the individual tax consequences to non-resident holders under Indian law for the acquisition, ownership, conversion and sale of the GDRs and Shares.

EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT HIS, HER OR ITS OWN TAX ADVISORS WITH RESPECT TO INDIAN AND LOCAL TAX CONSEQUENCES OF ACQUIRING, OWNING OR DISPOSING OF THE GDRS OR THE UNDERLYING SHARES.

Residence

For purposes of the IT Act, an individual is considered to be a resident of India during any fiscal year if he or she is in India: (a) in that year for a period or periods amounting to at least 182 days; or (b) in that year for a period or periods amounting to at least 60 days and, within the four preceding years has been in India for a period or periods amounting to at least 365 days.

The period of 60 days referred to above shall be read as 182 days (i) in case of a citizen of India who leaves India in a previous year for the purposes of employment outside of India or (ii) in the case of a citizen of India or a person of Indian origin living abroad who visits India.

A company is a resident of India if it is incorporated in India or its place of effective management in that year is in India.

Individuals and companies that do not fulfill the above criteria would be treated as non-residents for purposes of the IT Act.

As a general rule, while residents are taxed in India in respect of their global income, non-residents are taxed in India in respect of income received or deemed to be received in India, or income which accrues or arises or is deemed to accrue or arise in India.

Acquisition of GDRs of the Company against ADSs held in Videocon

The receipt of GDRs of the Company in exchange of ADSs held in Videocon (consequent to the amalgamation) has not been specifically exempted from income tax under the IT Act.

Section 115AC(5) of the IT Act provides that GDRs of an amalgamated company acquired by virtue of a taxpayer holding GDRs in an amalgamating company, will be subject to the same tax treatment otherwise available under Section 115AC in respect of GDRs. The explanatory memorandum to the Finance Act, 1999, whereby Section 115AC(5) was first inserted, suggests that the purpose of this clause is to render amalgamations tax neutral. However, the relevant provisions of Section 115 ACdoes not specifically provide for this tax neutrality.

Taxation of Distribution of Dividend

Indian companies distributing dividends are subject to a Dividend Distribution Tax ("**DDT**"), in addition to the income tax payable by the company on its total income. Currently, DDT has to be paid at an all-inclusive effective rate of 20.555294% (inclusive of applicable surcharge and cess) on the amount of dividend declared, distributed or paid by the company during a fiscal year. Such dividends are not taxable in the hands of the non-resident recipient. Accordingly, dividends distributed to the Depositary in respect of the Shares underlying the GDRs, and dividends distributed to holders of Shares in the Company following conversion of the GDRs, would not be taxable under the IT Act.

Taxation of Capital Gains

The following is a brief summary of capital gains taxation of non-resident holders relating to the sale of GDRs and Shares received upon conversion of GDRs. The relevant provisions are contained mainly in Sections 2, 45, 47, 49 and 115AC of the IT Act, read in conjunction with the Depository Receipts Scheme, 2014. Effective 1 April 2002, the Finance Act, 2001 introduced a new Section 115AC in place of the prevailing Section 115AC of the IT Act. **You should consult your own tax advisor concerning the tax consequences of your particular situation.**

Shares listed on a recognised stock exchange in India (including shares issuable on the conversion of the GDRs) held by the non-resident investor for a period of more than 12 months are treated as long-term capital assets. If such shares are held for a period of less than 12 months from the date of conversion, the same are treated as short-term capital assets.

Capital gains are taxed as follows:

- Gains from a sale of GDRs outside India by a non-resident to another non-resident are not taxable in India;
- Conversion of GDRs into the underlying Shares of the Company is tax exempt in India;

Capital gains on sale of underlying Shares of the Company

- Subject to the following exceptions, long-term capital gains realised by a non-resident upon the sale of Shares of the Company obtained from the conversion of GDRs, are subject to tax at a rate of 10% excluding the applicable surcharge and education cess; and short-term capital gains on such a transfer will be taxed at the rate of tax applicable to the seller (depending upon the status of the seller i.e. whether the seller is an individual or a company, etc.);
- Based on the amendments introduced through Finance Act, 2018, with effect from April 1, 2018, long term capital gains exceeding INR 100,000 realised by a non-resident upon the sale of listed equity shares of a company are taxable at the conversion rate of 10% (excluding applicable surcharge and cess) if Securities Transaction Tax ("**STT**") (as described below) has been paid on the "acquisition" and transfer of such shares. The provisions of the IT Act further provide that the Central Government, by way of a notification , will prescribe the nature of acquisition on which the aforesaid requirement of STT payment at the time of acquisition will not be applicable. Such notification is yet to be prescribed by the Central Government.
- Short-term capital gain realised by a non-resident upon the sale of Shares of the Company obtained from the conversion of GDRs is taxed at the concessional rate of 15% excluding the applicable surcharge and education cess, if the sale of such Shares is settled on a recognised stock exchange and STT is paid on such sale.

The maximum rate of surcharge for foreign companies is currently 5% if the taxable income exceeds INR 100,000,000. The maximum rate of surcharge for individuals is currently 15% if the taxable income exceeds INR 10,000,000. Cess is applicable at the rate of 4% on the amount of tax and surcharge.

STT is leviable on the transaction value of all transactions executed on a recognised stock exchange in India. In the case of sales of shares, STT is generally levied at the rate of 0.1% on both the buyer and seller of the shares.

Any resulting taxes on capital gains arising out of such transaction may be offset by the applicable credit mechanism allowed under double tax avoidance agreements. The capital gains tax is computed by applying the appropriate tax rates to the difference between the sale price and the purchase price of the GDRs or

Shares. Under the IT Act, the purchase price of shares in an Indian listed company received in exchange for GDRs will be the market price of the underlying Shares on a recognised stock exchange, as of the date on which a request for redemption/conversion of GDRs is made. Correspondingly, the period of holding of Shares (in order to determine long term/short term) acquired on redemption of GDRs will be determined from the date on which a request for redemption/conversion of GDRs is made.

Withholding Tax on Capital Gains

Any tax on gains realised by a non-resident on the sale of GDRs or Shares is to be withheld at the source by the buyer. According to Section 196C of the IT Act, where any income by way of interest or dividends in respect of bonds or global depository receipts referred to in Section 115AC or by way of long-term capital gains arising from the transfer of such bonds or global depository receipts is payable to a non-resident, the person responsible for making the payment shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income tax thereon at the rate of 10% (plus applicable surcharge and cess). However, as per the provisions of Section 196D(2) of the IT Act, no withholding tax is required to be deducted from any income by way of capital gains arising to Foreign Institutional Investors as defined in Section 115AD of the IT Act on the transfer of securities defined in Section 115AD of the IT Act.

Other Taxes

At present, there is no wealth tax or inheritance tax in force in India which may apply to the GDRs or the underlying Shares.

DESCRIPTION OF THE GLOBAL DEPOSITARY RECEIPTS

Deutsche Bank Trust Company Americas has agreed to act as the depositary (the "**Depositary**") for the GDRs. The Depositary's principal New York offices are located at 60 Wall Street, New York, New York 10005, United States. In this summary the Company uses the term "**Holder**" to refer to holders of the GDRs. GDRs are represented by certificates that are commonly known as "Global Depositary Receipt Certificates" or "GDR Certificates." The GDRs represent ownership interests in securities, cash or other property on deposit with the Depositary.

The Depositary has appointed ICICI Bank Limited ("**ICICI**") as the custodian for the safekeeping of the securities, cash or other property on deposit (hereinafter, the "**Custodian**"). The Custodian's principal office is at ICICI Bank Limited, Securities Market Services, Empire Complex, 1st Floor, 414, Senpati Bapat Marg, Lower Parel (West), Mumbai 400013, India.

The Company has appointed the Depositary pursuant to an Amended and Restated Deposit Agreement (hereinafter, the "**Deposit Agreement**"). A copy of the Deposit Agreement is available for inspection by any Holder at the principal offices of the Depositary during business hours. This is a summary description of the material terms of the GDRs and of your material rights as an owner of the GDRs. Please remember that summaries by their nature lack the precision of the information summarised and that the rights and obligations of an owner of GDRs will be determined by reference to the terms of the Deposit Agreement and not by this summary.

One GDR represents the right to receive one ordinary share (hereinafter, the "**Shares**") on deposit with the Custodian. Each GDR will also represent the right to receive cash or any other property received by the Depositary or the Custodian on behalf of the owner of the GDR but that has not been distributed to the owners of GDRs because of legal restrictions or practical considerations.

If you become an owner of GDRs, you will become a party to the Deposit Agreement and therefore will be bound by its terms and by the terms of the GDR Certificate that represents your GDRs. The applicable Deposit Agreement and the GDR Certificate specify the Company's rights and obligations as well as your rights and obligations as owner of GDRs and those of the Depositary.

Settlement and Safekeeping

The Depositary has made arrangements with The Depository Trust Company ("**DTC**") to act as securities depository for the GDRs. All GDRs issued in connection with the Amalgamation will be registered in the name of Cede & Co. (acting as nominee for DTC). One Master GDR will represent all GDRs that will be issued to and registered in the name of Cede & Co. Transfers of ownership interests in GDRs are to be accomplished by entries made on the books of DTC and participants in DTC acting on behalf of GDR Owners. Owners of GDRs will not receive GDR Certificates representing their ownership interests in the GDRs except in certain circumstances, including in the event that a successor securities depository cannot be appointed.

DTC may discontinue providing its services as securities depository with respect to the GDRs at any time by giving reasonable notice to the Depositary. Under such circumstances and in the event a successor securities depository cannot be appointed, individual GDR Certificates representing the applicable number of GDRs held by each owner of GDRs will be printed and delivered to the relevant GDR owners.

Transfer Restrictions

GDRs are in registered form, each representing one Share. Title to the GDRs passes by registration in the register maintained by the Depositary and accordingly, transfer of title to a GDR is effective only upon such registration. The Depositary will refuse to accept for transfer any GDRs if it reasonably believes that such transfer would result in any violation of applicable laws. The Holder of any GDR will (except as otherwise required by law) be treated by the Depositary and the Company as the beneficial owner of the corresponding GDRs and Shares for all purposes (whether or not any payment or other distribution in respect of such GDR is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, any certificate issued in respect of it), and neither the Company, the Depositary, any Agent nor any other person will be liable for so treating the Holder.

Issuances of the GDRs will be subject to the terms and conditions of the Deposit Agreement, including, with respect to the deposit of Shares and the issuance of GDRs, delivery of the duly executed and completed written certificate and agreement required under the Deposit Agreement by or on behalf of each person who will be the beneficial owner of such GDRs representing and agreeing that it will comply with the restrictions on transfer set forth therein and to payment of the fees, charges and taxes provided therein.

Restrictions upon deposit of Shares

After the Initial Deposit in connection with the Amalgamation, unless otherwise agreed by the Depositary and the Company and permitted by applicable law and subject to and in accordance with the provisions of the Deposit Agreement, only the following may be deposited under the Deposit Agreement:

(i) Shares issued as a dividend or free distribution or bonus issue in respect of Deposited Shares; and

(ii) Securities issued by the Company to the Holders in respect of Deposited Shares as a result of any change in the par value, sub-division, consolidation or other reclassification of Deposited Shares or otherwise (references herein to “Deposited Shares” or “Shares” will include any such securities, where the context permits).

Restrictions upon the withdrawal of Shares

Any person may request withdrawal of, and the Depositary will thereupon relinquish, the Deposited Property attributable to any GDR upon production of such evidence that such person is the Holder of, and entitled to, the relevant GDR as the Depositary may reasonably require at the specified office of the Depositary or any Agent accompanied by:

(i) a duly executed order and certificate substantially in the form set out in Schedule 5 of the Deposit Agreement by or on behalf of the person who will be the Beneficial Owner of the Deposited Property to be delivered in respect of such GDRs requesting the Depositary to cause the Deposited Property to be withdrawn and delivered at the Main Office of the Custodian, or (at the request, risk and expense of the Holder) at the specified office from time to time of the Depositary or any Agent (located in India or such other place as permitted under applicable law from time to time) to, or to the order in writing of, the person or persons designated in such order;

(ii) the payment of such fees, taxes, duties, charges and expenses as may be required under or in connection with the Deposit Agreement; and

(iii) the surrender (if appropriate) of GDR Certificates in definitive registered form to which the Deposited Property being withdrawn is attributable, provided that no fractional Shares may be issued and the Depositary will only accept for surrender GDRs that represent an integral number of Shares.

Withdrawals of Deposited Shares may be subject to such transfer restrictions or certifications, as the Company or the Depositary may from time to time determine to be necessary for compliance with applicable laws and regulations, including, but not limited to, the same restrictions contained in the legend evidenced on the relevant GDR.

Neither the Depositary nor the Custodian will deliver Shares or otherwise permit Shares to be withdrawn except upon the receipt and cancellation of the GDRs.

Upon the production of such documentation and the making of such payment as aforesaid, the Depositary will direct the Custodian within a reasonable time after receiving such direction from such Holder, to deliver at its Main Office to, or to the order in writing of, the person or persons designated in the accompanying order:

(i) a certificate for, or other valid delivery of title to, the relevant Deposited Shares, registered in the name of the Depositary or its nominee and accompanied by such instruments of transfer in blank or to the person or persons specified in the order for withdrawal and such other documents, if any, as are required by law for the transfer thereof; and

(ii) all other property forming part of the Deposited Property attributable to such GDR, accompanied, if required by law, by one or more duly executed endorsements or instruments of transfer in respect thereof as aforesaid, provided that the Depositary (at the request, risk and expense of any Holder so surrendering a GDR):

(a) will direct the Custodian to deliver the relevant Deposited Shares and any document relating thereto and any other documents referred to in sub-paragraph (i) above (together with any other property forming part of the Deposited Property which may be held by the Custodian or its agent and is attributable to such Deposited Shares); and/or

(b) will deliver any other property forming part of the Deposited Property which may be held by the Depositary and is attributable to such GDR (accompanied by such instruments of transfer in blank or to the person or persons specified in such order and such other documents, if any, as are required by law for the transfer thereto),

in each case to the specified office from time to time of the Depositary or any Agent (located in India or such other place as is permitted under the applicable law from time to time) as designated by the surrendering Holder in such accompanying order as aforesaid provided that to the extent Shares constituting Deposited Property are withdrawn, such Shares will be subject to the same restrictions contained in the legend evidenced on the relevant GDR.

Delivery by the Depositary, any Agent or the Custodian of the certificates, instruments, dividends or other property forming part of the Deposited Property will be made subject to any laws or regulations applicable thereto.

The Depositary may suspend the withdrawal of all or any category of Deposited Property during any period when the Register is closed or the register of shareholders or other relevant holders of securities or other interests in the Company is closed, generally or in one or more localities, or if the Depositary in good faith deems such action to be necessary or desirable or advisable because of any applicable laws of India or governmental or stock exchange or other body’s regulations or any provision of the Deposit Agreement or for any other reason.

Dividends and Distributions

Any distribution of cash, as well as some distributions other than of cash, will be made or effected by the Depositary to Holders of GDRs on the record date established by the Depositary (which will be the same date as the corresponding record date set by the Company with respect to the Deposited Shares, or as near as practicable thereto) for that purpose and, if practicable in the opinion of the Depositary, notice will be given promptly to Holders, in each case subject to any laws or regulations applicable thereto, and distributions will be made in U.S. Dollars by check drawn upon a bank in New York City or, in the case of the Master GDR, according to usual practice between the Depositary and DTC. The Depositary or its Agent, as the case may be, may deduct and retain from all moneys due in respect of such GDR in accordance with the Deposit Agreement all fees, taxes, duties, charges, costs and expenses which may become or have become payable under the Deposit Agreement or under applicable law in respect of such GDR or the related Deposited Property.

Other deliveries of securities or other property or rights other than cash will be made as soon as practicable to the entitled Holder, subject to any laws or regulations applicable thereto. If any distribution made by the Company with respect to the Deposited Property and received by the Depositary will remain unclaimed at the end of three (3) years from the first date upon which such distribution is made available to Holders in accordance with the Deposit Agreement, all rights of the Holders to such distribution or the proceeds of the sale thereof will be extinguished and the Depositary will (except for any distribution upon out liquidation when the Depositary will retain the same) return the same to the Company for its own use and benefit, subject in all cases to the provisions of applicable laws and regulations.

Distributions of Cash

Whenever the Depositary receives from the Company any cash dividend or other cash distribution on or in respect of the Deposited Shares (including any amounts received in the Company’s liquidation) or otherwise in connection with the Deposited Property, the Depositary will, as soon as practicable, convert the same into U.S. Dollars. The Depositary will, if practicable in the opinion of the Depositary, give notice to the Holders of its receipt of such payment, specifying the amount per Deposited Share payable in respect of such dividend or distribution and the earliest date, determined by the Depositary, for transmission of such payment to

Holders and will as soon as practicable distribute any such amounts to the Holders in proportion to the number of Deposited Shares represented by the GDRs so held by each of them, provided that:

(i) in the event that the Depositary is aware that any Deposited Shares will not be entitled, by reason of the date of issue, transfer or otherwise, to such full proportionate amount, the amount so distributed to the relative Holders will be adjusted accordingly; and

(ii) the Depositary will distribute only such amounts of such dividends and other distributions as may be distributed without attributing to any GDR a fraction of the lowest integral unit of the currency in which the distribution is made by the Depositary, and any balance remaining will be retained by the Depositary beneficially as an additional fee.

Distributions of Shares

Whenever the Depositary receives from the Company any distribution in respect of Deposited Shares which consists of a dividend in or a free distribution or bonus issue of Shares, the Depositary will distribute or cause to be distributed to the Holders entitled thereto, in proportion to the number of Deposited Shares represented by the GDRs held by each of them, additional GDRs representing an aggregate number of Shares received pursuant to such dividend or free distribution either by an increase in the number of Shares represented by GDRs and evidenced by the Master GDR or by an issue of GDR Certificates in definitive registered form in respect of GDRs, according to the manner in which the Holders hold their GDRs; provided that, if and in so far as the Depositary deems any such distribution to all or any Holders not to be feasible or reasonably practicable (including, without limitation, due to the fractions which would otherwise result or to any requirement that the Company, the Custodian or the Depositary withhold an amount on account of taxes or other governmental charges) or to be unlawful, the Depositary will sell such Shares so received (either by public or private sale and otherwise at its discretion, subject to the laws and regulations of India) and distribute the net proceeds of such sale as a cash distribution to the Holders entitled thereto.

Other Distributions

Whenever the Depositary receives from the Company any dividend or distribution in securities (other than Shares) or in other property (other than cash) on or in respect of the Deposited Property, the Depositary will distribute or cause to be distributed such securities or other property to the Holders entitled thereto, in proportion to the number of Deposited Shares represented by the GDRs held by them respectively, in any manner that the Depositary may deem equitable and practicable for effecting such distribution; provided that such distribution will be effected on a record date set in accordance with the terms of the Deposit Agreement; and provided, further, that, if and in so far as the Depositary deems any such distribution to all or any Holders not to be feasible or reasonably practicable (including, without limitation, due to the fractions which would otherwise result or to any requirement that the Company, the Custodian or the Depositary withhold an amount on account of taxes or other governmental charges) or to be unlawful, the Depositary will deal with the securities or property so received, or any part thereof, in such way as the Depositary may determine to be equitable and practicable, including, without limitation, by way of sale (either by public or private sale and otherwise at its discretion, subject to the laws and regulations of India and distribute the resulting net proceeds of such sale as a cash distribution to the Holders entitled thereto.

Changes Affecting Shares

Upon any change in the par value, sub-division, consolidation, exchange or other reclassification of Deposited Shares or any other part of the Deposited Property or upon any buy-back or reduction of capital, or upon any reorganisation, merger, amalgamation or consolidation of the Company or to which the Company is a party (except where the Company is the continuing corporation), the Depositary will as soon as practicable give notice of such event to the Holders in accordance with the terms of the Deposit Agreement and at its discretion may treat such event as a distribution and comply with the relevant provisions of the Deposit Agreement with respect thereto, or may execute and deliver additional GDRs in respect of Shares or may require the exchange of existing GDRs for new GDRs, or may receive new securities issued in substitution for, or in addition to, the Shares then deposited with the Depositary, or may sell Shares in a compulsory reduction of share capital, or may do any combination of the foregoing, as may be required to reflect the effect of such change.

Issuance of GDRs upon Deposit of Shares

Initial Deposit of Shares

The Initial Deposit will be made by delivery of Shares by the Company (or on the Company's behalf at its direction) to an account maintained by the Custodian for such purpose. Prior to such delivery, the Company will deliver, or cause to be delivered, to the Depositary a certificate signed on the Company's behalf certifying the number of GDRs issued in connection with the Initial Deposit (the "**Initial Deposit Certificate**").

Subsequent Deposits of Shares

After the Initial Deposit, unless otherwise agreed by the Depositary and the Company, and if permitted by applicable law and subject to and in accordance with the provisions of the Deposit Agreement, only the following may be deposited under the Deposit Agreement:

(a) Shares issued as a dividend or free distribution or bonus issue in respect of Deposited Shares; and

(b) securities issued by the Company to the Holders in respect of Deposited Shares as a result of any change in the par value, sub-division, consolidation or other reclassification of Deposited Shares.

In such cases, additional Shares may be deposited and accepted by the Depositary and GDRs issued representing such Shares, subject to:

(i) the delivery to or to the order of the Custodian of a share certificate, or other valid delivery of title in respect of the relevant Shares, and the Depositary or its nominee having been registered as the holder of such Shares in the Company's register of shareholders;

(ii) the delivery to the Depositary of (i) (in the case of a deposit by a person other than the Company) a duly executed and completed certificate substantially in the form set out in Schedule 4 to the Deposit Agreement by or on behalf of the person who will be the Beneficial Owner or Holder, as the case may be, of the GDRs to be issued in respect of such Shares certifying that such Shares were (a) issued as a dividend or free distribution or bonus issue in respect of Deposited Shares, and/or (b) issued by us to the Holders in respect of Deposited Shares as a result of any change in the par value, sub-division, consolidation or other reclassification of Deposited Shares or otherwise, or (ii) (in the case of a deposit by the Company) an opinion of United States counsel to the effect that such deposit of Shares and issuance of GDRs representing such Shares are exempt from, or not subject to, the registration requirements of the Securities Act;

(iii) evidence satisfactory to the Depositary that all conditions to such deposit have been satisfied by the person depositing such Shares under Indian law and regulations;

(iv) evidence satisfactory to the Depositary that any necessary approval for such deposit has been granted by any appropriate governmental agency in India and in accordance with the Articles of Association of the Company;

(v) the delivery to the Depositary of such other documents, if any, as are required for the transfer of the relevant Shares in the name of the Depositary or its nominee; and

(vi) the payment of all necessary taxes, governmental charges (including transfer taxes) and other fees and charges payable in connection with such deposit of Shares and issue of GDRs.

Notwithstanding the foregoing, except for any deposits of the Shares and issuances of GDRs in accordance with the terms as provided above, the Company will not facilitate, and the Depositary will refuse to accept, any deposit of Shares against the issuance of GDRs.

Subject as provided above, the Depositary will:

(i) make appropriate entries in the Register in respect of the GDRs representing Shares so deposited to be evidenced by the Master GDR in the name of DTC or its nominee; and

(ii) give details to DTC of the issue of such GDRs.

Each person depositing Shares will be deemed by doing so to represent and warrant that such Shares and each certificate therefor (if any) are validly issued, fully paid and non-assessable and free of any pre-emptive rights of the holders of outstanding Shares, that the person making such deposit is duly authorised to do so and that the deposit of Shares by such person does not violate the registration requirements of the Securities

Act. Such representations and warranties will survive the deposit of Shares and the issuance of GDRs or adjustments in the Depositary's records in respect thereof.

In case any GDR is mutilated, destroyed, lost or stolen, the Depositary will execute and deliver a new GDR of like tenor in exchange and substitution for such mutilated GDR upon cancellation thereof, or in lieu of and in substitution for such destroyed, lost or stolen GDR. Before the Depositary will execute and deliver a new GDR in exchange and substitution for such mutilated GDR or in substitution for a destroyed, lost or stolen GDR, the owner thereof will have (a) filed with the Depositary (i) a request for such execution and delivery before the Depositary has notice that the GDR has been acquired by a bona fide purchaser and (ii) a sufficient indemnity bond and (b) satisfied any other reasonable requirements imposed by the Depositary, including the payment of the relevant fees, taxes, duties, charges, costs and expenses.

Voting Rights

As soon as practicable after receipt of notice of any meeting of holders of Shares, the Depositary will, subject to the receipt by the Depositary of a legal opinion in accordance with paragraph (C) of Condition 12 of the Deposit Agreement, mail to the Holders a notice in such form as the Depositary may in its sole discretion consider appropriate, which will contain (a) such information as is contained in such notice of meeting; (b) a statement that such Holder at the close of business on a specified record date will be entitled, subject to any applicable provision of Indian law and the Articles of Association of the Company, to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the amount of Shares or other Deposited Property represented by their respective GDRs; and (c) details as to the manner in which such instructions may be given (or deemed to be given).

In respect of any proposed resolution:

(i) if the vote in respect of such resolution is on a show of hands, the Depositary will vote in the direction that a majority (if any) of those Holders that have submitted valid voting requests in writing to the Depositary (for the avoidance of doubt, disregarding for this purpose any Holders that have not submitted any voting instructions), have requested the Depositary to vote; or

(ii) if the vote in respect of such resolution is on the basis of a poll, the Depositary will endeavour, in so far as practicable, to vote or cause to be voted, in respect of each valid written request of a Holder on such record date, the amount of Shares represented by the GDR or GDRs of the respective Holder in accordance with the instructions set forth in such request.

The Depositary will not itself exercise any voting discretion over any Shares or Deposited Property.

In order for each voting instruction to be valid, the voting instructions form must be completed and duly signed by the respective Holder and returned to the Depositary by such date as specified by the Depositary.

In order for each voting instruction to be valid, the voting instructions form must be completed and duly signed by the respective Holder and returned to the Depositary by such date as specified by the Depositary. Subject to the terms of the Deposit Agreement, if, for whatever reason, the Depositary has not by the date specified by the Depositary received instructions from any Holder to vote in respect of any resolution or the instructions fail to specify how the Depositary should vote, or if the Depositary determines that it is not permitted by applicable law to vote the Deposited Shares represented by the GDR or GDRs of the respective Holder at the relevant shareholders' meeting or other relevant matter in the manner provided for in the Deposit Agreement, the Depositary will promptly advise the Company of the same and such Holder will be deemed to have instructed the Depositary to give a discretionary proxy to a person designated by the Company with respect to such Deposited Shares and the Depositary will give a discretionary proxy to a person designated by the Company to vote such Deposited Shares; provided however that the Company can choose in its own discretion to abstain from voting on any such Deposited Shares through such discretionary proxy.

Notwithstanding the foregoing, where the proposed resolution is an Exceptional Resolution, the Company will procure that in respect of such resolution a vote by poll is taken, and no such instruction shall be deemed given and no such discretionary proxy shall be given. For the purposes hereof, an "Exceptional Resolution" means a proposed resolution in relation to which (i) (x) the Company does not wish such discretionary proxy to be given, or (y) the Company is aware or should reasonably be aware that substantial opposition exists from Holders against the outcome for which the person designated by the Company would otherwise vote or (z) the outcome of a vote might materially and adversely affect the rights of holders of Shares, and (ii) the Company has informed the Depositary that any of sub-paragraphs (i)(x), (y) or (z) applies.

Without prejudice to any other provision, if any of sub-paragraphs (i)(x), (y) or (z) above applies, the Company will promptly notify the Depositary in writing of such fact, provided that neither the Company nor the Depositary will have any liability to any Holder, Owner or Beneficial Owner of GDRs resulting from such notification.

By continuing to hold GDRs, all Holders will be deemed to have agreed to the provisions of Condition 12 of the Deposit Agreement as it may be amended from time to time in order to comply with applicable Indian law.

Notwithstanding the above, the Depositary will not be liable for or by reason of any exercise of, or failure to exercise, any voting rights attached to the Shares and/or Deposited Property or, except in the case of its gross negligence or wilful misconduct, any failure to carry out any instructions to vote any of the Shares and/or Deposited Property, and none of the Depositary, the Custodian, the Company, any agent (including, without limitation, any Agent), nor any of their agents, officers or directors, employees or affiliates will incur any liability to each other or to any Holder, Owner or Beneficial Owner of a GDR for or by reason of any exercise of, or failure to exercise, any voting rights attached to the Shares and/or Deposited or any failure to carry out any instructions to vote any of the Shares and/or Deposited Property.

Notwithstanding any other provision of the Deposit Agreement, the Conditions of the Deposit Agreement, the Articles of Association of the Company and applicable law, each Holder, Owner and Beneficial Owner of GDRs agrees to provide such information as the Company or the Depositary may request pursuant to applicable law or regulation (including upon any request of any regulator made to the Depositary), the Articles of Association of the Company, the requirements of any markets or exchanges upon which the Shares or the GDRs are listed or traded, or to any requirements of any electronic book-entry system by which the GDRs may be transferred to the same extent as if such Holder, Owner or Beneficial Owner of GDRs held Shares directly, in each case irrespective of whether or not they are Holders, Owners or Beneficial Owners of GDRs at the time such request is made. The Depositary will use its reasonable efforts to forward upon the request of the Company any such request from the Company to the Holders, Owners and Beneficial Owners, as applicable, and to forward to the Company any such responses to such requests received by the Depositary.

Shares which have been withdrawn from the depositary facility and transferred on the Company’s register of members to a person other than the Depositary or its nominee may be voted by the holders thereof. However, Holders or Beneficial Owners of GDRs may not receive sufficient advance notice of shareholder meetings to enable them to withdraw the Shares and vote at such meetings.

Fees and Charges

The Depositary will be entitled to charge and receive the following remuneration and reimbursement (such remuneration and reimbursement being payable on demand) from the owners of GDRs via the Holders in respect of its services under the Deposit Agreement:

(i) for the issue of GDRs and/or the cancellation of GDRs upon the withdrawal of Deposited Property: a fee not in excess of U.S.$0.05 per GDR issued or cancelled;

(ii) for issuing GDR Certificates in definitive registered form in replacement for mutilated, defaced, lost, stolen or destroyed GDR Certificates: a sum per GDR Certificate which is determined by the Depositary to be a reasonable charge to reflect the work, costs and expenses involved;

(iii) for issuing GDR Certificates in definitive registered form (other than pursuant to (ii) above): a sum per GDR Certificate which is determined by the Depositary to be a reasonable charge to reflect the work, costs (including, but not limited to, printing costs) and expenses involved;

(iv) for receiving and paying any cash dividend on or in respect of the Deposited Property or any other distribution of cash entitlements (other than cash dividends) and/or cash proceeds, including proceeds on or in respect of the sales of rights, securities and other entitlements, if any, a fee not in excess of U.S.$0.05 per GDR for each such dividend or distribution;

(v) in respect of any distribution of Shares (whether or not evidenced by GDRs) or other securities or other property (other than cash) upon the occurrence of any free distribution, stock dividend, stock split, bonus distribution or other distribution (except where converted to cash): a fee not in excess of U.S.$0.05 per outstanding GDR for each such dividend or distribution;

(vi) for the operation and maintenance costs associated with the administration of the GDRs: an annual fee of up to U.S.$0.05 per GDR (such fee to be assessed against Holders of record as at the date or dates set by the Depositary as it sees fit and collected at the sole discretion of the Depositary by billing such Holders for such fee or by deducting such fee from one or more cash dividends or other cash distributions); and

(vii) for the expenses incurred by the Depositary, the Custodian or their respective agents in connection with inspections of the relevant share register maintained by the local registrar and/or performing due diligence on the central securities depositories for India: an annual fee of U.S.$0.01 per GDR (such fee to be assessed against Holders of record as at the date or dates set by the Depositary as it sees fit and collected at the sole discretion of the Depositary by billing such Holders for such fee or by deducting such fee from one or more cash dividends or other cash distributions),

together with all expenses, transfer and registration fees, taxes, duties and charges payable by the Depositary, any Agent or the Custodian in connection with any of the above, including, but not limited to, charges imposed by any central depositary for securities and such customary expenses as are incurred by the Depositary in the conversion of currencies other than U.S. dollars into U.S. dollars and fees imposed by any relevant regulatory authority.

The Depositary will be entitled to charge and receive the following remuneration and reimbursement (such remuneration and reimbursement being payable on demand) from the Company in respect of its services under the Deposit Agreement:

(i) such fees, taxes, duties, charges, costs, expenses and other payments as agreed between the Company and the Depositary;

(ii) all reasonable costs in connection with the delivery of information in accordance with the terms of the Deposit Agreement as may be agreed in writing between the Company and the Depositary from time to time; and

(iii) in respect of any exceptional fees, taxes, duties, charges, costs and expenses which the Depositary finds it necessary or desirable or is required to undertake or to pay in the performance of its obligations under the Deposit Agreement, such additional remuneration as will be agreed between the Company and the Depositary.

The Depositary may make payments to the Company and/or may share revenue with the Company derived from fees collected from Holders and Beneficial Owners of GDRs, upon such terms and conditions as the Company and the Depositary may agree from time to time.

As a GDR Holder you will also be responsible for paying the following charges incurred by the Depositary:

- taxes, if any (including applicable interest and penalties) and governmental charges;
- fees for the transfer and registration of Shares charged by the share registrar (i.e., upon deposit and withdrawal of Shares);
- fees and expenses incurred for converting foreign currency into U.S. dollars and compliance with exchange control regulations;
- expenses for facsimile or electronic transmissions and for delivery of securities; and
- fees and expenses incurred in connection with the delivery or servicing of Shares on deposit.

The Company has agreed to pay certain other charges and expenses of the Depositary (such as stamp duties and other similar duties). Note that the fees and charges you may be required to pay may vary over time and may be changed by the Company and by the Depositary. You will receive prior notice of such changes.

Agents

The Depositary may appoint one or more agents for the purpose, *inter alia*, of making distributions to Holders. The Depositary may, in the performance of its obligations hereunder, instead of acting personally, employ and pay an agent, whether a lawyer or other person, to transact or concur in transacting any business and do or concur in doing all acts required to be done by such party, including the receipt and payment of money. The Depositary will not be liable to anyone for any misconduct or omission by any such agent so employed by it (except for its own wilful misconduct or gross negligence) or be bound to supervise the proceedings or acts of any such agent; provided that it will have exercised reasonable care in the selection of such agent and the provision of instructions thereto.

Notice of appointment or removal of any Agent or of any change in the specified office of the Depositary or any Agent will be duly given by the Depositary to the Holders.

Listing

The Company has undertaken in the Deposit Agreement to use its commercially reasonable efforts to obtain and thereafter maintain, so long as any GDR is outstanding, a listing for GDRs on the London Stock Exchange plc and to use its commercially reasonable efforts to obtain and thereafter maintain, so long as any GDR is outstanding, a listing of the Shares on the Indian Stock Exchange (as defined in the Deposit Agreement). For that purpose, the Company will pay all fees and sign and deliver all undertakings required by the London Stock Exchange plc and the Indian Stock Exchange in connection therewith. In the event that such listings are not maintained, the Company has undertaken in the Deposit Agreement (i) to use its commercially reasonable efforts with the reasonable assistance of the Depositary to obtain and maintain a listing of the GDRs on another internationally recognized investment exchange in Europe designated as a “recognized investment exchange” for the purposes of the United Kingdom Financial Services and Markets Act 2000 and a “designated offshore securities market” for purposes of Regulation S under the Securities Act; and (ii) to use its commercially reasonable efforts to obtain and maintain a listing of the Shares on one or more other stock exchanges in India. Any failure to maintain such listings of the GDRs and/or the Shares on account of any requirement of applicable law (the consequence of which is that the Company is no longer able to maintain such listings) that compels the Company to delist the GDRs or the Shares will not, in either case, cause the Company to be in breach of the Deposit Agreement.

Amendments and Termination

Resignation and Termination of Appointment of the Depositary

The Company may terminate the appointment of the Depositary under the Deposit Agreement by giving at least 90 days’ prior notice in writing to the Depositary and the Custodian, and the Depositary may resign as Depositary by giving at least 90 days’ prior notice in writing to the Company and the Custodian. Within 30 days after the giving of such notice, notice thereof will be duly given by the Depositary to the Holders.

The termination of the appointment or the resignation of the Depositary will take effect on the date specified in such notice; provided that no such termination of appointment or resignation will take effect until the appointment by the Company of a successor depositary under the Deposit Agreement and the acceptance of such appointment to act in accordance with the terms thereof by the successor depositary. The Company has undertaken in the Deposit Agreement to use its best efforts to procure the appointment of a successor depositary with effect from the date of termination or resignation specified in such notice as soon as reasonably practicable following the giving of a notice of such termination of the appointment of the Depositary or the receipt of a notice of resignation from the Depositary in accordance with the terms of the Deposit Agreement. Upon any such appointment and acceptance, notice thereof will be duly given by the Depositary to the Holders.

Upon the termination of appointment or resignation of the Depositary and against payment of all fees and expenses due to the Depositary from the Company under or in connection with the Deposit Agreement and any other agreement executed between the Company and the Depositary, the Depositary will deliver to its successor as depositary sufficient information and records to enable such successor depositary to perform its obligations under the Deposit Agreement and will deliver and pay to such successor depositary all property and cash held by it under the Deposit Agreement.

Any corporation into or with which the Depositary may be merged or consolidated shall be the successor of the Depositary without the execution or filing of any document or any further act and, notwithstanding anything to the contrary in this Agreement, the Depositary may assign or otherwise transfer all or any of its rights and benefits under the Deposit Agreement (including any cause of action arising in connection with it) to DBAG or any branch thereof or any entity which is a direct or indirect subsidiary or other affiliate of DBAG.

Termination of Deposit Agreement

Either the Company or the Depositary, but in the case of the Depositary, only if the Company has failed to appoint a replacement Depositary within 90 days of the date on which the Depositary has given notice pursuant to the terms of the Deposit Agreement that it wishes to resign, may terminate the Deposit Agreement by giving 90 days' prior notice to the other and to the Custodian. Within 30 days after the giving of such notice, notice of such termination will be duly given by the Depositary to all Holders of all GDRs then outstanding.

During the period beginning on the date of the giving of such notice by the Depositary to the Holders and ending on the date on which such termination takes effect, each Holder will be entitled to obtain delivery of the Deposited Property relating to each GDR held by it, subject to and upon compliance with the Deposit Agreement and Condition 3 of the Deposit Agreement and upon payment by the Holder of any sums payable by the Depositary to the Custodian in connection with such delivery (including pre- and post-termination cancellation fees) and otherwise in accordance with the Deposit Agreement.

If any GDRs remain outstanding after the date of termination, the Depositary will as soon as reasonably practicable sell the Deposited Property then held by it under the Deposit Agreement by public or private sale as it may deem appropriate (but will have no liability with respect to such sale) and will, as soon as reasonably practicable thereafter, deliver the net proceeds of any such sale, together with any other cash then held by it under the Deposit Agreement, pro rata to Holders of the GDRs which have not previously been so surrendered. After making such sale, the Depositary will be discharged from all obligations under the Deposit Agreement, except its obligation to account to Holders for such net proceeds and other cash without interest.

Amendment of Deposit Agreement and Conditions

All and any of the provisions of the Deposit Agreement and the Conditions (other than Condition 22 of the Deposit Agreement) may at any time and from time to time be amended by written agreement between the Company and the Depositary in any respect which they may deem necessary or desirable. Notice of any amendment of the Conditions of the Deposit Agreement (except to correct a manifest error) will be duly given to the Holders by the Depositary, and any amendment (except as aforesaid) which will increase or impose fees payable by Holders or which will otherwise, in the opinion of the Depositary, be materially prejudicial to the interests of the Holders (as a class) will not become effective so as to impose any obligation on the Holders until the expiration of 30 days after such notice will have been given. During such period of 30 days, each Holder will be entitled to obtain, subject to and upon compliance with the Deposit Agreement, delivery of the Deposited Property relating to each GDR held by it upon surrender thereof in accordance with the Deposit Agreement. Each Holder at the time when such amendment so becomes effective will be deemed, by continuing to hold a GDR, to approve such amendment and to be bound by the terms thereof. In no event will any amendment impair the right of any Holder to receive, subject to and upon compliance with the terms of the Deposit Agreement, the Deposited Property attributable to the relevant GDR.

For the purposes of Condition 22 of the Deposit Agreement, an amendment will not be regarded as being materially prejudicial to the interests of Holders if its principal effect is to permit the creation of GDRs in respect of additional Shares to be held by the Depositary which are or will become fully consolidated as a single series with the other Deposited Shares, provided that temporary GDRs will represent such Shares until they are so consolidated.

Books of Depositary

The Depositary will maintain GDR holder records at its principal office in New York. You may inspect such records at such office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to the GDRs and the Deposit Agreement.

The Depositary will maintain facilities in New York to record and process the issuance, cancellation, combination, split-up and transfer of GDRs. These facilities may be closed from time to time, to the extent not prohibited by law.

Transmission of Notices to Shareholders

Any and all notices to be given to any Holder will be duly given if personally delivered, or sent by mail (if domestic, first class, if overseas, airmail) or air courier or facsimile transmission confirmed by letter sent by mail or air courier, addressed to such Holder at the address of such Holder as it appears on the Register, or, if such Holder will have filed with the Depositary a written request that notices intended for such Holder be mailed to some other address, at the address specified in such request. For as long as the GDRs are listed on the Official List of the UKLA and admitted to trading on the London Stock Exchange plc, all notices to be given to Holders generally will also be published in any manner permitted or required by the rules of the UKLA and the London Stock Exchange plc.

Delivery of a notice sent by mail or air courier will be effective three days (in the case of air courier or domestic mail) or seven days (in the case of overseas mail) after the date of posting, and any notice sent by facsimile transmission will be effective when the intended recipient has confirmed by telephone to the transmitter thereof that the recipient has received such facsimile in complete and legible form. The Depositary or the Company may, however, act upon any facsimile transmission received by it from the other or from any Holder, notwithstanding that such facsimile transmission will not subsequently be confirmed as aforesaid.

All notices required to be given by the Company to the Holders pursuant to any applicable laws, regulations or other agreements will be given by the Company to the Depositary and upon receipt of any such notices, the Depositary will forward such notices to the Holders. The Depositary will not be liable for any notices required to be given by the Company which the Depositary has not received from the Company, nor will the Depositary be liable to monitor the obligations of the Company to provide such notices to the Holders. Also, for as long as the GDRs are listed on the Official List of the UKLA and admitted to trading on the London Stock Exchange plc, all notices to be given to Holders generally will also be published in any manner permitted or required by the rules of the UKLA and the London Stock Exchange plc.

Limitations on Obligations and Liabilities

The Depositary and the Company will have only those duties, obligations and responsibilities expressly specified in the Deposit Agreement, and, (i) other than holding the Deposited Property for the benefit of Holders as bare trustee, does not assume any relationship of trust for or with the Holders, Owners or Beneficial Owners of GDRs or any other person, and (ii) the Company does not assume any relationship of trust for or with the Holders, Owners or Beneficial Owners of GDRs or any other person.

The Company and the Depositary and their respective directors, officers, affiliates, employees and agents (including without limitation, the Agents) assume no obligation and shall not be subject to any liability under the Deposit Agreement or any GDRs to any Holder, Owner or Beneficial Owner or other person, except in accordance with the terms therein, provided that the Company and the Depositary and their respective directors, officers, affiliates, employees and agents (including without limitation, the Agents) shall perform their respective obligations specifically set forth in the Deposit Agreement or the applicable GDRs without gross negligence or wilful misconduct.

The Depositary and its directors, officers, affiliates, employees and agents (including without limitation, the Agents) shall not be liable for any failure to carry out any instructions to vote any of the Deposited Shares (except in the case of their gross negligence or willful misconduct), or for the manner in which any vote is cast or the effects of any vote. The Depositary shall not incur any liability (a) for any failure to determine that any distribution or action may be lawful or reasonably practicable, (b) for the content of any information submitted to it by the Company for distribution to the Holders or for any inaccuracy of any translation thereof, (c) for any investment risk associated with acquiring an interest in the Deposited Shares, (d) for the validity or worth of the Deposited Property, (e) for any tax consequences that may result from the ownership of GDRs, Shares or Deposited Property, (f) for the creditworthiness of any third party, (g) for allowing any rights to lapse upon the terms of the Deposit Agreement or for the failure or timeliness of any notice from the Company, or (h) for any action or non-action by it in reliance upon the opinion, advice of or information from legal counsel, accountants, any person presenting Shares for deposit, any Holder or any other person believed by it in good faith to be competent to give such advice or information. The Depositary and its agents (including without limitation, the Agents) shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the Depositary or in connection with any matter arising wholly after the removal or resignation of the Depositary, provided that in connection with the issue out of which such potential liability arises the Depositary performed its obligations without gross negligence or wilful misconduct while it acted as Depositary.

Neither the Depositary, the Custodian, the Company, any Agent, nor any of their agents, officers, directors or employees will incur any liability to any other of them or to any Holder, Owner or Beneficial Owner of GDRs or any other person if, by reason of any provision of any present or future law or regulation of India or any other country or of any relevant governmental authority, or by reason of the interpretation or application of any such present or future law or regulation or any change therein, or by reason of any other circumstances beyond their control or, in the case of the Depositary, the Custodian, any Agent or any of their agents, officers, directors or employees, by reason of any provision, present or future, of the Articles of Association of the Company, any of them will be prevented, delayed or forbidden from doing or performing any act or thing which the terms of the Deposit Agreement or the Conditions provide will or may be done or performed; nor will any of them incur any liability to any Holder, Owner or Beneficial Owner of GDRs or any other person by reason of any non-performance or delay, caused as aforesaid, in the performance of any act or thing which the terms of the Deposit Agreement or the Conditions therein provide will or may be done or performed, or by reason of any exercise of, or failure to exercise, any voting rights attached to the Deposited Shares or any of them or any other discretion or power provided for in the Deposit Agreement. Any such party may rely on, and will be protected in acting upon, any written notice, request, direction or other document believed by it to be genuine and to have been duly signed or presented (including a translation which is made by a translator believed by it to be competent or which appears to be authentic).

Neither the Depositary, the Custodian nor any Agent will be liable (except for its own willful misconduct or gross negligence or that of its agents, officers, directors or employees) to the Company or any Holder, Owner or Beneficial Owner of GDRs or any other person by reason of having accepted as valid or not having rejected any certificate for Shares or GDR Certificates for GDRs or any signature on any transfer or instruction purporting to be such and subsequently found to be forged or not authentic.

Neither the Company nor the Depositary nor any of their respective directors, officers, employees, agents or affiliates will be liable to Holders, Owners or Beneficial Owners of the GDRs or to any other person for any indirect, special, punitive or consequential damages.

The Depositary and its agents may engage or be interested in any financial or other business transactions with the Company or any of its subsidiaries or affiliates, or in relation to the Deposited Property (including, without limitation, the conversion of any part of the Deposited Property from one currency to another), may at any time hold or be interested in GDRs for their own accounts, and the Depositary may charge and be paid all usual fees, commissions and other charges for business transacted and acts done by it as a bank, and not in the capacity of Depositary, in relation to matters arising under the Deposit Agreement (including, without limitation, reasonable charges on the conversion of any part of the Deposited Property from one currency to another and on any sales of property) without accounting to the Holders or any other person for any profit arising therefrom.

The Depositary will endeavour to effect any such sale as is referred to or contemplated in the Deposit Agreement, or any such conversion as is referred to in the Deposit Agreement with reasonable care and skill and on the best terms reasonably available, in accordance with the Depositary's normal practices and procedures but subject thereto will have no liability (in the absence of its own wilful misconduct, gross negligence or fraud or that of its agents, officers, directors or employees) with respect to the terms of such sale or conversion or if such sale or conversion will not be reasonably practicable or otherwise in connection with any failure to determine that it may be otherwise lawful or practicable to make any rights available to all or any Holders whether pursuant to the Conditions of the Deposit Agreement or otherwise.

The Depositary will not be required or obliged to monitor, supervise or enforce the observance and performance by the Company of its obligations under or in connection with the Deposit Agreement or the Conditions.

Neither the Company nor the Depositary will have any responsibility whatsoever to the other party hereto, any Holder, Owner or Beneficial Owner of GDRs or any other person as regards any deficiency which might arise as a result of any tax imposed in respect of the Deposited Property or any part thereof or any income therefrom or any proceeds thereof.

Notwithstanding anything else contained in the Deposit Agreement, the Depositary may refrain from doing anything which could or might, in its opinion, be contrary to any applicable law of any jurisdiction or any directive or regulation of any agency or state or which would or might otherwise render it liable to any person and the Depositary may do anything which is, in its reasonable opinion, necessary to comply with any such law, directive or regulation.

The Depositary may, in relation to the Deposit Agreement, act or take no action on the advice or opinion of, or any certificate or information obtained from, any lawyer, valuer, accountant, banker, broker, securities company or other expert whether obtained by the Company , the Depositary or otherwise and will not be responsible or liable for any loss or liability occasioned by so acting or refraining from acting or relying on information from persons presenting Shares for deposit or GDRs for surrender or requesting transfer thereof. Any such advice, opinion, certificate or information may be sent or obtained by letter, facsimile or electronic transmission and the Depositary will not be liable for acting on any advice, opinion, certificate or information purported to be thus conveyed although (without the Depositary's knowledge) the same will contain some error or will not be authentic.

The Depositary may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing, a certificate, letter or other written communication signed or otherwise communicated on behalf of the Company by a director of the Company or by a person duly authorized by a director of the Company or such other certificate from persons specified in the immediately preceding paragraph which the Depositary considers appropriate (and may also rely on, and shall be protected in acting upon, any written notice, request, direction or other document believed by it to be genuine and to have been duly signed or presented), and the Depositary shall not be bound in any such case to call for further evidence or be responsible for any loss or liability that may be occasioned by the Depositary acting on such certificate, letter, notice, request, direction or other communication or document.

No provision of the Deposit Agreement will require the Depositary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if it will have reasonable grounds for believing that repayment of such funds or adequate indemnity and security against such risk of liability is not assured to it.

Neither the Depositary nor the Company, nor any of their respective controlling persons, directors, officers, affiliates, employees or agents (including without limitation, the Agents), will be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Property or in respect of the GDRs, which in its opinion may involve it in expense or liability, unless indemnity satisfactory to it in its sole discretion against any such expense (including fees and disbursements of counsel) and liability will be furnished as often as may be required, and the Custodian will not be under any obligation whatsoever with respect to such proceedings, the responsibility of the Custodian being solely to the Depositary.

Neither the Custodian nor any Agent will be deemed to be the Company's agent for the purpose of the Deposit Agreement.

Documents to be Furnished, Recovery of Taxes, Duties and Other Charges

The Depositary will not be liable for any taxes, duties, charges, costs or expenses which may become payable in respect of the Deposited Shares or other Deposited Property or the GDRs (or amounts paid on or with respect to the Deposited Shares, Deposited Property or GDRs), whether under any present or future fiscal or other laws or regulations, and such part thereof as is proportionate or referable to a GDR will be payable by the Holder thereof to the Depositary at any time on request or may be deducted from any amount due or becoming due on such GDR in respect of any dividend or other distribution. In lieu thereof, the Depositary may for the account of the Holder discharge the same out of the proceeds of sale on any stock exchange on which the Shares may from time to time be listed, subject to the law and regulations of India, of an appropriate number of Deposited Shares or other Deposited Property and subsequently pay any surplus to the Holder. Any such request will be made by giving notice pursuant to the terms of the Deposit Agreement.

Payments to Holders of dividends on or in respect of the Deposited Property are presently not subject to deduction of withholding taxes imposed by India.

If any governmental or administrative authorisation, consent, registration or permit, or any report to any governmental or administrative authority, is required under any applicable law in India, in order for the Depositary to receive Shares or other securities from the Company to be deposited, or in order for Shares, other securities or other property to be distributed, the Company will apply for such authorisation, consent, registration or permit or file such report on behalf of the Holders within the time required under such laws, except in circumstances where the same may only be obtained by the Depositary or the Holders. The Company has undertaken in the Deposit Agreement, to the extent reasonably practicable, to take such action as may be required (including assistance to the Holders or the Depositary) in obtaining or filing the same. The Depositary will not be obliged to distribute GDRs, Shares, other securities or other property deposited under the Deposit Agreement or make any offer of any such rights or sell any securities corresponding to such rights with respect to which such authorisation, consent, registration or permit or such report has not been obtained or filed, as the case may be, and will have no duties to obtain any such authorisation, consent, registration or permit, or to file any such report, except in circumstances where the same may only be obtained or filed by the Depositary without, in the opinion of the Depositary, unreasonable burden or expense or where such actions are required to be done by the Custodian under the applicable laws of India.

Foreign Currency Conversion

Whenever the Depositary will receive any currency other than U.S. Dollars by way of dividend or other distribution or as the net proceeds from the sale of securities, other property or rights, and if at the time of the receipt thereof the currency so received can in the judgment of the Depositary be converted on a reasonable basis into U.S. Dollars and distributed to the Holders entitled thereto, the Depositary will as soon as practicable itself convert or cause to be converted by another bank or other financial institution, by sale or in any other manner that it may determine, the currency so received into U.S. Dollars. If such conversion or distribution can be effected only with the approval or licence of any government or agency thereof, the Depositary, with the assistance of the Company, will make reasonable efforts to apply, or procure that an application be made, for such approval or licence, if any, as it may deem desirable. If at any time the Depositary will determine that in its judgment any currency other than U.S. Dollars is not convertible on a reasonable basis into U.S. Dollars and distributable to the Holders entitled thereto, or if any approval or licence of any government or agency thereof which is required for such conversion is denied or, in the reasonable opinion of the Depositary, is not obtainable, or if any such approval or licence is not obtained within a reasonable period as determined by the Depositary, the Depositary may distribute such other currency received by it (or an appropriate document evidencing the right to receive such other currency) to the Holders entitled thereto to the extent permitted under applicable law, or the Depositary may in its discretion hold such other currency for the benefit of the Holders entitled thereto. If any conversion of any such currency can be effected in whole or in part for distribution to some (but not all) Holders entitled thereto, the Depositary may at its discretion make such conversion and distribution in U.S. Dollars to the extent possible to the Holders entitled thereto and may distribute the balance of such other currency received by the Depositary to, or hold such balance for the account of, the Holders entitled thereto, and notify the Holders accordingly.

The Depositary is permitted to utilize and retain a division or affiliate, including Deutsche Bank AG or its affiliates (collectively, "**DBAG**"), of the Depositary to engage in the conversion of any currency other than U.S. Dollars by seeking to enter into a foreign exchange ("**FX**") transaction with DBAG or such other division or affiliate, and DBAG or such other division and/or affiliate may charge the Depositary a fee and/or commission in connection with each such transaction and seek reimbursement of its costs and expenses related thereto. When converting currency, the Depositary is not acting as a fiduciary for the Holders or beneficial owners of the GDRs or any other person. Moreover, in executing FX transactions, DBAG or such other division or affiliate of the Depositary will be acting in a principal capacity, and not as agent, fiduciary or broker, and may hold positions for its own account that are the same, similar, different or opposite to the positions of its customers, including the Depositary. When the Depositary seeks to execute an FX transaction to accomplish such conversion, Holders should be aware that DBAG is a global dealer in FX for a full range of FX products and, as a result, the rate obtained in connection with any requested conversion of a currency other than U.S. Dollars may be impacted by DBAG executing FX transactions for its own account or with another customer. In addition, in order to source liquidity for any FX transaction relating to any foreign currency conversion, DBAG may internally share economic terms relating to the relevant FX transaction with persons acting in a sales or trading capacity for DBAG or one of its agents. DBAG (or such other division or affiliate of the Depositary retained by the Depositary to engage in the conversion of foreign currencies) may (i) charge fees and/or commissions and seek reimbursement of its costs and expenses related to such conversion from the Depositary, which fees/expenses and/or costs and expenses will not be deemed to be fees of the Depositary, or (ii) add a mark-up in connection with such conversions, which are reflected in the rate at which the foreign currency will be converted into U.S. Dollars.

Governing Law and Arbitration of Disputes

The Deposit Agreement, the Conditions and the GDRs will be interpreted and all rights thereunder and provisions thereof will be governed by the law of the State of New York without regard to the principles of choice of law thereof. The rights and obligations attaching to the Deposited Shares will be governed by the laws of India.

The state or federal courts in the Borough of Manhattan, the City of New York, the State of New York, are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Deposit Agreement and the GDRs, and accordingly, subject to the following paragraph, any legal action or proceedings arising out of or in connection with the Deposit Agreement or the GDRs ("**Proceedings**") must be brought exclusively in such courts. Each of the parties to the Deposit Agreement has irrevocably submitted to the jurisdiction of such courts and has irrevocably and unconditionally waived, to the fullest extent permitted by law, any objection to the laying of venue of any Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

Holders, Owners and Beneficial Owners understand and, by holding a GDR or an interest therein, such Holders, Owners and Beneficial Owners each irrevocably agree that any legal suit, action or proceeding against or involving the Company or the Depositary arising out of or based upon the Deposit Agreement, the GDRs or the transactions contemplated hereby or thereby or by virtue of ownership thereof, may only be instituted in a state or federal court in the Borough of Manhattan, the City of New York, the State of New York, and by holding GDRs or an interest therein, each irrevocably waives any objection which it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Holders, Owners and Beneficial Owners agree that the provisions of this paragraph shall survive such Holders', Owners' and Beneficial Owners' ownership of the GDRs or any interests therein.

The Company, the Depositary and, by holding a GDR (or interest therein), the Holders, the Owners and the Beneficial Owners each agree that, notwithstanding the provisions of the Deposit Agreement, with regard to any claim or dispute or difference of whatever nature between the parties hereto arising directly or indirectly from the relationship created by the Deposit Agreement or the GDRs (including a dispute or difference as to its breach, existence, termination or validity) (each a "**Dispute**"), the Depositary, in its sole discretion, will be entitled (regardless of the nature of the Dispute) to refer such dispute or difference for final settlement by arbitration ("**Arbitration**") in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "**Rules**") then in force (which Rules are deemed to be incorporated by reference into the Deposit Agreement). The arbitration will be conducted by three arbitrators, one nominated by the Depositary, one nominated by the Company, and one nominated by the two party-appointed arbitrators within 30 calendar days of the confirmation of the nomination of the second arbitrator. If any arbitrator has not been nominated within the time limits specified and in the Rules, as applicable, then such arbitrator will be appointed by the American Arbitration Association in accordance with the Rules. Judgment upon the award rendered by the arbitrators may be enforced in any court having jurisdiction thereof. The seat and place of any reference to Arbitration will be New York, New York, and the procedural law of any Arbitration will be New York law. The language to be used in the Arbitration will be English. The fees of the arbitrator and other costs incurred by the parties in connection with such Arbitration will be paid by the party or parties that is/are unsuccessful in such Arbitration. Part I of the Indian Arbitration Act will not apply to the Deposit Agreement and neither of the parties to the Deposit Agreement will have the ability to approach the Indian courts for interim protective relief under Section 9 of the Indian Arbitration Act or under the inherent powers of such Indian courts, before or during the Arbitration or after the making of an award but before enforcement.

The Company has irrevocably designated, appointed and empowered C T Corporation System with offices currently at 111 Eighth Avenue, New York, NY 10011 as its authorised agent to receive and forward for and on its behalf, and its properties, assets and revenues, service of any and all legal process, summons, notices and documents that may be served in any suit, action or proceeding brought against the Company in any such federal or state court as described in the Deposit Agreement. If for any reason the Process Agent under the Deposit Agreement will cease to be available to act as such, the Company agrees to designate a new agent in The City of New York on terms reasonably satisfactory to the Depositary. The Company has irrevocably consented and agreed to the service of any and all legal process, summons, notices and documents in any such suit, action or proceeding against the Company , by serving a copy thereof upon the relevant agent for service of process (whether or not the appointment of such agent will for any reason prove to be ineffective or such agent will accept or acknowledge such service) with a copy mailed to the Company by registered or certified air mail, postage prepaid, to the Company's address provided in the Deposit Agreement. The Company has agreed that the failure of any such agent to give any notice of such service to it will not impair or affect in any way the validity of such service or any judgment rendered in any action or proceeding based thereon. The Company has irrevocably and unconditionally waived, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any of the aforesaid actions, suits or proceedings brought in any court and have irrevocably and unconditionally waived and agreed not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Securities Act Legends

Legend for GDR Certificates

"THIS GLOBAL DEPOSITARY RECEIPT CERTIFICATE ("**GDR CERTIFICATE**"), THE GLOBAL DEPOSITARY RECEIPTS ("**GDRs**") EVIDENCED HEREBY AND THE ORDINARY SHARES OF DISH TV INDIA LIMITED REPRESENTED THEREBY (THE "**SHARES**") HAVE NOT BEEN AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES."

DEPOSITARY

DEUTSCHE BANK TRUST COMPANY AMERICAS

60 Wall Street
New York
New York 10005
USA

CUSTODIAN

ICICI BANK LIMITED

Securities Market Services
Empire Complex, 1st Floor
414, Senpati Bapat Marg
Lower Parel (West)
Mumbai 400013
India

and/or such other Depositary and/or such other Custodian or Custodians and/or such other or further Agent or Agents and/or Specified Offices and/or specified offices as may from time to time be duly appointed or nominated and notified to the Holders.

SUMMARY OF PROVISIONS RELATING TO THE GDRS WHILE IN MASTER FORM

The GDRs will initially be represented by a single Master GDR in registered form. Book-entry interests in the GDRs will be held through DTC and will be represented by the Master GDR registered in the name of Cede & Co., as nominee for DTC, which will be held by the Depositary as custodian for DTC.

The Master GDR contains provisions which apply to the GDRs while they are in master form, some of which modify the effect of the Conditions set out in these Listing Particulars. The following is a summary of certain of those provisions. Unless otherwise defined herein, terms defined in the Conditions shall have the same meaning herein.

The Master GDR will only be exchanged for certificates in definitive registered form evidencing GDRs in the circumstances described in (i), (ii) or (iii) below and until exchanged in full will be subject to the Conditions and the Deposit Agreement. Subject to certain terms and conditions, the Depositary will irrevocably undertake to deliver certificates evidencing GDRs in definitive registered form in exchange for the Master GDR to persons entitled to an interest in the Master GDR within 60 calendar days in the event that:

i. Cede & Co. (as nominee of DTC) or any successor thereof is unwilling or unable to continue as nominee of DTC for the Master GDR and a nominee thereof is not appointed within 90 days; or

ii. DTC is closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does, in fact, do so, and no alternative clearing system satisfactory to the Depositary is available within 45 calendar days; or

iii. the Depositary has determined that, on the occasion of the next payment in respect of the GDRs, the Company, the Depositary or its Agent would be required to make any deduction or withholding from any payment in respect of the GDRs which would not be required were the GDRs in definitive form.

Any such exchange shall be at the expense (including printing costs) of the relevant Holder.

Upon any exchange of a part of the Master GDR for a certificate evidencing a GDR or GDRs in definitive form, or any distribution of GDRs pursuant to Condition 6 (*Distributions of Shares*), or any reduction in the number of GDRs evidenced thereby following any withdrawal of Deposited Property pursuant to Condition 3 (*Withdrawal of Deposited Property*), the relevant details shall be entered on the Register of the Depositary whereupon the number of GDRs represented by the Master GDR shall be reduced or increased (as the case may be) for all purposes by the amount so exchanged and entered on the Register, provided always that if the number of GDRs evidenced by the Master GDR is reduced to zero, the Master GDR shall continue in existence until the obligations of the Company under the Deposit Agreement and the obligations of the Depositary pursuant to the Deposit Agreement and the Conditions have terminated.

Payments, Distributions and Voting Rights

Payments of cash dividends and other amounts (including cash distributions) in respect of the GDRs evidenced by the Master GDR will be made by the Depositary through DTC on behalf of persons entitled thereto, upon receipt of funds therefor from the Company. A free distribution of Shares to the Depositary on behalf of the Holders may result in the Master GDR being marked up to reflect the enlarged number of GDRs represented by the relevant Master GDR.

Holders of GDRs will have voting rights as set out in the Conditions.

Surrender of GDRs

Any requirement in the Conditions relating to the surrender of a GDR to the Depositary shall be satisfied by the production by DTC, on behalf of a person entitled to an interest therein, of such evidence of entitlement of such person as the Depositary may reasonably require, which is expected to be a certificate or other documents issued by DTC or, if relevant, an alternative clearing system. The delivery or production of any such evidence shall be sufficient evidence, in favour of the Depositary, any Agent and the Custodian, of the title of such person to receive (or to issue instructions for the receipt of) all money or other property payable or distributable in respect of the Deposited Property represented by such GDRs.

Notices

For so long as the Master GDR is registered in the name of DTC or its nominee, notices may be given by the Depositary by delivery of the relevant notice to DTC or its nominee for communication to persons entitled thereto and required by Condition 23 (*Notices*).

The Master GDR shall be governed by and construed in accordance with New York law.

DESCRIPTION OF ARRANGEMENTS TO SAFEGUARD THE RIGHTS OF THE HOLDERS OF THE GDRS

The Depositary

The Depositary an entity established in the State of New York and is a state chartered New York banking corporation and a member of the United States Federal Reserve System, subject to regulation and supervision principally by the United States Federal Reserve Board and the New York State Department of Financial Services.

Rights of Holders of GDRs

Relationship of Holders of GDRs with the Depositary: The rights of Holders against the Depositary are governed by the Conditions and the Deposit Agreement, which are governed by New York law. The Depositary and the Company are parties to the Deposit Agreement. Holders of GDRs have contractual rights in relation to cash or other Deposited Property (including Deposited Shares, which are Shares of the Company represented by GDRs) deposited with the Depositary under Clause 5 of the Deposit Agreement.

Voting: As soon as practicable after receipt of notice of any meeting of holders of Shares, the Depositary will, subject to the receipt by the Depositary of a legal opinion in accordance with paragraph (C) of Condition 12 of the Deposit Agreement, mail to the holders of GDRs a notice in such form as the Depositary may in its sole discretion consider appropriate, which will contain (a) such information as is contained in such notice of meeting; (b) a statement that holders of GDRs at the close of business on a specified record date will be entitled, subject to any applicable provision of Indian law and the articles of association of the Company, to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the amount of Shares or other deposited property represented by their respective GDRs; and (c) details as to the manner in which such instructions may be given (or deemed to be given).

In respect of any proposed resolution:

(i) if the vote in respect of such resolution is on a show of hands, the Depositary will vote in the direction that a majority (if any) of those holders of GDRs that have submitted valid voting requests in writing to the Depositary (for the avoidance of doubt, disregarding for this purpose any holders of GDRs that have not submitted any voting instructions), have requested the Depositary to vote; or

(ii) if the vote in respect of such resolution is on the basis of a poll, the Depositary will endeavour, in so far as practicable, to vote or cause to be voted, in respect of each valid written request of a holder of GDRs on such record date, the amount of Shares represented by the GDR or GDRs of the respective holder in accordance with the instructions set forth in such request.

The Depositary will not itself exercise any voting discretion over any Shares or deposited property.

In order for each voting instruction to be valid, the voting instructions form must be completed and duly signed by the respective holder of GDRs and returned to the Depositary by such date as specified by the Depositary.

Shares which have been withdrawn from the depositary facility and transferred on the Company’s register of members to a person other than the Depositary or its nominee may be voted by the holders thereof. However, Holders or Beneficial Owners of GDRs may not receive sufficient advance notice of shareholder meetings to enable them to withdraw the Shares and vote at such meetings.

Delivery of Shares: The Deposit Agreement provides that the Deposited Shares can only be delivered out of the GDR facility to, or to the order of, a Holder of related GDRs upon receipt and cancellation of such GDRs.

Rights of the Company

The Company has broad rights to remove the Depositary under the terms of the Deposit Agreement, but no specific rights under the Deposit Agreement which are triggered in the event of the insolvency of the Depositary.

Insolvency of the Depositary

Applicable insolvency law: If the Depositary becomes insolvent, the insolvency proceedings will be governed by New York law.

Effect of applicable insolvency law in relation to cash: The Conditions state that any cash held by the Depositary for Holders is held by the Depositary as banker. Under current New York law, it is expected that any cash held for Holders by the Depositary as banker under the Conditions would constitute an unsecured obligation of the Depositary. Holders would therefore only have an unsecured claim in the event of the Depositary's insolvency for such cash that would be also be available to general creditors of the Depositary.

Effect of applicable insolvency law in relation to non-cash assets: The Deposit Agreement states that the Deposited Shares and other non-cash assets which are held by the Depositary for Holders are held by the Depositary as bare trustee and, accordingly, the Holders will be tenants in common for such Deposited Shares and other non-cash assets.

Default of the Depositary

If the Depositary fails to pay cash or deliver non-cash assets to Holders in the circumstances required by the Deposit Agreement or otherwise engages in a default for which it would be liable under the terms of the Deposit Agreement, the Depositary will be in breach of its contractual obligations under the Conditions. In such case, Holders will have a claim under New York law against the Depositary for the Depositary's breach of its contractual obligations under the Deposit Agreement.

The Custodian

The Custodian is ICICI Bank Limited, a company organized under Indian law.

Relationship of Holders of GDRs with the Custodian: The Custodian and the Depositary are parties to a custody agreement, which is governed by Indian law. The Holders do not have any contractual relationship with, or rights enforceable against, the Custodian. The Custodian will hold one or more certificates representing Deposited Shares, each of which will be registered in the Company's share register in the name of the Depositary or its nominee, as the case may be, and deposited in the facility.

Default of the Custodian

Failure to deliver cash: Notwithstanding the fact that the Company expects to pay dividends, if at all, in Indian rupees, payments denominated in any currency which are made in accordance with Depositary's current procedures and pursuant to the terms of the Deposit Agreement and Conditions will not be made through the Custodian. Rather, payments in U.S. Dollars will be made directly from the Company to an account in New York and then credited to the U.S. Dollar denominated accounts of the Holders. To the extent that payments are in a currency other than U.S. Dollars, such payments may be made to an account outside the United States, converted into U.S. Dollars and, after deduction of any fees and expenses of the Depositary, credited to the appropriate accounts of the Holders.

Failure to deliver non-cash assets: If the Custodian fails to deliver Deposited Shares or other non-cash assets held for the Depositary as required by the Depositary or otherwise defaults under the terms of the custody agreement, the Custodian will be in breach of its obligations to the Depositary. In such case, the Depositary will have a claim under Indian law against the Custodian for the Custodian's breach of its obligations under the custody agreement. The Depositary can also remove the Custodian and appoint a substitute or additional custodians and may exercise such rights if it deems necessary.

The Depositary's obligations: The Depositary has no obligation to pursue a claim for breach of obligations against the Custodian on behalf of Holders. The Depositary is not responsible for and shall incur no liability in connection with or arising from default by the Custodian due to any act or omission to act on the part of the Custodian, except to the extent that such default arises as a result of the wilful default, gross negligence or fraud of the Custodian.

Applicable law: The custody agreement is governed by Indian law.

Insolvency of the Custodian

Applicable law: If the Custodian becomes insolvent, the insolvency proceedings will be governed by applicable Indian law.

Effect of applicable insolvency law in relation to cash: For the reasons outlined above, it is not expected that any claim for cash will subsist against the Custodian as the Company will make payments directly to the Depositary or its nominee, as the case may be, and no cash will be paid to the Custodian.

Effect of applicable insolvency law in relation to non-cash assets: Under the Deposit Agreement, all Deposited Shares are registered in the name of the Custodian, in its capacity as nominee of the Depositary, and are held by the Custodian, for the account and to the order of the Depositary (on behalf of Holders) and must be identified as being held to the account of the Depositary and segregated from all other property held by the Custodian. The Custodian must maintain records of all Deposited Shares held by it for the account and to the order of the Depositary and make such records available to the Depositary. The Custodian's sole corporate activity consists of holding deposited securities as nominee for the Depositary and it will incur no liabilities in connection with such activity.

The Depositary's obligations: The Depositary has no obligation to pursue a claim in the Custodian's insolvency on behalf of the Holders. The Depositary has no responsibility for, and will incur no liability in connection with or arising from, the insolvency of any custodian. In the event of the insolvency of the Custodian, the Holders have no direct recourse to the Custodian under the Deposit Agreement, though the Depositary can remove the Custodian and appoint a substitute or additional custodian(s) and may exercise such rights if it deems necessary.

PERSONS HOLDING BENEFICIAL TITLE TO GDRS OR INTERESTS THEREIN ARE REMINDED THAT THE ABOVE DOES NOT CONSTITUTE LEGAL ADVICE AND IN THE EVENT OF ANY DOUBT REGARDING THE EFFECT OF THE DEFAULT OR INSOLVENCY OF THE DEPOSITARY OR THE CUSTODIAN, SUCH PERSONS SHOULD CONSULT THEIR OWN ADVISORS IN MAKING A DETERMINATION.

INFORMATION RELATING TO THE DEPOSITARY

Depositary

The Depositary is Deutsche Bank Trust Company Americas, a state registered New York banking corporation and a member of the United States Federal Reserve System, subject to regulation and supervision principally by the United States Federal Reserve Board and the New York State Banking Department. The Depositary was incorporated on 5 March 1903 as a bank with limited liability in the State of New York and operates under the laws of New York and is an indirect wholly owned subsidiary of Deutsche Bank AG. The Depositary is subject to regulation and supervision by the New York State Banking Department, the Federal Reserve Board and the Federal Deposit Insurance Corporation. The registered office of the Depositary is located at 60 Wall Street, New York, New York 10005. A copy of the Depositary's by-laws, as amended, together with copies of its most recent financial statements and annual report will be available for inspection at the principal administrative establishment of the Depositary located at 60 Wall Street, DR Department, 27th Floor, New York 10005 and at the office of the Depositary located at 1 Great Winchester Street, London EC2N 2DB. Such information will be updated periodically so long as the GDRs are admitted to listing on the Official List maintained by the UKLA.

Holding of deposited securities and other deposited property by the Depositary

Subject to the Conditions, the Depositary will hold the Deposited Property for the sole benefit of the Holders as bare trustee and the Holders shall accordingly be tenants in common of such Deposited Property to the extent that the Deposited Property corresponds to the GDRs of which they are the Holders.

The Conditions provide that the Depositary shall be entitled to deal with moneys paid to it by the Company for the purposes of the Deposit Agreement in the same manner as other moneys paid to it as a banker by its customers and it shall not be liable to account to the Company or any Holder or any other person for any interest thereon, except as otherwise agreed. The Depositary currently intends to hold any such cash in an account at the Custodian in the name of the Depositary or in an account at Deutsche Bank in the name of the Depositary.

Subject only to deduction of fees, taxes, duties, charges, costs and expenses and non-distribution of fractional amounts, the Conditions require the Depositary to distribute all cash it receives in respect of Deposited Property or that are the proceeds of the sale of any Deposited Property to the Holders.

The Conditions require the Depositary to convert deposited cash that is in a currency other than U.S. dollars into U.S. dollars if it can do so on a reasonable basis. If for any reason the Depositary cannot distribute deposited cash to Holders it will, under the terms of the Deposit Agreement, hold that cash for the benefit of Holders entitled thereto.

Set out below is a description of the movements of funds that occur when dividends are paid by the Company:

- On the date upon which the Company makes a payment of a cash dividend, the Depositary receives such cash into an account in its name at the relevant local custodian bank (the "**Cash Account**"). The Cash Account is for the sole use of the Depositary's Depositary Receipts ("**DR**") business and is governed by a separate and specific custody agreement.

- The funds are then transferred to the Depositary's U.S. dollar bank account and segregated according to the specific GDR programme (the "**Dividend Account**"). The Dividend Account is for the sole use of the Depositary's DR business and all funds are held on behalf of the GDR holders.

- If required, a foreign exchange trade is executed to convert the local currency into the denomination of the GDR (being U.S. dollars). The local currency would be paid, at the Depositary's order, from the Cash Account to the foreign exchange counterparty and the movement of funds would be reflected in the Depositary's books by a debit to the Cash Account and a credit to the Dividend Account.

- On the GDR dividend payment date, the funds are distributed from the Dividend Account to GDR holders through the various clearing systems (DTC, Euroclear and Clearstream, Luxembourg) and/or via cheques or other appropriate means if there are registered holders.

The Depositary operates a cash dividend technology designed to track and manage the flow of funds at all times. The cash representing each dividend paid by a company is discrete within the Depositary's system, thereby enabling it to identify funds owed to holders of each individual GDR programme. The system records all relevant dates, local currency, declared rate, gross rate, withholding tax rate, tax, fees where appropriate, the net rate and the calculation used to arrive at it.

CLEARANCE AND SETTLEMENT OF THE GDRS

DTC

DTC has advised the Company as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" within the meaning of the New York Banking Law, a member of the United States Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for DTC participants and facilitates the clearance and settlement of securities transactions between DTC participants through electronic computerised book-entry changes in DTC participants' accounts. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly.

Holders of book-entry interests in the GDRs holding through DTC will receive, to the extent received by the Depositary, all distributions of dividends or other payments with respect to book-entry interests in the GDRs from the Depositary through DTC and DTC participants. Distributions in the United States will be subject to relevant U.S. tax laws and regulations.

As DTC can act on behalf of DTC direct participants only, who in turn act on behalf of DTC indirect participants, the ability of beneficial owners who are indirect participants to pledge book-entry interests in the GDRs to persons or entities that do not participate in DTC, or otherwise take actions with respect to book-entry interests in the GDRs, may be limited.

Registration and Form

Book-entry interests in the GDRs held through DTC will be represented by the Master GDR registered in the name of Cede & Co., as nominee for DTC, which will be held by the Depositary as custodian for DTC. Beneficial ownership in the GDRs will be held through financial institutions as direct and indirect participants in DTC.

The aggregate holdings of book-entry interests in the GDRs in DTC will be reflected in the book-entry accounts of DTC. DTC, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the GDRs, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the GDRs. The Depositary will be responsible for maintaining a record of the aggregate holdings of GDRs registered in the name of the nominee for DTC. The Depositary will be responsible for ensuring that payments received by it from the Company for holders holding through DTC are received by DTC.

The Company will not impose any fees in respect of the GDRs; however, holders of book-entry interests in the GDRs may incur fees normally payable in respect of the maintenance and operation of accounts in DTC and certain fees and expenses payable to the Depositary in accordance with the terms of the Deposit Agreement.

Global Clearance and Settlement Procedures

Initial Settlement

The GDRs will be in global form evidenced by the Master GDR. DTC participants acting on behalf of purchasers electing to hold book-entry interests in the GDRs through DTC will follow the delivery practices applicable to depositary receipts.

Transfer Restrictions

For a description of the transfer restrictions relating to the GDRs, see "*Description of the Global Depositary Receipts*" and "*Description of the Global Depositary Receipts—Transfer Restrictions*".

Trading between DTC Participants

Secondary market sales of book-entry interests in the GDRs held through DTC will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to depositary receipts, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

General

Although the foregoing sets out the procedures by which DTC facilitates the transfers of interests in the GDRs among participants of DTC, DTC is not under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Company, the Depositary, the Custodian or their respective agents will have any responsibility for the performance by DTC or its participants of its obligations under the rules and procedures governing its operations.

INDEX TO FINANCIAL STATEMENTS

DISH TV INDIA LIMITED

Corporate office: FC-19, Sector-16A, Noida-201 301 (U.P)
Regd. Office: 18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra
CIN: L51909MH1988PLC287553, Tel.: 0120- 2467005/2467000, Fax: 0120-4357078

E-mail: investor@dishtv.in, Website: www.dishtv.in

Unaudited financial results for the quarter and six months ended 30 September 2017

(Rs. In Lacs)

	Particulars	Standalone financial results					Consolidated financial results				
		Quarter-ended			Six months period-ended		Quarter-ended			Six months period-ended	
		Unaudited	Unaudited	Unaudited (refer note 1)	Unaudited	Unaudited (refer note 1)	Unaudited	Unaudited	Unaudited (refer note 1)	Unaudited	Unaudited (refer note 1)
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016
1	**Income**										
	Revenue from operations	47,245	44,228	51,203	91,473	102,673	74,858	73,888	77,928	148,746	155,786
	Other income	1,504	1,656	1,955	3,141	3,670	770	980	1,737	1,725	2,324
	Total Income	**48,749**	**45,884**	**53,158**	**94,614**	**106,343**	**75,628**	**74,868**	**79,665**	**150,471**	**158,110**
2	**Expenses**										
	Purchase of stock-in-trade	(0)	0	1	0	3	298	236	336	534	503
	Changes in inventories of stock-in-trade	-	-	(0)	-	(0)	(25)	95	(73)	70	(22)
	Operating expenses	35,635	34,317	33,304	69,952	66,398	38,934	37,315	36,519	76,250	71,994
	Employee benefits expense	1,468	1,643	1,414	3,111	2,918	3,663	3,884	3,670	7,546	7,496
	Finance costs	2,769	2,680	2,437	5,449	4,756	6,109	5,896	5,742	12,005	10,948
	Depreciation and amortization expense	2,301	2,208	1,889	4,509	3,689	18,988	18,221	16,829	37,209	33,318
	Other expenses	5,594	5,845	5,388	11,420	10,196	10,380	12,238	10,908	22,594	22,634
	Total expenses	**47,767**	**46,693**	**44,433**	**94,441**	**87,960**	**78,347**	**77,885**	**73,931**	**156,207**	**146,871**
3	**Profit/ (Loss) before exceptional items, tax and share of (loss) in joint venture (1-2)**	**982**	**(809)**	**8,725**	**173**	**18,383**	**(2,719)**	**(3,017)**	**5,734**	**(5,736)**	**11,239**
4	Exceptional items	-	-	-	-	-	-	-	-	-	-
5	**Profit/ (Loss) before tax and share of (loss) in joint venture (3-4)**	**982**	**(809)**	**8,725**	**173**	**18,383**	**(2,719)**	**(3,017)**	**5,734**	**(5,736)**	**11,239**
6	**Tax expense**										
	- Current Tax	986	98	2,000	1,084	5,596	2,894	98	1,830	2,992	6,173
	- Deferred Tax	(1,655)	510	977	(1,145)	731	(3,826)	(1,721)	(2,992)	(5,547)	(5,447)
7	**Profit/ (Loss) after tax and before share of (loss) in joint venture (5-6)**	**1,651**	**(1,417)**	**5,748**	**234**	**12,056**	**(1,787)**	**(1,394)**	**6,896**	**(3,182)**	**10,513**
8	Share of (loss) in joint ventures#			**-**	**-**	**-**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
9	**Net profit / (loss) for the period (7+8)**	**1,651**	**(1,417)**	**5,748**	**234**	**12,056**	**(1,787)**	**(1,394)**	**6,896**	**(3,182)**	**10,513**
10	Other comprehensive income										
	a) (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-
	b) Items that will be reclassified to profit or loss and related income tax										
	(i) Foreign currency transalation reserve	-	-	-	-	-	(72)	66	62	(6)	96
	(ii) Income tax relating to foreign currency transalation reserve	-	-	-	-	-	25	(23)	(22)	2	(33)
11	**Total comprehensive income for the period (9+10)**	**1,651**	**(1,417)**	**5,748**	**234**	**12,056**	**(1,834)**	**(1,351)**	**6,936**	**(3,186)**	**10,576**
12	**Net profit / (loss) attributable to :**										
	Owners of the holding Company	1,651	(1,417)	5,748	234	12,056	(1,616)	(1,167)	7,033	(2,783)	10,802
	Non - controlling interests	-	-	-	-	-	(171)	(227)	(137)	(399)	(290)
13	**Other comprehensive income attributable to :**										
	Owners of the holding Company	-	-	-	-	-	(26)	23	28	(3)	44
	Non - controlling interests	-	-	-	-	-	(21)	20	12	(1)	19
14	**Total comprehensive income attributable to :**										
	Owners of the holding Company	1,651	(1,417)	5,748	234	12,056	(1,642)	(1,144)	7,062	(2,786)	10,846
	Non - controlling interests	-	-	-	-	-	(192)	(208)	(126)	(400)	(270)
15	Paid-up equity share capital (Face value Re. 1)	10,660	10,660	10,659	10,660	10,659	10,660	10,660	10,659	10,660	10,659
16	Earning per share (EPS) (face value Re 1) (not annualised)										
	(a) Basic	0.15	(0.13)	0.54	0.02	1.13	(0.17)	(0.13)	0.65	(0.30)	0.99
	(a) Diluted	0.15	(0.13)	0.54	0.02	1.13	(0.17)	(0.13)	0.65	(0.30)	0.99

See accompanying notes to the financial results.

Statement of Assets and Liabilities as at 30 September 2017 **(Rs. In Lacs)**

Particulars	Standalone Unaudited As at 30.09.2017	Consolidated Unaudited As at 30.09.2017
A. ASSETS		
(1) Non-current assets		
(a) Property, Plant & Equipment	27,552	202,935
(b) Capital work-in-progress	1,154	51,190
(c) Intangible assets	1,077	4,178
(d) Financial assets		
(i) Investments	32,092	15,000
(ii) Loans	12,093	1,023
(iii) Other financial assets	261	1,492
(e) Deferred tax assets (net)	5,522	56,289
(f) Current tax assets (net)	3,734	4,381
(g) Other non-current assets	5,585	8,962
(2) Current Assets		
(a) Inventories	-	1,161
(b) Financial assets		
(i) Trade receivables	6,908	49,383
(ii) Cash and cash equivalents	844	6,748
(iii) Bank balances other than (iii) above	10,942	12,502
(iv) Loans	1,111	1,268
(v) Other financial assets	110,355	3,084
(c) Other current assets	10,552	22,559
Total Assets	**229,782**	**442,155**
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	10,660	10,660
(b) Other equity	17,302	27,280
(c) Non-controlling Interest	-	(1,318)
LIABILITIES		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	83,649
(ii) Other financial liabilities	862	3,813
(b) Provisions	1,181	2,534
(c) Other non-current liabilities	1,190	1,411
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	7,490
(ii) Trade payables	27,801	36,027
(iii) Other financial liabilities	11,397	88,414
(b) Other current liabilities	14,062	36,842
(c) Provisions	145,327	145,353
Total Equity & Liabilities	**229,782**	**442,155**

Notes to financial results for the quarter and six months ended 30 September 2017

1. The standalone and consolidated financial results have been prepared in accordance with the principles and procedures of Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013 read with SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 and other recognized accounting practices and policies. Consequently, results for the quarter and six month ended 30 September 2016 have been restated to comply with Ind AS to make them comparable. The Statutory Auditors have carried out limited review of the unaudited standalone and consolidated financial results for the quarter and six months ended 30 September 2017. The Ind AS compliant financial results, pertaining to the corresponding quarter and six months ended 30 September 2016, have not been subjected to limited review or audit by the statutory auditors, however, the management has exercised necessary due diligence on these financial results.

2. The Company has adopted Ind AS from 1 April 2017 and accordingly, these financial results have been prepared in accordance with the recognition and measurement principals laid down in Ind AS 34 Interim Financial Reporting prescribed under section 133 of the Companies Act 2013, read with relevant rules issued thereunder. The date of transition to Ind AS is 1 April 2016. The impact of transition has been accounted for in the opening reserves and the comparative period results have been restated accordingly. The opening balance sheet as at 1 April 2016 and the results for the subsequent periods would be finalised and will be subject to audit at the time of annual financial statements for the year end 31 March 2018.

3. The above standalone and consolidated financial results for the quarter and six months ended 30 September 2017 have been reviewed by the Audit Committee and were approved by the Board of Directors in their meeting held on 5 December 2017 and have undegone 'Limited Review' by the Statutory Auditors of the Company.

4. The consolidated financial results have been prepared as per the requirement of Ind AS, based on the financial results of the Company and its two subsidiary companies, namely Dish Infra Services Private Limited and Dish T V Lanka Private Limited and one joint venture company, namely C&S Medianet Private Limited.

5. In terms of the letter dated 31 March 2017 of the Ministry of Information & Broadcasting, Government of India, the DTH license of the Company is valid upto 31 December 2017 or till the date of notification of 'New DTH guidelines', whichever is earlier, under the terms and conditions mentioned in the said letter.

6. The Board of Directors, at their meeting held on 23 May 2016, had approved adjustment of entire securities premium account against the accumulated losses, through Capital reduction under section 100 to 104 of the Companies Act, 1956 read with section 52 of the Companies Act, 2013. The Company has received observation letter(s) from National Stock Exchange of India Limited and BSE Limited dated 14 July 2016 and 15 July 2016 respectively, confirming their No Objection to the said proposal. The Shareholders of the Company have also accorded their approval vide special resolution dated 19 September 2016. The Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') vide its Order dated 28 June 2017 has approved the reduction of Share Capital of the Company by way of utilizing the amount standing to the credit of the Securities Premium Account for writing off deficit in the statement of Profit and Loss Account of the Company. The Company has completed the necessary filings with Registrar of Companies. Accordingly, the entire Securities Premium account amounting to Rs.15,433,965,550 (Rupees One Thousand Five Hundred Forty Three Crores Thirty Nine Lakhs Sixty Five Thousand Five Hundred and Fifty Only) as on 31 March 2016, has been reduced for writing off deficit in the statement of Profit and Loss Account of the Company during quarter and six months ended 30 september 2017.

7. The Audit Committee and Board of Directors noted the utilisation of the proceeds of Rights Issue for the quarter and period ended 30 September 2017 which is in line with revised utilisation schedule approved by the Board of Directors. The unutilised amount as on 30 September 2017 is Rs. Nil.

8.The Board of Directors at their meeting held on 11 November 2016 approved a Scheme of Arrangement (Scheme) under section 391 to 394 of Companies Act 1956 and/or applicable sections of Companies Act 2013, among Dish TV India Limited (DTIL) and Videocon DTH Limited (VD2H) and their respective Shareholders and Creditors inter alia for amalgamation of the VD2H into and with the DTIL, pursuant to the relevant provision of the Companies Act and relevant provisions of the scheme, and various other matters consequential or otherwise integrally connected therewith.
The Company had received observation letter(s) from National Stock Exchange of India Limited and BSE Limited dated 1 March 2017 and 2 March 2017 respectively, confirming their No Objection to the said Scheme. Further, the Competition Commission of India (CCI), in its meeting held on 4 May 2017, had accorded its approval for the said combination. The Hon'ble NCLT, at the hearing held on 27 July 2017, has approved the said Scheme under the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013. During the said hearing, 1 October 2017 has been fixed as the "Appointed Date" for the scheme. The Company is yet to receive the approval of the Ministry of Information and Broadcasting, post which the Scheme shall be effective. Accordingly no impact of the Scheme has been given in these results.

9. The Company has advanced loans, classified under long term loans and advances, to Dish T V Lanka Private Limited ("Dish Lanka"), its subsidiary company, which has incurred losses and its net worth has been eroded. The management is in the process of implementing certain changes to its business strategy in Sri Lankan market and based on future business plans and projections, believes that the subsidiary would turn around in future and accordingly, the loan given to this subsidiary has been considered good for recovery.

10. In line with the provisions of Ind AS 108 – operating segments and basis the review of operations being done by the chief operating decision maker (CODM), the operations of the group fall under Direct to Home ('DTH') and teleport services, which is considered to be the only reportable segment by the CODM.

11. The reconcilation of net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

(Rs. In Lacs)

Description	**Quarter ended 30.09.2016 Unaudited**		**Six months period ended 30.09.16 unaudited**	
	Standalone	**Consolidated**	**Standalone**	**Consolidated**
Net profit / (Loss) after tax as reported under previous GAAP	**5,120**	**7,007**	**10,883**	**11,095**
Adjustments:				
Impact of financial instruments at amortised cost	(0)	(202)	(0)	(199)
Impact of employee share based payment at fair value	(32)	(30)	(50)	(47)
Impact of recognition of financial guarantee contracts	773	-	1,288	-
Impact of derivative instruments carried at fair value through profit and loss	-	739	-	50
Impact of investments carried at fair value through profit and loss	-	18	-	24
Impact on PPE	-	(482)	-	(845)
Impact of translation of presentation currency	-	(96)	-	(23)
Impact of remeasurements of post-employment benefit obligations	-	-	-	-
Prior period expense	144	144	321	321
Tax impact on above adjustments	(257)	(201)	(386)	137
Net profit after tax as per Ind AS	**5,748**	**6,897**	**12,056**	**10,513**
Other Comprehensive income	-	41	-	63
Total comprehensive income after tax as per Ind AS	**5,748**	**6,936**	**12,056**	**10,576**

For and on behalf of the Board of Directors
DISH TV INDIA LIMITED

Jawahar Lal Goel
Chairman and Managing Director
DIN: 00076462

Place: Noida
Dated: 5 December 2017

Dish TV India Limited

Financial Statements

31 March 2017

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'), and a jointly controlled entity, which comprise the Consolidated Balance Sheet as at 31 March 2017, 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 including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors/management of the companies included in the Group and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group jointly controlled entity and for 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 that give a true and fair view and are free from material misstatement, whether due to fraud or error, 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 audit 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 these 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 in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these 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 separate financial

statements and on the other financial information of the subsidiaries and jointly controlled entity, 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, and jointly controlled entity as at 31 March 2017, 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 and one jointly controlled entity, whose financial statements reflect total assets of ₹322,991 lacs and net assets of ₹33,483 lacs as at 31 March 2017, total revenues of ₹113,500 lacs and net cash outflows amounting to ₹1,756 lacs for the year ended on that date, as considered in the consolidated financial statements. 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 jointly controlled entity, 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 and jointly controlled entity, is based solely on the reports of the other auditors.

   Further, of these subsidiaries and jointly controlled entity, one subsidiary is located outside India whose financial statements and other financial information has been prepared in accordance with accounting principles generally accepted in its respective country , which have been audited by other auditors under generally accepted auditing standards applicable in such country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India and another auditor has audited these conversion adjustments. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by the other auditor.

   Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are 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.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and jointly controlled entity, 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 prescribed 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 and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary company, and jointly controlled company covered under the Act, none of the directors of the Group companies and jointly controlled company covered under the Act, are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary company and jointly controlled company covered under the Act and the operating effectiveness of such controls, refer to our separate report in Annexure I;

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 (as amended), 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiary and jointly controlled entity:

   (i) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its jointly controlled entity as detailed in Note 37 and 41 to the consolidated financial statements;

   (ii) provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts, as detailed in Note 41(c)(iv) to the consolidated financial statements;

   (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 and jointly controlled company covered under the Act; and

   (iv) the Company, as detailed in Note 48 to the consolidated financial statements, has made requisite disclosures in these consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company, its subsidiary company and jointly controlled company covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the reports of the other auditors on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

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

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

Place: Noida
Date: 24 May 2017

Annexure to the Independent Auditor's Report of even date to the members of Dish TV India Limited, on the consolidated financial statements for the year ended 31 March 2017

ANNEXURE I

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") and a joint controlled entity, as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, its subsidiary company and a jointly controlled entity 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 and a joint controlled entity 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 and a joint controlled entity 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, its subsidiary company and joint controlled entity, 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 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, its subsidiary company and a joint controlled entity 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 2017, 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 and joint controlled entity incorporated in India, whose financial statements reflect total assets of ₹ 318,196 lacs, net assets of ₹ 40,353 lacs as at 31 March 2017, total revenues of ₹ 112,554 lacs and net cash outflows amounting to ₹ 2,415 lacs for the year ended on that date. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary company and joint controlled entity incorporated in India, under section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiary and joint controlled entity 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**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

Place: Noida
Date: 24 May 2017

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

	Note no.	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	**10,659**	10,659
Reserves and surplus	4	**38,400**	27,412
		49,059	38,071
Non-current liabilities			
Long-term borrowings	5	**58,339**	115,354
Other long term liabilities	6	**9,998**	6,349
Long-term provisions	7	**2,307**	1,732
		70,644	123,435
Current liabilities			
Short-term borrowings	8	**-**	284
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		**-**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		**17,109**	22,980
Other current liabilities	10	**146,906**	87,660
Short-term provisions	11	**142,370**	121,508
		306,385	232,432
Total		**426,088**	393,938
ASSETS			
Non-current assets			
Fixed assets			
Property, plant and equipment	12.1	**190,795**	180,198
Intangible assets	12.2	**1,234**	805
Capital work-in-progress	12.3	**78,677**	61,003
Non-current investments	13	**15,000**	15,000
Deferred tax assets	14	**51,003**	43,600
Long-term loans and advances	15	**20,119**	17,140
Other non-current assets	16	**37**	274
		356,865	318,020
Current assets			
Current investments	17	**1,441**	8,203
Inventories	18	**1,308**	1,256
Trade receivables	19	**8,697**	7,246
Cash and cash equivalents	20	**29,225**	33,917
Short-term loans and advances	21	**27,432**	22,865
Other current assets	22	**1,120**	2,431
		69,223	75,918
Total		**426,088**	393,938
Significant accounting policies	2		

The accompanying notes (1 to 49) 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
Chartered Accountants

per Sumit Mahajan
Partner

Place: Noida
Dated: 24 May, 2017

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

Jawahar Lal Goel
Chairman & Managing Director
DIN: 00076462

B. D. Narang
Director
DIN: 00826573

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary
Membership No: A15442

Place: Noida
Dated: 24 May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

	Note no.	For the year ended 31 March 2017	For the year ended 31 March 2016
Income			
Revenue from operations	23	**301,439**	305,994
Other income	24	**4,751**	6,404
Total revenue		**306,190**	312,398
Expenses			
Purchases of stock-in-trade (consumer premises equipments related accessories/spares)		**1,119**	1,256
Changes in inventories of stock-in-trade	25	**(52)**	(269)
Operational expenses	26	**142,325**	146,812
Employee benefits expense	27	**14,399**	12,287
Finance costs	28	**22,389**	20,873
Depreciation and amortization expense	12.1 and 12.2	**66,308**	59,071
Other expenses	29	**45,788**	43,416
Total expenses		**292,276**	283,446
Profit before prior period items and tax		**13,914**	28,952
Prior period items	30	**574**	-
Profit before tax		**13,340**	28,952
Tax expense:			
- Current Tax		**10,349**	3,310
- Deferred Tax		**(7,403)**	(43,600)
- Income tax - prior years		**(534)**	-
Profit for the year		**10,928**	69,242
Basic earning per equity share (in ₹)		**1.03**	6.50
Diluted earning per equity share (in ₹)		**1.03**	6.50
(Face value of ₹ 1 each)			
Significant accounting policies	2		

The accompanying notes (1 to 49) 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
Chartered Accountants

per Sumit Mahajan
Partner

Place: Noida
Dated: 24 May, 2017

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

Jawahar Lal Goel
Chairman & Managing Director
DIN: 00076462

B. D. Narang
Director
DIN: 00826573

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary
Membership No: A15442

Place: Noida
Dated: 24 May, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Cash flows from operating activities		
Net profit/(loss) before tax	**13,340**	28,952
Adjustments for :		
Depreciation and amortization expense	**66,308**	59,071
Loss on sale/discard of fixed assets and capital work-in-progress	**1,684**	3,010
Profit on redemption of units of mutual funds	**(531)**	(334)
Provision for doubtful debts	**770**	922
Bad debts and balances written off	**614**	89
Liabilities written back	**(295)**	(1,429)
Foreign exchange fluctuation (net)	**(2,402)**	(1,445)
Interest expense	**19,901**	18,548
Interest income	**(3,356)**	(4,270)
Operating profit before working capital changes	**96,033**	103,114
Changes in working capital		
(Increase) in inventories	**(52)**	(269)
(Increase) in trade receivables	**(2,632)**	(1,889)
Decrease/(Increase) in loans and advances and other assets	**(5,759)**	6,421
Increase in trade payables and other liabilities	**6,847**	7,850
Cash generated from operations	**94,437**	115,227
Income taxes paid (net of refund)	**(12,398)**	(1,990)
Net cash generated from operating activities (A)	**82,039**	113,237
Cash flows from investing activities		
Purchases of fixed assets (including adjustment for creditors for fixed assets,work in progress and capital advances)	**(86,146)**	(90,839)
Proceeds from sale of fixed assets	**28**	30
Purchase of current investments	**(133,900)**	(92,575)
Proceeds from sale of Current investments	**141,194**	89,705
Movements in fixed deposits	**13,170**	8,494
Interest received	**3,309**	4,280
Net cash used in investing activities (B)	**(62,345)**	(80,905)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Cash flows from financing activities		
Interest paid	**(6,570)**	(6,656)
Proceeds from issue of capital/call money received	**61**	167
Proceeds from long term borrowings	**16,626**	35,332
Repayments of long term borrowings	**(21,287)**	(64,031)
Repayments of short term borrowings	**(284)**	-
Net cash used in financing activities (C)	**(11,454)**	(35,188)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**8,240**	(2,856)
Cash and cash equivalents at the beginning of the year	**9,093**	11,949
Cash and cash equivalents at the end of the year (refer note 20)	**17,333**	9,093
Cash and cash equivalents includes:		
Cash on hand	**7**	10
Balances with scheduled banks :		
- in current accounts	**17,041**	6,705
- deposits with maturity of upto 3 months	**86**	384
Cheques, drafts on hand	**199**	1,994
Cash and cash equivalents	**17,333**	9,093
Reconciliation of Cash and cash equivalents with cash and bank balances		
Cash and bank balances (refer note 20)	**29,225**	33,917
Less: deposits with maturity of more than 3 months	**11,892**	24,824
Cash and cash equivalents	**17,333**	9,093

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
Chartered Accountants

per Sumit Mahajan
Partner

Place: Noida
Dated: 24 May, 2017

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

Jawahar Lal Goel
Chairman & Managing Director
DIN: 00076462

B. D. Narang
Director
DIN: 00826573

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary
Membership No: A15442

Place: Noida
Dated: 24 May, 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(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(b) (viii) below], together referred as 'the Group', is engaged in the business of providing 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 and Accounting Standard 27 - Financial Reporting of interests in Joint Ventures, 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) Interests in assets, liabilities, income and expenses of the joint venture are consolidated using proportionate consolidated method. Intra group balances, transactions are unrealized profits/losses are eliminated to the extent of Company's proportionate share.

iii) 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).

iv) 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.

v) 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.

vi) 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 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

vii) 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.

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

Name of the company	Nature	Country of incorporation	% shareholding as at 31 March 2017	% shareholding as at 31 March 2016
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
C&S Medianet Private Limited	Joint Venture	India	48	-

c) Use of estimates

The preparation of consolidated financial statements 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) including viewing card(VC) 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

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 including VC 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.

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 and 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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i) Service revenue:

- Revenue from subscription services is recognised prorata over the subscription pack period during which the services are rendered and is net of taxes collected from the customer, 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.

(All amounts in ₹ lacs, unless stated otherwise)

- 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 itemsused 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

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 Loss in 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.

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 Loss on a straight line basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

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 2017

(All amounts in ₹ lacs, unless stated otherwise)

3. Share capital

	As at 31 March 2017	As at 31 March 2016
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		
1,065,934,528 (previous year 1,065,830,337) equity shares of ₹ 1 each, fully paid up	**10,659**	10,659
Issued, subscribed, but not fully paid-up		
34,377 (previous year 34,498) equity shares of ₹ 1 each, fully called up (refer footnote b)	**0**	0
Less: calls in arrears (other than from directors/officers)*	**(0)**	(0)
	10,659	10,659

* ₹ 13,373 as on 31 March 2017 and ₹ 13,403 as on 31 March 2016, rounded off to ₹ lacs

Footnotes:

	Nos	
a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year (refer note 32)		
Shares at the beginning of the year	**1,065,864,835**	1,065,571,585
Add: Further issued during the year under Employees Stock Option Plan	**104,070**	293,250
Shares at the end of the year	**1,065,968,905**	1,065,864,835

b) Detail of shares not fully paid-up

15,262 (previous year 15,383) equity shares of ₹ 1 each, ₹ 0.75 paid up

19,115 (previous year 19,115) 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 2017		As at 31 March 2016	
	Number of shares	% holding in the Company	Number of shares	% holding in the Company
Direct Media Distribution Ventures Private Limited	**457,212,260**	**42.89%**	457,212,260	42.90%
Veena Investments Private Limited	**86,094,822**	**8.08%**	100	0.00%
Direct Media Solutions LLP (formerly known as Direct Media Solutions Private Limited)	**76,905,278**	**7.21%**	180,000,000	16.89%

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

2,561,510 (previous year 2,457,440) equity shares of ₹ 1 each, fully paid up, issued to the employees, under Employee Stock Option Plan, i.e., ESOP 2007.

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 32 for terms and amount etc.)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

4. Reserves and surplus

	As at 31 March 2017	As at 31 March 2016
Securities premium account		
Opening balance	**154,340**	154,175
Add: received during the year	**60**	165
Closing balance	**154,400**	154,340
General reserves		
Balance at the beginning and end of the year	**1,849**	1,849
Deficit in the Statement of Profit and Loss		
Opening balance	**(128,777)**	(198,019)
Profit for the year	**10,928**	69,242
Closing balance	**(117,849)**	(128,777)
	38,400	27,412

5. Long-term borrowings

	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
	Non current		Current maturities	
Secured loans:				
Debentures*	**10,000**	30,000	**20,000**	-
From banks				
Term loans	**1,875**	16,750	**1,250**	-
Buyers' credits	**46,464**	68,604	**34,693**	7,490
	58,339	115,354	**55,943**	7,490
Less: amount disclosed under the head "Other current liabilities" (refer note 10)	**-**	-	**55,943**	7,490
	58,339	115,354	**-**	-

* During the year ended 31 March 2016, Dish Infra Services Private Limited (Dish Infra), has issued 100 redeemable, non convertible debentures each having face value of ₹ 100 lacs through private placement. (refer note 46)

Repayment terms, rate of interest and nature of security for the outstanding long-term borrowings as at 31 March 2017 and 31 March 2016

Nature of security

a) Debentures

(i) Debentures of ₹ 20,000 lacs (previous year ₹ 20,000 lacs) is repayable after three years from the date of allotment along with cumulative interest at rate of 12.40% on ₹ 200 crores.

(ii) Debentures of ₹ 10,000 lacs (previous year ₹ 10,000 lacs) is repayable after three years from the date of allotment along with cumulative interest at rate of 11.50% on ₹ 100 crores.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

Above debentures are secured by:

(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."

b) Term loans - Secured

(i) Facility of ₹ 3,125 lacs (previous year ₹ 5,000 lacs), balance amount is repayable in 10 equal quarterly installments (previous year 16 equal quarterly installments) after 1st year Moratorium period and if used for buyer's credit, loan shall be repaid in 8 equal quarterly instalments (previous year 8 equal quarterly instalments). The rate of Interest is Base Rate plus 1.75% per annum . Last date of repayment is September 2019 (previous year March 2020) starting from June 2017 (previous year June 2016)

(ii) Facility of ₹ Nil (previous year ₹ 3,125 lacs), balance amount is repayable in nil installments (previous year 5 equal quarterly installments) after 1st year Moratorium period and if used for buyer's credit, loan shall be repaid in 8 equal quarterly instalments (previous year 8 equal quarterly instalments). The rate of Interest is Base Rate plus 1.75% per annum . Previous year, last date of repayment was Apr 2017 starting from Apr 2016.

(iii) Facility of ₹Nil (previous year ₹ 500 lacs), balance amount is repayable in nil installment (previous year 1 quarterly installment) after 1st year Moratorium period and if used for buyer's credit, loan shall be repaid in 8 equal quarterly instalments (previous year 8 equal quarterly instalments). The rate of Interest is 11.50% per annum . Previous year, loan was repayable on June 16.

(iv) Facility of ₹Nil (previous year ₹ 125 lacs), balance amount is repayable in nil installments (previous year 2 equal quarterly installments) after 1st year Moratorium period and if used for buyer's credit, loan shall be repaid in 8 equal quarterly instalments (previous year 8 equal quarterly instalments). The rate of Interest is 11.50% per annum. Previous year last date of repayment was Apr 2017 starting from May 2016.

Above facilities are 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) Unconditional and Irrevocable corporate guarantee is given by Dish TV India Limited.

(v) Facility of ₹Nil (previous year ₹ 3,000 lacs), balance amount is repayable in nil installment (previous year 12 equal quarterly installments) after Moratorium period of 18 months. The rate of Interest is base rate plus 2.5% per annum. Previous year, last date of repayment was March 2019 starting from June 2016.

(vi) Facility of ₹Nil (previous year ₹ 5,000 lacs), balance amount is repayable in nil installment (previous year 14 equal quarterly installments) after Moratorium period of 18 months. The rate of Interest is base rate plus 2.5% per annum. Previous year, last date of repayment was December 2020 starting from September 2017.

Above facilities are 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 goods, consumable stores and spares and such other movables, including book 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

(e) Corporate guarantee is given by Dish TV India Limited.

c) Buyer's credits

(i) Facility of ₹ 43,696 lacs (previous year ₹ 46,644 lacs).

Rate of interest and terms of repayment

For the year ended 31 March 2017

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 November' 2018 (being the farthest) and April 2017 (being the closest).

Interest on ₹ 4,040 lacs buyer's credit is payable in half yearly instalments ranging from Libor plus 105 bps to Libor plus 115 bps.

Interest on ₹ 39,656 lacs buyer's credit is payable in yearly installments ranging from Libor plus 55 bps to Libor plus 120 bps.

For the 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 November' 2018 (being the farthest) and February' 2017 (being the closest).

Interest on ₹ 4,133 lacs buyer's credit is payable in half yearly instalments ranging from Libor plus 105 bps to Libor plus 115 bps.

Interest on ₹ 42,511 lacs buyer's credit is payable in yearly installments ranging from Libor plus 55 bps to Libor plus 120 bps.

Above facility is secured by:

(a) First pari-passu charge on all present and future moveable 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.

(b) Corporate guarantee is given by Dish TV India Limited and a personal guarantee by key managerial personnel in respect of this loan.

(ii) Facility of ₹ 21,808 lacs (previous year ₹ 18,538 lacs)

Rate of interest and terms of repayment

For the year ended 31 March 2017

a) Buyer's credit of ₹ 14,645 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 February' 2019 (being the farthest) and April' 2017 (being the closest). Interest on ₹ 10,530 lacs buyer's credit is payable in half yearly instalments ranging from Libor plus 75 bps to Libor plus 115 bps. Interest on ₹ 4,115 lacs buyer's credit is payable in yearly instalments ranging from Libor plus 50 bps to Libor plus 120 bps.

b) Buyer's credit of ₹ 7,163 lacs comprise of several loan transactions ranging between 1.95 to 2 years. Each transaction is repayable in full on maturity date falling between January'2018 (being the farthest) and October'2017 (being the closest). Interest is payable quarterly installment ranging at Libor plus 208 bps.

For the year ended 31 March 2016

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 March' 2017 (being the closest). Interest on ₹ 4,597 lacs buyer's credit is payable in half yearly instalments ranging from Libor plus 75 bps to Libor plus 115 bps. Interest on ₹ 6,613 lacs buyer's credit is payable in yearly instalments ranging from Libor plus 99 bps to Libor plus 120 bps.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

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 October'2017 (being the closest). Interest is payable quarterly installment ranging at Libor plus 208 bps."

Above facility 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 stock of raw materials, semi finished and finished good, consumable stores and spares and such other movables, including book 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.

(e) Corporate guarantee is given by Dish TV India Limited.

(iii) Buyer's credit of ₹ 12,210 lacs (previous year ₹ 7,654 lacs)

Rate of interest and terms of repayment

For the year ended 31 March 2017

Buyer's credit comprises of several loan transactions ranging between 2.5 years to 3 years of maturities. Each transaction is repayable in full on maturity dates falling between December' 2018 (being the farthest) and July' 2017 (being the closest) payable in half yearly installments at Libor plus 78 bps to 115 bps.

For the year ended 31 March 2016

Buyer's credit comprises of several loan transactions ranging between 2.5 years 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."

Above facility is 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.

(e) Corporate guarantee is given by Dish TV India Limited.

(iv) Facility of ₹ 3,443 lacs (previous year ₹ 3,258 lacs).

Rate of interest and terms of repayment

For the year ended 31 March 2017

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 March' 2019 (being the farthest) and June' 2017 (being the closest).

Interest on ₹ 2864 lacs buyer's credit is payable in half yearly instalments ranging from Libor plus 75 bps to Libor plus 78 bps.

Interest on ₹ 579 lacs buyer's credit is payable in yearly instalments ranging from Libor plus 100 bps to Libor plus 130 bps.

For the 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 December' 2018 (being the farthest) and July' 2016 (being the closest).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

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

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

Above facility 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) Corporate guarantee is given by Dish TV India Limited.

6. Other long-term liabilities

	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
	Non current		Current	
Income received in advance	**1,671**	1,652	**22,564**	22,809
Money received against partly paid up shares*	**0**	0	**-**	-
Interest accrued but not due on borrowings	**8,327**	4,697	**-**	-
	9,998	6,349	**22,564**	22,809
Less: amount disclosed under the head "Other current liabilities" (refer note 10)	**-**	-	**22,564**	22,809
	9,998	6,349	**-**	-

* ₹ 42,451 as on 31 March 2017 and ₹ 42,451 as on 31 March 2016, rounded off to ₹ Lacs

7. Long-term provisions

	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
	Non current		Current	
Provision for employee benefits				
- Gratuity (refer note 33)	**1,588**	1,112	**111**	27
- Compensated absences	**719**	620	**62**	31
	2,307	1,732	**173**	58
Less: amount disclosed under the head "Short-term provisions" (refer note 11)	**-**	-	**173**	58
	2,307	1,732	**-**	-

8. Short-term borrowings

	As at 31 March 2017	As at 31 March 2016
Secured loans		
Other loans		
- Buyers' credits	**-**	284
	-	284

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

Footnotes:

Buyer's credit of ₹ Nil (previous year ₹ 284 lacs).

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

Above facility is 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.

9. Trade payables

	As at 31 March 2017	**As at 31 March 2016**
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	**17,109**	22,980
	17,109	22,980

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 March 2017**	**As at 31 March 2016**
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 buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting 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 this Act;	**-**	-
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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

10. Other current liabilities

	As at 31 March 2017	As at 31 March 2016
Current maturities of long-term borrowings (also refer note 5)	**55,943**	7,490
Interest accrued but not due on borrowings	**780**	564
Income received in advance (also refer note 6)	**22,564**	22,789
Security deposit	**13,488**	12,101
Other payables		
- Statutory dues	**5,932**	8,083
- Accrued loss on forward contracts	**1,241**	-
- Commission accrued	**2,557**	2,194
- Employees' payables	**579**	462
- Creditors for fixed assets	**43,822**	33,977
	146,906	87,660

11. Short-term provisions

	As at 31 March 2017	As at 31 March 2016
Provision for employee benefits (refer note 7)		
- Gratuity (refer note 33)	**111**	27
- Compensated absences	**62**	31
Other provisions		
- Regulatory dues (refer note 37)	**139,740**	119,271
Provision for income tax [net of advance tax of ₹ 1 lac (previous year ₹ 1,975 lac)]	**1**	1,758
- Mark to market loss provision	**2,456**	421
	142,370	121,508

12.1. Fixed Assets - Property, plant and equipment

As at 31 March 2017

Particulars	Gross block				Accumulated Depreciation				Net block
	As at 01 April 2016	Additions	Sales/ adjustments	As at 31 March 2017	Upto 01 April 2016	For the year	Sales/ adjustments	Upto 31 March 2017	As at 31 March 2017
Building	286	-	-	**286**	13	14	-	**27**	**259**
Plant and machinery	19,098	1,512	11	**20,599**	13,361	1,566	1	**14,926**	**5,673**
Consumer premises equipment (Refer note 36b)	541,528	74,115	-	**615,643**	370,268	63,606	-	**433,874**	**181,769**
Computers	1,348	778	28	**2,098**	1,167	216	11	**1,372**	**726**
Office equipment	617	66	2	**681**	340	101	1	**440**	**241**
Furniture and fixtures	240	14	-	**254**	134	22	-	**156**	**98**
Vehicles and aircraft	3,669	35	-	**3,704**	1,307	368	-	**1,675**	**2,029**
Leasehold improvements	48	-	-	**48**	46	2	-	**48**	**-0**
Total	**566,834**	**76,520**	**41**	**643,313**	**386,636**	**65,895**	**13**	**452,518**	**190,795**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

As at 31 March 2016

Particulars	Gross block				Accumulated Depreciation				Net block
	As at 01 April 2015	Additions	Sales/ adjustments	As at 31 March 2016	Upto 01 April 2015	For the year	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 36b)	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**

12.2. Fixed Assets - Intangible assets

As at 31 March 2017

Particulars	Gross block				Amortisation				Net block
	As at 01 April 2016	Additions	Sales/ adjustments	As at 31 March 2017	Upto 01 April 2016	For the year	Sales/ adjustments	Upto 31 March 2017	As at 31 March 2017
Goodwill	4,512	-	-	**4,512**	4,512	-	-	**4,512**	**-**
License fees	1,192	342	-	**1,534**	1,191	19	-	**1,210**	**324**
Software	3,734	500	-	**4,234**	2,930	394	-	**3,324**	**910**
Total	**9,438**	**842**	**-**	**10,280**	**8,633**	**413**	**-**	**9,046**	**1,234**

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 year	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**

12.3 Capital work in progress

Particulars	As at 31 March 2017	As at 31 March 2016
Consumer premises equipment*	**78,306**	60,091
Other tangible assets	**371**	1,012
Total	**78,677**	61,103

* Includes assets in transit of ₹ 8,778 lacs (previous year ₹ 5,991 lacs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

13. Non-current investments (Unquoted)

	As at 31 March 2017	As at 31 March 2016
Long term investments (at cost, unless specified otherwise)		
Trade investments		
Investments in equity instruments		
Other Investments		
Dr. Subhash Chandra Foundation**	**0**	-
1 (previous year nil) equity shares of ₹ 10, each fully paid up		
(** ₹ 10 as on 31 March 2017, rounded off to ₹ lacs)		
Others		
Certificate of deposit	**15,000**	15,000
Represents deposits with SICOM Limited (a financial institution)		
	15,000	15,000
Aggregate book value of unquoted investments	**15,000**	15,000

14. Deferred tax assets (also refer note 39)

	As at 31 March 2017	As at 31 March 2016
Deferred tax assets on account of:		
Depreciation and amortisation expense	**48,221**	40,690
Provision for:		
- Employee benefits	**871**	625
- Trade receivable doubtful debts	**612**	346
- Provision for bonus expenses	**21**	-
Expenses to be allowed under Income Tax on deduction of TDS	**96**	85
Other expenses to be allowable on payment basis	**1,182**	1,854
Deferred tax assets (net)	**51,003**	43,600

15. Long-term loans and advances

(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016
Capital advances	**6,592**	7,320
Security deposits	**685**	360
Security deposits to related parties	**433**	433
Others:		
Prepaid expenses	**680**	2,115
Income tax [net of provision ₹ 11,569 lac (previous year ₹ 260 lacs)]	**4,969**	4,143
Other taxes paid under protest	**6,760**	2,769
	20,119	17,140

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

16. Other non-current assets

	As at 31 March 2017	As at 31 March 2016
Deposits with banks with maturity period more than 12 months	**37**	274
	37	274

17. Current investments

	As at 31 March 2017	As at 31 March 2016
Non Trade Investment(at cost, unless specified otherwise) Investment in Mutual Funds		
63,906 units (previous year 115,786 units) of DSP BlackRock Liquidity Fund	**1,441**	2,503
23,402,089 units of Kotak Flexi Debt scheme Institutional-Growth (previous year Nil)	**-**	5,700
	1,441	8,203
Aggregate book value of unquoted investments	**1,441**	8,203

18. Inventories

(At the lower of cost and net realisable value)

	As at 31 March 2017	As at 31 March 2016
Stock-in-trade		
- Customer premises equipment related accessories and spares	**1,308**	1,256
	1,308	1,256

19. Trade receivables

(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016
Debts outstanding for a period exceeding six months		
- Considered good	**1,566**	2,740
- Considered doubtful	**1,768**	998
Other debts		
- Considered good	**7,131**	4,506
	10,465	8,244
Less: Provision for doubtful debts	**(1,768)**	(998)
	8,697	7,246

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

20. Cash and bank balances

	As at 31 March 2017	As at 31 March 2016
Cash and cash equivalents		
Balances with banks :		
- in current accounts	**17,041**	6,705
- deposits with maturity of upto 3 months	**86**	384
Cheques, drafts on hand	**199**	1,994
Cash on hand	**7**	10
Other bank balances		
- in current accounts#	**0**	0
- deposits with maturity of more than 3 months##	**11,892**	24,824
	29,225	33,917

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

includes unutilised proceeds of GDR Issue amounting to ₹ 271 lacs (previous year ₹ 12,525 lacs) (refer note 45)

21. Short-term loans and advances

(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016
Loans and advances to related parties [refer note 35c]		
- Security deposits	**1,054**	1,487
- Recoverable from collection agent	**1,502**	629
Others		
- Prepaid expenses	**4,523**	2,617
- Advances to vendors, distributors etc.	**16,519**	9,001
- Customs duty, service tax and sales tax	**3,607**	8,804
- Security deposits	**227**	327
	27,432	22,865

22. Other current assets

	As at 31 March 2017	As at 31 March 2016
Income accrued but not due on fixed deposits	**100**	53
Unamortised borrowing costs and guarantee charges	**434**	1,209
Accrued gains on forward contracts	**-**	1,167
Unamortised premium on forward contracts	**538**	2
Other recoverable*	**48**	0
	1,120	2,431

* ₹ 8,509 for 31 March 2016, rounded off to ₹ Lacs

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

23. Revenue from operations

	For the year ended 31 March 2017	For the year ended 31 March 2016
Income from Direct to Home (DTH) subscribers:		
- Subscription revenue (refer note 31)	**181,398**	195,817
- Infra Support Services	**95,565**	86,938
- Lease rentals	**1,420**	4,056
Teleport services	**2,260**	2,159
Bandwidth charges	**10,579**	10,549
Sales of customer premises equipment (CPE) and accessories	**583**	565
Advertisement income	**5,253**	4,988
Other operating income	**4,381**	922
	301,439	305,994

24. Other income

	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest income from:		
- long-term investments	**1,787**	2,125
- current investments	**-**	-
- fixed deposits/margin accounts	**1,390**	1,372
- others	**179**	772
Foreign exchange fluctuation (net)	**-**	93
Profit on redemption of units of mutual funds (non trade, current)	**531**	334
Liabilities written back	**295**	1,429
Miscellaneous income	**569**	279
	4,751	6,404

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

	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening stock	**1,256**	987
Less: Closing stock	**1,308**	1,256
	(52)	(269)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

26. Operational expenses

	For the year ended 31 March 2017	For the year ended 31 March 2016
Transponder lease	**18,503**	16,177
License fees (refer note 37)	**21,750**	21,748
Uplinking charges	**726**	710
Programming and other costs	**91,765**	85,546
Entertainment tax (refer note 31)	**-**	16,584
Call Center Charges	**8,850**	6,043
Other Operating costs	**731**	4
	142,325	146,812

27. Employee benefits expenses

	For the year ended 31 March 2017	For the year ended 31 March 2016
Salary, bonus and allowance	**13,331**	11,398
Contribution to provident and other funds	**770**	652
Staff welfare	**151**	101
Recruitment and training expenses	**147**	136
	14,399	12,287

28. Finance costs

	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest on:		
- Debentures	**3,630**	3,460
- Term loans from banks	**875**	3,637
- Buyer's credits from banks	**2,224**	1,572
- Regulatory dues	**9,484**	8,212
- Others	**3,688**	1,667
Guarantee and other finance charges	**2,488**	2,325
	22,389	20,873

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

29. Other expenses

	For the year ended 31 March 2017	For the year ended 31 March 2016
Electricity charges	**517**	595
Rent	**929**	897
Repairs and maintenance		
- Plant and machinery	**289**	168
- Consumer premises equipments	**887**	2,249
- Building	**11**	10
- Others	**379**	372
Insurance	**98**	42
Rates and taxes	**372**	87
Legal and professional fees	**2,289**	1,778
Director's sitting fees	**20**	17
Corporate Social Responsibility expenses (refer note 47)	**189**	11
Printing and stationary	**96**	103
Communication expenses	**1,174**	1,091
Travelling and conveyance	**1,489**	1,495
Service and hire charges	**894**	984
Advertisement and publicity expenses	**9,531**	7,934
Business promotion expenses	**4,588**	4,887
Customer support services	**2,031**	2,976
Commission	**14,933**	12,564
Service Fees	**545**	363
Freight, cartage and demurrage	**12**	138
Bad debts and balances written off	**410**	89
Provision for doubfull debts	**770**	922
Foreign exchange fluctuation (net)	**595**	-
Loss on sale/ discard of fixed assets	**1**	2
Loss on sale/ discard of capital work-in-progress	**1,683**	3,009
Miscellaneous expenses*	**1,056**	634
	45,788	43,416

* Includes ₹ 50 lacs contribution to Bharatiya Janata Party during the year ended 31 March 2017

30. Prior period items

	For the year ended 31 March 2017	For the year ended 31 March 2016
Programming and other costs	**321**	-
Salary, bonus and allowance	**253**	-
	574	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

31. With effect from 01 April 2016, the Company has changed its business policy and started recovering entertainment tax from its subscribers and then paying it to the relevant authorities, therefore, entertainment tax has been netted off from subscription revenue.

32. 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 movements therein are set out below:

Particulars	For the year ended 31 March 2017 (Nos.)	For the year ended 31 March 2016 (Nos.)
Options outstanding at the beginning of the year	**455,850**	840,740
Add: Options granted	**803,800**	153,200
Less: Exercised	**104,070**	293,250
Less: Lapsed	**149,620**	244,840
Options outstanding at the end of the year	**1,005,960**	455,850

The following table summarizes information on the share options outstanding as of 31 March 2017:

Particulars	Date of grant	Number of sharesremaining out of options	Remaining contractual life (year)	Exercise price (₹)
Lot 1	21 August 2007	-	-	-
Lot 2	24 April 2008	-	-	-
Lot 3	28 August 2008	1,500	1.41	37.55*
Lot 4	28 May 2009	-	-	-
Lot 5	27 October 2009	-	-	-
Lot 6	26 October 2010	-	-	-
Lot 7	21 January 2011	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	Date of grant	Number of sharesremaining out of options	Remaining contractual life (year)	Exercise price (₹)
Lot 8	20 July 2011	-	-	-
Lot 9	19 July 2012	-	-	-
Lot 10	23 May 2013	77,420	5.65	68.00
Lot 11	26 July 2013	16,000	5.82	57.10
Lot 12	27 May 2014	27,240	6.16	52.90
Lot 13	29 October 2014	-	-	-
Lot 14	20 March 2015	40,000	5.97	79.35
Lot 15	26 May 2015	40,000	6.16	84.90
Lot 16	28 July 2015	-	-	-
Lot 17	23 May 2016	618,800	7.15	93.90
Lot 18	24 March 2017	185,000	7.99	108.15
Options outstanding at the end of the year		1,005,960	7.05#	91.81#

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

Particulars	Date of grant	Number of sharesremaining out of options	Remaining contractual life (year)	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
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#

* 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

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 2017	For the year ended 31 March 2016
Profit for the year	10,928	69,242
Additional compensation cost*	101	46
Profit after additional expenses	10,827	69,196
Decrease in profit rupees per share	0.009	0.004

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

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 2017		As at 31 Mar 2016	
Date of grant	**23 May 2016**	**24 March 2017**	**26 May 2015**	**28 Jul 2015**
Number of options granted	618,800	**185,000**	80,000	73,200
Fair value on grant date (in ₹)	42.97	**48.03**	39.97	55.14
Share price at grant date (in ₹)	93.90	**108.15**	84.90	117.75
Expected volatility (%)	39.14	**38.49**	39.92	39.49
Expected life (no. of years)	5.00	**5.01**	5.01	5.01
Expected dividends (in %)	-	**-**	-	-
Risk-free interest rate (in %) (based on government bonds)	7.36	**6.79**	7.84	7.84

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

Defined contribution plans

An amount of ₹ 712 lacs(previous year ₹ 606 lacs) and ₹ 6 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Changes in present value of obligation		
Present value of obligation as at the beginning of the year	**1,139**	954
Acquisition adjustment	**62**	9
Interest cost	**91**	74
Past Service Cost	**253**	-
Current service cost	**362**	277
Benefits paid	**(103)**	(161)
Actuarial (gain)/loss on obligation	**(105)**	(14)
Present value of obligation as at end of the year	**1,699**	1,139
Short term	**111**	27
Long term	**1,588**	1,112
	1,699	1,139

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Expenses recognized in the Consolidated Statement of Profit and Loss		
Current service cost	**362**	277
Past service cost	**253**	-
Interest cost on benefit obligation	**91**	74
Net actuarial (gain)/loss recognised in the year	**(105)**	(14)
Expenses recognised in the Consolidated Statement of Profit and Loss	**601**	337

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

Particulars	As at 31 March 2017	As at 31 March 2016
Discount rate	**7.35%**	8.00%
Salary escalation rate (per annum)	**10.00%**	10.50%
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

Experience adjustment:-

Particulars	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017
Plan projected benefit obligation (PBO)	832	936	954	1,139	1,699
Plan assets	-	-	-	-	-
Net liability	(832)	(936)	(954)	(1,139)	(1,699)
Experience adjustment on PBO-Gain (Loss)	73	105	233	30	146

Note: There is no provision made for gratuity and compensated absences in Dish TV Lanka (Private) Limited for the year ended 31 Mar 2017 and 31 March 2016.

34. Segmental information

Effective 1 April 2015, Company has reorganized its segment to focus on the core activity of the Company. Consequent to the internal reorganization, Company had hived off its 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, (b) Infra Support Services and (c) Teleport Services.

Particulars	DTH Year ended 31 March 2017	Infra support services Year ended 31 March 2017	Others Year ended 31 March 2017	Unallocated Year ended 31 March 2017	Elimination Year Ended 31 March 2017	Total Year ended 31 March 2017
1. Segment revenue						
External sales	198,176	101,002	2,260	-	-	301,438
Inter segment sales	(4,952)	11,552	-	-	6,600	-
Total revenue	**193,224**	**112,554**	**2,260**	**-**	**6,600**	**301,438**
2. Segment results						
Operating profit/(loss) before interest & tax	25,832	3,166	1,105	-	875	30,978
Interest expenses	-	-	-	(22,389)	-	(22,389)
Interest income	-	-	-	3,723	(367)	3,356
Unallocated Income	-	-	-	1,515	(120)	1,395
Profit / (loss) before tax	**25,832**	**3,166**	**1,105**	**(17,151)**	**388**	**13,340**
Current tax	-	-	-	-	-	10,349
Deferred tax	-	-	-	-	-	(7,403)
Short Provision in earlier years	-	-	-	-	-	(534)
Profit / (loss) after tax	**25,832**	**3,166**	**1,105**	**(17,151)**	**388**	**10,928**
3. Capital employed						
Segment assets	146,395	268,363	1,611	104,722	(95,003)	426,088
Total assets	**146,395**	**268,363**	**1,611**	**104,722**	**(95,003)**	**426,088**
Segment liabilities	173,079	162,780	76	115,064	(73,970)	377,029
Total liabilities	**173,079**	**162,780**	**76**	**115,064**	**(73,970)**	**377,029**
Capital expenditure	13,074	64,288	-	-	-	77,362
Depreciation/amortisation	8,303	58,247	-	-	(243)	66,308
Non-cash expenses	1,161	19	-	-	-	1,180

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	DTH Year ended 31 March 2016	Infra support services Year ended 31 March 2016	Others 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	211,397	92,438	2,159	-	-	305,994
Inter segment sales	11,038	10,943	-	-	(21,981)	-
Total revenue	**222,435**	**103,381**	**2,159**	**-**	**(21,981)**	**305,994**
2. Segment results						
Operating profit/(loss) before interest & tax	35,710	6,852	1,327	-	(468)	43,421
Interest expenses	-	-	-	(20,873)	-	(20,873)
Interest income	-	-	-	4,776	(506)	4,270
Unallocated Income	-	-	-	2,604	(470)	2,134
Profit / (loss) before tax	**35,710**	**6,852**	**1,327**	**13,493**	**(1,444)**	**28,952**
Current tax	-	-	-	-	-	3,310
Deferred tax	-	-	-	-	-	(43,600)
Profit / (loss) after tax	**35,710**	**6,852**	**1,327**	**13,493**	**(1,444)**	**69,242**
3. Capital employed						
Segment assets	110,453	246,313	1,171	114,091	(78,090)	393,938
Total assets	**110,453**	**246,313**	**1,171**	**114,093**	**(78,090)**	**393,938**
Segment liabilities	163,338	127,166	51	123,952	(58,640)	355,867
Total liabilities	**163,338**	**127,166**	**51**	**123,952**	**(58,640)**	**355,867**
Capital expenditure	16,358	207,651	-	-	(129,292)	94,717
Depreciation/amortisation	6,366	52,833	-	-	(128)	59,071
Non-cash expenses	1,011	-	-	-	-	1,011

35. 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 Essel Corporate Resources Private Limited Interactive Finance and Trading Services Private Limited. ITZ Cash Card Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

Enterprises over which key management personnel/ their relatives have significant influence	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 Essel Business Excellence Services 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 2017**		**For the year ended 31 March 2016**	
	Total amount	**Amount for major parties**	**Total amount**	**Amount for major Parties**
(i) With key management personnel	**227**		**93**	
Managerial remuneration#		227		93
(ii) Relative of key management personnel	**119**		**67**	
Remuneration#		119		67
(iii) With other related parties:				
Revenue from operations and other income (net of taxes)	**3,360**		**3,137**	
Zee Entertainment Enterprises Limited		1,500		1,652
ZEE Media Corporation Limited		1,079		1,058
Satnet Private Limited		38		4
Zee Akaash News Private Limited		225		223
Siti Networks Limited		312		-
Other related parties		206		200
Purchase of goods and services	**25,679**		**26,926**	
Zee Entertainment Enterprises Limited		17,859		467
ITZ Cash Card Limited		1,342		1,726
Taj Television (India) Private Limited		3,648		20,257
Cyquator		364		2,922
Essel Business Excellence Services Limited		521		-
Satnet Private Limited		29		27
Other related parties		1,916		1,527
Rent paid	**359**		**349**	
Zee Entertainment Enterprises Limited		305		296
Rama Associates Limited		50		49
Satnet Private Limited		4		4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Total amount	Amount for major parties	Total amount	Amount for major Parties
Rent Received	**4**		**-**	
Satnet Private Limited		4		-
Interest received	**-**		**672**	
Cyquator		-		672
Reimbursement of expenses paid	**521**		**602**	
Zee Entertainment Enterprises Limited		463		528
E-City Bioscope Entertainment Pvt. Ltd.		58		74
Short-term loans and advances made	**531**		**1,994**	
ITZ Cash Card Limited (##₹ 7,741)		##		387
Cyquator		527		1,593
Essel Corporate Resources Private Limited		4		-
E-City Bioscope Entertainment Private Limited (^ ₹ 28,554)		^		12
Other related parties (@ ₹ 8,204)		@		2
Refunds received against short-term loans and advances	**91**		**13,702**	
Cyquator		91		13,700
ITZ Cash Card Limited (& ₹ 43,117)		&		1
Essel Corporate Resources Private Limited		-		1
Other related parties ($ ₹ 8,204)		$		-

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

c) **Balances at the year end:**

Particulars	As at 31 March 2017		As at 31 March 2016	
	Total amount	Amount for major parties	Total amount	Amount for major parties
With related parties:				
Short-term loans and advances	**1,502**		**1,062**	
ITZ Cash Card Limited		386		386
Cyquator		1,098		663
E-City Bioscope Entertainment Private Limited		13		12
Essel Corporate Resources Private Limited		4		-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	As at 31 March 2017		As at 31 March 2016	
	Total amount	Amount for major parties	Total amount	Amount for major parties
Interactive Financial & Trading Services Private Limited		1		1
Security deposit given	**1,487**		**1,487**	
Rama Associates Limited		1,000		1,000
Essel Business Excellence Services Limited		433		433
Other related parties		54		54
Trade payables	**1,054**		**2,739**	
Zee Entertainment Enterprises Limited		488		371
Taj Television (India) Private Limited		-		1,646
Satnet Private Limited		2		2
Essel Business Excellence Services Limited		222		-
Cyquator		-		-
Other related parties		342		720
Trade receivables	**1,927**		**1,378**	
ATL Media Limited (Formerly known as Asia Today Limited)		115		21
Zee Media Corporation Limited		1,027		678
Zee Entertainment Enterprises Limited		377		405
Maurya TV Private Limited		-		215
Zee Akaash News Private Limited		59		59
Other related parties		348		-

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

As at 31 March 2017, personal guarantees by key managerial personal amounting to ₹ 30,000 lacs (previous year ₹ 30,000 lacs) are outstanding as at the year end.

36. 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 69months. The details of lease rental charges in respect of assets taken on operating leases are as under:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Lease rental charges during the year (net of shared cost)	**17,685**	16,238
Sub-lease payment received (being shared cost)	**898**	889

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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	As at 31 March 2017	As at 31 March 2016
Gross value of assets	**35,112**	35,048
Accumulated depreciation	**31,320**	20,696
Net block	**3,792**	14,352
Depreciation for the year	**10,624**	20,696

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 2017	For the year ended 31 March 2016
Lease rental income recognised during the year	**1,420**	4,057

Particulars	Total future minimum lease rentals receivable as at 31 March 2017	Total future minimum lease rentals receivable as at 31 March 2016
Within one year	**299**	1,420
Later than one year and not later than five years	**137**	436

37. a) The Company has been making payment of license fee to the Ministry of Information and Broadcasting considering the present legal understanding. However, in view of the ongoing dispute (refer note 'b' below), 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 2017	As at 31 March 2016
Opening provision	**119,271**	105,047
Add: Created during the year	**30,415**	29,201
Less: Utilised during the year	**9,946**	14,977
Closing provision	**139,740**	119,271

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'.

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 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. The matter is pending before the TDSAT.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

38. Earningsper share

Reconciliation of basic and diluted shares used in computing earnings per share

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit for the year attributable to equity shareholders	**10,928**	69,242
Nominal value of equity share (in ₹)	**1**	1
Total number of equity shares outstanding at the beginning of the year	**1,065,864,835**	1,065,571,585
Total number of equity shares outstanding at the end of the year	**1,065,968,905**	1,065,864,835
Weighted-average number of equity shares	**1,065,899,406**	1,065,746,554
Basic earnings per share (in ₹)	**1.03**	6.50
Nominal value of equity share (in ₹)	**1**	1
Weighted-average number of equity shares used to compute diluted earnings per share	**1,065,938,279**	1,065,855,997
Diluted earnings per share (in ₹)	**1.03**	6.50

39. Deferred tax assets (net)

Deferred tax in Dish T V Lanka (Private) Limited,one of the subsidiary company, 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 taxable profit will be available against which the Company can utilise the benefit thereon since commercial operation has commenced from current year ended 31 March 2017 only and the subsidiary company is still making losses.

40. Foreign currency transactions

a) In accordance with the Accounting Standard 11 (AS-11) and related notifications, the foreign currency exchange gain of ₹ 104 lacs (previous year loss of ₹ 3,550 lacs) has been adjusted in the value of fixed assets and the foreign currency exchange gain of ₹ 112 lacs (previous year ₹ 112 lacs) in the capital work in progress.

b) i) The Group has outstanding derivative/forward contracts of US Dollars 1,186 lacs (previous year US Dollar 766 lacs) which will be settled at future date. These derivative contracts are for the repayment of Buyers' 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:

(Amount in ₹ lacs)

Particulars	As at 31 March 2017					
	Amount in AUD	Amount in ₹	Amount in EURO	Amount in ₹	Amount in USD	Amount in ₹
Balances with bank	-	-	-	-	4	271
Loans and advances given	#	1	@	4	240	15,094
Receivables	-	-	-	-	62	4,044
Loans and borrowings#	-	-	-	-	212	13,776
Advances/ deposits received	-	-	-	-	1	57
Trade Payable	-	-	-	-	1	81
Other Current Liabilities	-	-	-	-	193	13,172

Amount in AUD 1,322 rounded off to lacs

@ Amount in EURO 6,202 rounded off to lacs

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

(Amount in ₹ lacs)

Particulars	As at 31 March 2016					
	Amount in AUD	Amount in ₹	Amount in EURO	Amount in ₹	Amount in USD	Amount in ₹
Balances with bank	-	-	-	-	189	12,525
Loans and advances given	*	1	1	92	5	279
Receivables	-	-	-	-	62	4,102
Loans and borrowings#	-	-	-	-	393	26,040
Advances/ deposits received	-	-	-	-	1	58
Trade Payable	-	-	-	-	122	8,118
Other Current Liabilities	-	-	-	-	370	24,540

includes interest accrued

* Amount in AUD 1,322

41. Contingent liabilities, litigations and commitments

a) Claims against the Company (including unasserted claims) not acknowledged as debt:

Particulars	As at 31 March 2017	As at 31 March 2016
Income-tax	**313**	362
Sales tax, value added tax and entry tax	**6,505**	4,733
Customs duty	**109**	795
Service tax*	**7,195**	7,195
Wealth tax	**1**	2
Entertainment tax	**14,319**	11,069
Other claims	**485**	489

* Penalty, if any, levied on conclusion of this matter is currently not ascertainable.

Other than above, the Company has certain litigations involving customers and based on the legal advise of in-house legal team, the management believe that no material liability will devolve on the Company in respect of these litigations.

Income tax

In earlier years, the Company had received demand notices for TDS and interest thereon amounting to ₹ 760 lacs (excluding penalty levied amounting ₹ 16 lacs) 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 demand received the Company had made payment under protest of ₹ 726 lacs out of which ₹ 141 lacs had been paid in the FY 2015-16 and ₹ 39 lacs has been paid in the year ended 31 March 2017 and remaining was paid in the previous years. Further, the amount paid under protest, as a matter of abandoned caution, based on management estimate has been provided for in the books. Accordingly, the remaining amount ₹ 34 lacs has been included under the head contingent liabilities above. However, the Company has disputed all these matters and filed appeal against the above said demands with the tax authorities.

Further, for the assessment year 2004-05, in case of Siti Cable Network Limited (now merged with the Company), demand under section 271(1)(c) amounting ₹ 263 lacs on account of additions of loans and advances and bandwidth charges has been raised by assessing officer vide order dated 29 March 2016. The Company has preferred an appeal before higher appellate authorities on 29 April 2016 and same is pending for disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

Sales tax, value added tax, entry tax, service tax, entertainment tax and other claims

The Company has received notices/ assessment orders in relation to applicability of above-mentioned taxes. The Company has contested these notices at various Appellate Forums / Courts and the matter is subjudice.

Based on the advice from independent tax experts, and development on the appeals, the Company is confident that the additional tax so demanded will not be sustained on the completion of appellate proceedings and accordingly, pending the decisions by the appellate authorities, no provision has been made in these financial statements.

b) Commitments

Particulars	As at 31 March 2017	As at 31 March 2016
Estimated amount of contracts remaining to be executed on capital account	**85,407**	75,778

c) Others

i) During the year, the Delhi High Court (HC) passed an order retraining the Company from operation in MENA (Middle east and North Africa) region, on a plea brought by the UAE-based company Gulf DTH FZ, about copyright infringement by Dish TV in the region. An application for interim stay filed by Gulf DTH FZ LLC has been allowed by the Single Judge bench of High Court vide its order dated 30 August 2016 which is further confirmed by Division Bench of High Court. The Company has filed appeals against the said order and same is pending for disposal. Based on management's assessment and independent expert's advice, the Company believes no significant claim will devolve upon the Company and no provision has been recognised.

ii) The Company's DTH license was valid upto 30 September 2013. Ministry of Information and Broadcasting (MIB) has been extending the validity of the DTH License on yearly basis and as per the letter dated 31 March 2017of the MIB, the DTH License is valid upto 31 December 2017.

iii) Management believes that it is appropriate to prepare these financial statements on a going concern basis considering available resources, current level of operations of the Company, and those projected for foreseeable future.

iv) 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.

42. Auditors' remuneration

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
As auditors* (excluding service tax)		
- Statutory audit	**46**	51
- Limited review of quarterly results	**21**	21
- Certifications	**8**	5
- Reimbursement of expenses	**4**	1
Total	**79**	78

* Disclosed only for statutory auditors of holding company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

43. 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	27,307	56	16,269	149
Indian subsidiary				
Dish Infra Services Private Limited	40,355	82	(2,432)	(22)
Foreign subsidiary				
Dish T V Lanka (Private) Limited	(6,483)	(13)	(3,539)	(32)
Joint Venture				
C&S Medianet Private Limited (# ₹43,603, ## 0.0009% and ### 0.0008%)	0	0	(1)	0
Intra group elimination	(12,120)	(25)	631	5
Grand Total	**49,059**	**100**	**10,928**	**100**

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 2017	For the year ended 31 March 2016
Profit for the year	**10,928**	69,242
Profit attributable to owners of the Group	**10,928**	69,242
Profit attributable minority interests	**-**	-
Total	**10,928**	69,242

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:

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*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(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 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 2017, 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 518,130,477) equity shares; and ₹ 41,450 lacs (previous years ₹ 41,450 lacs) towards the second and final call money on 518,115,215 (previous year 518,115,094) equity shares.

The Company has also received ₹ 0.42 Lacs (previous year ₹ 0.42 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 ₹ 113,989 lacs) is as under. The monitoring agency, IDBI Bank Limited, has issued its report dated 25th January 2016 on utilization of the Rights Issue proceeds upto 31 December 2016.

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

Particulars	Upto 31 March 2017	Upto 31 March 2016
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**	34,723
Acquisition of Consumer Premises Equipment (CPE)	**26,000**	26,000
Right issue expenses	**545**	545
Total money utilized	**113,989**	113,989

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, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

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 ₹ 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 2017	Upto 31 March 2016
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	**51,101**	38,459
Total (A)	**59,927**	47,285
Unutilised amount lying with:		
Balance with bank in fixed deposit in foreign currency	**271**	12,525
Total (B)	**271**	12,525
Total (A+B)	**60,198**	59,810

46. During the financial 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
Gross proceeds received from the issue of Debentures	₹ 10,000 lacs

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

Particulars	As at 31 March 2017	As at 31 March 2016
Amount utilised till year end	**10,000**	2,625
Amount un-utilised at year end	**-**	7,375

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

47. In accordance with the provisions of Section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility ('CSR') Committee. In terms with the provisions of the said Act, the Company was to spend a sum of approx ₹ 189 lacs during the year ended 31 March 2017 (previous year Nil) towards CSR activities. The details of amount actually paid by the Company are:

Particulars	Amount Paid	Amount yet to be paid	Total
31 March 2017			
Donation paid for the purposes:			
Measures for the benefit of armed forces veterans, war widows and their dependents.	19	-	19
Education	170	-	170

48. Information pursuant to G.S.R. 308(E) dated 30 March 2017 issued by Ministry of Corporate Affairs.

(a) Deposited by the Group

(Amount ₹ in absolute figure)

Particulars	Specified bank notes (SBN) (₹)	Other denomination (₹)	Total (₹)
Closing cash in hand as on 08.11.2016#	475,500	155,451	630,951
(+) Permitted receipts	7,000@	2,365,833	2,372,833
(-) Permitted payments	-	1,685,524##	1,685,524
(-) Amount deposited in Banks#	482,500	-	482,500
Closing cash in hand as on 30.12.2016	-	835,760	835,760

₹ 475,500 under SBN includes imprest amount of ₹ 189,500 in closing balance as at 8 November 2016 in Dish Infra Services Private Limited (Dish Infra, one of the subsidiary of Company).

@ Include SBNs aggregating to ₹ 7,000 lying with employees of the Company as at 8 November 2016, which were subsequently returned to the Company and deposited into the bank account of the Company.

₹ 1,685,524 under other denomination includes imprest amount of ₹ 189,500 to staff in Dish Infra.

(b) Deposited directly by the distributors into Dish Infra's bank accounts during the period 8 November 2016 to 30 December 2016

(Amount ₹ in absolute figure)

Particulars	Specified bank notes (SBN) (₹)	Other denomination (₹)	Total (₹)
Closing cash in hand as on 08.11.2016	-	-	-
Cash of the distributors & customers with them**	25,073,000	50,746,380	75,819,380
(-)Amount deposited in company's Banks directly by distributors & customers**	25,073,000	50,746,380	75,819,380
Closing cash in hand as on 30.12.2016	-	-	-

** ₹75,819,380 were directly deposited by customers in to the bank account of the Dish Infra during the period 8 November 2016 to 30 December 2016, out of these ₹ 25,073,000 were in SBN, as detailed herein above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts in ₹ lacs, unless stated otherwise)

49. 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
Chartered Accountants

per Sumit Mahajan
Partner

Place: Noida
Dated: 24 May, 2017

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

Jawahar Lal Goel
Chairman & Managing Director
DIN: 00076462

B. D. Narang
Director
DIN: 00826573

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary
Membership No: A15442

Place: Noida
Dated: 24 May, 2017

Dish TV India Limited

Financial Statements

31 March 2016

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
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Rajeev K. Dalmia
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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

(All amounts in ₹ lacs, unless stated otherwise)

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 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:

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year	Nos.	Nos.
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 doubtful 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		2		&
(& ₹ 7,730)				
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 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 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.

(All amounts in ₹ lacs, unless stated otherwise)

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**

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

(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:

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

(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,

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

(All amounts in ₹ lacs, unless stated otherwise)

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

Videocon d2h Limited

Unaudited Interim Financial Statement

for the period ended 30 September 2017

Videocon d2h Limited

Earning Release for the quarter ended September 30, 2017

Particulars	Three months ended (Unaudited)			Six months ended (Unaudited)		Year ended (Audited)
						. in Millions
	Sept 30, 2017	June 30, 2017	Sept 30, 2016	Sept 30, 2017	Sept 30, 2016	Mar 31, 2017
INCOME						
Revenue from operations	8,345.67	7,725.77	7,761.61	16,071.44	15,394.12	30,717.34
	8,345.67	**7,725.77**	**7,761.61**	**16,071.44**	**15,394.12**	**30,717.34**
EXPENSE						
Operating expense	4,391.36	4,141.64	4,052.36	8,533.00	8,046.70	16,191.51
Employee benefits expense	240.25	277.15	315.35	517.40	637.66	1,288.53
Administration and other expenses	276.07	208.32	182.50	484.39	360.68	815.42
Selling and distribution expenses	632.65	613.55	607.25	1,246.20	1,247.15	2,349.31
Depreciation, amortization and impairment	1,816.31	1,792.85	1,685.41	3,609.16	3,395.98	6,866.09
Total Expenses	**7,356.64**	**7,033.51**	**6,842.87**	**14,390.15**	**13,688.17**	**27,510.86**
Profit / (Loss) from operations	**989.03**	**692.26**	**918.74**	**1,681.29**	**1,705.95**	**3,206.48**
Finance (costs) / Finance Income (Net)	(762.83)	(677.65)	(717.43)	(1,440.48)	(1,475.99)	(2,815.88)
Other Income	16.57	2.88	9.49	19.45	18.86	52.70
Profit / (loss) before tax	**242.77**	**17.49**	**210.80**	**260.26**	**248.82**	**443.30**
Income tax expense						
Current tax	—	—	—	—	—	—
Deferred tax charge / (credit)	75.01	5.41	63.22	80.42	74.64	138.88
Profit / (Loss) after tax	**167.76**	**12.08**	**147.58**	**179.84**	**174.18**	**304.42**
Basic earning per share in . (Not annualized)*	**0.39**	**0.03**	**0.35**	**0.42**	**0.41**	**0.72**
Diluted earning per share in . (Not annualized)*	**0.37**	**0.03**	**0.32**	**0.39**	**0.38**	**0.68**
	*	*	*	*	*	

Videoconon d2h Limited - Financial Statements
(All amounts are in INR Million)
Statement of Financial Position

Particulars	As At Sept 30, 2017 (Unaudited)	As At March 31, 2017 (Audited)
Assets		
Non-current Assets		
Property, Plant and equipment & Capital Work-in-Progress	25,412.69	26,102.54
Intangible Assets	800.13	849.37
Other Financial Assets	2,830.82	2,701.81
Other Non-Financial Assets	104.73	105.57
Deferred Tax Assets (Net)	7,866.29	7,946.71
Total non-current assets	**37,014.66**	**37,706.00**
Current Assets		
Inventories	295.11	380.85
Trade Receivables	1.39	1.40
Other Financial Assets	3,905.95	3,714.90
Other Non-Financial Assets	678.25	916.77
Cash and cash equivalents	487.29	661.83
Total current assets	**5,367.99**	**5,675.75**
Total Assets	**42,382.65**	**43,381.75**
Equity		
Share Capital	4,249.98	4,209.66
Share Premium	21,478.58	21,517.31
Retained earnings	(17,738.48)	(17,918.32)
Total Equity	**7,990.08**	**7,808.65**
Liabilities		
Non-current Liabilities		
Long-term borrowings	163.48	235.84
Other Non-Financial Liabilities	2,164.82	2,365.13
Post employment benefits	45.27	85.32
Others employment benefits	30.42	34.36
Total non-current liabilities	**2,403.99**	**2,720.65**
Current Liabilities		
Short-term borrowings	460.00	—
Trade Payable	5,098.36	5,058.26
Other Non-Financial Liabilities	6,917.87	7,420.70
Other Financial Liabilities	19,488.46	20,343.75
Post employment benefits	19.68	20.88
Others employment benefits	4.21	8.86
Total current liabilities	**31,988.58**	**32,852.45**
Total Liabilities	**34,392.57**	**35,573.10**
Total equity and liabilities	**42,382.65**	**43,381.75**

Videocon d2h Limited

Financial Statements

31 March 2017

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of

Videocon d2h Limited
(formerly known as Bharat Business Channel Limited)

We have audited the accompanying statement of financial position of **Videocon d2h Limited (formerly known as Bharat Business Channel Limited) (the "Company")** as of March 31, 2016 and 2017 and the related income statement, statement of changes in equity and cash flows for the three year period ended March 31, 2017.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statement in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board ('IFRS') and for such internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Videocon d2h Limited as at March 31, 2016 and 2017 and the related income statement, statement of changes in equity and cash flows for the three year period ended March 31, 2017 in conformity with IFRS.

Other matter

(a) As discussed in Note 2 to the financial statement, the Company has accumulated losses amounting to INR 17,918.32 million as at March 31, 2017, resulting into substantial erosion of its net worth. The management is confident of meeting its funds requirements in the future and generating cash flow from business operations through increasing its subscriber's base. Accordingly, the financial statement has been prepared on going concern basis. The financial statement does not include the adjustments that would result if the Company was unable to continue as a going concern.

(b) As discussed in Note No. 32 to the financial statements. The Board of Directors of the Company has approved a scheme of arrangement for amalgamation of the Company with Dish TV India Limited and the execution of definitive agreements in relation to such amalgamation. The merged entity will be renamed as Dish TV Videocon Limited and shall continue to be listed on the National Sock Exchange of India and the BSE Limited in India. The proposed scheme of arrangement for amalgamation has received the approval of Competition Commission of India. The Company has also filed application with National Company Law Tribunal (NCLT) and the shareholders have voted in favor of the scheme of arrangement of amalgamation with requisite majority in their meeting held on May 8, 2017.

Khandelwal Jain & Co.
Chartered Accountants

Place : Mumbai, India
Date : May 29, 2017

Videocon d2h Limited – Financial Statements
(All amounts are in INR Million, unless otherwise stated)

Income Statement

Particulars	Note	For the year ended March 31, 2017 (□ in Million)	March 31, 2016 (□ in Million)	March 31, 2015 (□ in Million)
INCOME				
Revenue from operations	7	30,717.34	28,558.62	23,377.08
		30,717.34	**28,558.62**	**23,377.08**
EXPENSE				
Operating expense	9	16,191.51	16,492.80	13,853.05
Employee benefits expense	10	1,288.53	1,207.31	1,023.28
Administration and other expenses	11	815.42	704.51	688.04
Selling and distribution expenses	12	2,349.31	2,258.84	1,856.32
Depreciation, amortization and impairment	16&17	6,866.09	6,088.42	5,286.82
Total Expenses		**27,510.86**	**26,751.88**	**22,707.51**
Profit / (Loss) from operations		**3,206.48**	**1,806.74**	**669.57**
Finance costs / Finance Income (Net)	13	(2,815.88)	(3,142.83)	(4,614.22)
Other Income	8	52.70	36.64	0.08
Profit / (loss) before tax		**443.30**	**(1,299.45)**	**(3,944.57)**
Income tax expense				
Current tax	14	—	—	—
Deferred tax	14	138.88	(377.40)	(1,217.93)
Profit / (Loss) after tax		**304.42**	**(922.05)**	**(2,726.64)**
Basic earning per share in □	15	**0.73**	**(2.21)**	**(10.26)**
Diluted earning per share in □	15	**0.68**	**(2.21)**	**(10.26)**

Videocon d2h Limited – Financial Statements
(All amounts are in INR Million, unless otherwise stated)

Statement of Financial Position

Particulars	Note	As at March 31, 2017 (□ in Million)	As at March 31, 2016 (□ in Million)
Assets			
Non-current Assets			
Property, Plant and equipment & Capital Work-in-Progress	16	26,102.54	26,680.84
Intangible Assets	17	849.37	888.10
Other Financial Assets	20	2,701.81	2,054.56
Other Non-Financial Assets	20	105.57	107.25
Deferred Tax Assets (Net)	14	7,946.71	8,085.59
Total non-current assets		**37,706.00**	**37,816.34**
Current Assets			
Inventories	18	380.85	400.23
Trade Receivables	19	1.40	2.79
Other Financial Assets	20	3,714.90	5,547.82
Other Non-Financial Assets	20	916.77	1,481.61
Cash and cash equivalents	21	661.83	1,428.69
Total current assets		**5,675.75**	**8,861.14**
Total Assets		**43,381.75**	**46,677.48**
Equity			
Share Capital		4,209.66	4,163.60
Share Premium		21,517.31	21,147.28
Retained earnings		(17,918.32)	(18,222.75)
Other reserves		—	147.51
Total Equity		**7,808.65**	**7,235.64**
Liabilities			
Non-current Liabilities			
Long-term borrowings	22	235.84	5.37
Other Non-Financial Liabilities	23	2,365.13	2,739.59
Post-employment benefits	24	85.32	53.04
Others employment benefits	25	34.36	31.45
Total non-current liabilities		**2,720.65**	**2,829.45**
Current Liabilities			
Short-term borrowings	22	—	—
Trade Payable	23	5,058.26	5,602.86
Other Non-Financial Liabilities	23	7,420.70	7,383.24
Other Financial Liabilities	23	20,343.75	23,621.79
Post-employment benefits	24	20.88	0.80
Others employment benefits	25	8.86	3.70
Total current liabilities		**32,852.45**	**36,612.39**
Total Liabilities		**35,573.10**	**39,441.84**
Total equity and liabilities		**43,381.75**	**46,677.48**

Videocon d2h Limited – Financial Statements
(All amounts are in INR Million, unless otherwise stated)

Statement of Cash flows

	March 31, 2017 (□ in Million)	March 31, 2016 (□ in Million)	March 31, 2015 (□ in Million)
Cash flows from operating activities			
Profit before Tax	**443.30**	**(1,299.45)**	**(3,944.57)**
Adjustments for:			
Depreciation, Amortization and Impairment	6,866.09	6,088.42	5,286.82
Finance Costs	3,184.14	3,867.31	4,716.75
Interest Income	(368.26)	(724.48)	(102.53)
Employee benefits expenses	60.45	11.96	24.16
Share based payment	108.25	117.77	29.74
Operating cash flow before changes in assets and liabilities	**10,293.97**	**8,061.53**	**6,010.37**
Decrease/(increase) in inventories	19.37	(58.98)	(24.12)
Decrease/(increase) in trade receivables	1.39	(1.16)	2.61
Decrease/(increase) in other financial and non-financial assets	1,775.90	(4,219.82)	(244.64)
Increase/(decrease) in trade payable	(544.60)	1,264.83	2,134.17
Increase/(decrease) in other financial and non-financial liabilities	(533.30)	(285.07)	1,228.81
Cash generated from operations	**11,012.73**	**4,761.33**	**9,107.20**
Income tax paid	23.72	33.84	(0.67)
Net cash inflow from operating activities	**10,989.01**	**4,727.49**	**9,107.87**
Cash flows from investing activities			
Purchase of intangible assets	(184.00)	(41.83)	(55.10)
Property, Plant and equipment & Capital Work-in-Progress	(6,086.54)	(7,227.96)	(7,597.34)
Decrease in Capital Work-in-Progress & Disposal of Property, Plant and equipment	21.46	0.42	3.17
Interest Income	368.26	724.48	102.53
Net cash flow from investing activities	**(5,880.82)**	**(6,544.89)**	**(7,546.74)**
Cash flows from financing activities			
Increase in Equity Share Capital	32.07	233.60	1,510.00
Share Premium Received	128.27	(233.60)	15,540.88
Proceeds from borrowings	2,500.00	2,750.00	8,163.82
Repayment of borrowings	(5,351.25)	(5,525.37)	(12,355.20)
Interest & other borrowing costs paid	(3,184.14)	(3,867.31)	(4,716.75)
Net cash flow from financing activities	**(5,875.05)**	**(6,642.68)**	**8,142.75**
Net increase/(decrease) in cash and cash equivalents during the year	(766.86)	(8,460.08)	9,703.87
Cash and cash equivalents at beginning of the financial year	1,428.69	9,888.77	184.90
Cash and cash equivalents at end of the financial year	**661.83**	**1,428.69**	**9,888.77**

Videocon d2h Limited - Financial Statements
(All amounts are in INR Million)

Notes to Financial Statements for the year ended March 31, 2017

Statement of Changes in Equity

(₹ in Million)

	Called up share capital	Share premium	Share Application Money	Retained earnings	Share based payment Reserve	Total
Balance as at March 31, 2014	**2,420.00**	**5,840.00**	—	**(14,574.06)**	—	**(6,314.06)**
ESOP 2014 plan	—	—	—	—	29.74	29.74
Additional Issued	1,510.00	15,540.88		—	—	17,050.88
Loss for the year	—	—	—	(2,726.64)	—	(2,726.64)
Balance as at March 31, 2015	**3,930.00**	**21,380.88**	—	**(17,300.70)**	**29.74**	**8,039.92**
Bonus shares issued during the year	233.60	(233.60)	—	—	—	—
Loss for the year	—	—	—	(922.05)	—	(922.05)
ESOP 2014 plan	—	—	—	—	117.77	117.77
Issued during the year to ESOP Trust	37.05	—	—	—	—	37.05
Treasury shares	(37.05)	—	—	—	—	(37.05)
Balance as at March 31, 2016	**4,163.60**	**21,147.28**	—	**(18,222.75)**	**147.51**	**7,235.64**
Received / transferred during the year	14.00	370.03	—	—	94.25	478.29
Profit for the year	—	—	—	304.42	—	304.42
ESOP 2014 plan	32.06	—	—	—		32.07
Utilized during the year	—	—	—	—	(241.76)	(241.76)
Balance as at March 31, 2017	**4,209.66**	**21,517.31**	—	**(17,918.32)**	—	**7,808.65**

Share Capital

Particulars	As at March 31, 2017		As at March 31, 2016	
	No of Shares (in Nos)	Value (₹ in Million)	No of Shares (in Nos)	Value (₹ in Million)
Authorized shares *(Equity Shares of ₹ 10/- each)*	500,000,000	5,000.00	500,000,000	5,000.00
Ordinary shares of ₹ 10 allotted , issued and fully paid	416,359,600	4,163.60	392,999,600	3,930.00
Bonus shares issued during the year	—	—	23,360,000	233.60
Sweat equity shares issued during the year	1,400,000	14.00	—	—
Issued to ESOP Trust	3,705,000	37.05	3,705,000	37.05
Ordinary Shares of Rs 10 allotted, issued	**421,464,600**	**4,214.65**	**420,064,600**	**4,200.65**
Treasury Shares	(498,347)	(4.98)	(3,705,000)	(37.05)
As at March 31	**420,966,253**	**4,209.66**	**416,359,600**	**4,163.60**

a) The company, under ESOP Plan 2014, has given an option to its eligible employees entitling upto 4,000,000 equity shares. Each option pursuant to the ESOP Plan 2014 entitles the grantees to apply for one equity share. The exercise price is ₹ 50 per option. So far the company has granted option of 3,705,000 equity shares and the grant is administered by ESOP Trust named Videocon d2h Employee Welfare Trust. The Company has allotted these number of shares to ESOP Trust pursuant to shareholders consent in Extra Ordinary General Meeting held on September 25, 2015. Out of 3,705,000 shares, 3,238,353 options have been granted to, accepted by and vested in employees of the company. Employees' stock options for remaining 466,647 shares have not been granted and further in terms of Scheme of arrangement of amalgamation ('Scheme") with Dish TV India Limited will not be granted from the date of board's approval of the Scheme Till March 31, 2017, the trust has issued 3,206,653 nos of equity shares of the Company to its eligible employees who exercised the Stock Option and paid the exercise price

b) In terms of Contribution agreement entered into between company and Silver Eagle Acquisition Corporation and pursuant to achievement of initial performance hurdle in terms of ADSs price target;

(i) The Board of Directors of the Company, at their meeting held on January 30, 2017, allotted 1,400,000 equity shares to Mr Saurabh P Dhoot by way of sweat equity.

(ii) Issuance of 999,996 earn out ADSs equivalent to 3,999,984 equity shares by way of bonus to Deutsche Bank Trust Company Americas, the Depository for the benefit of Global Eagle Acquisition LLC, the Sponsor in terms of Article of Association of the Company is pending for regulatory process completion. The company had obtained the consent of Shareholders by passing an ordinary resolution in Extra Ordinary General Meeting held on September 25, 2015 for the same.

Notes to Financial Statements for the year ended March 31, 2017

1. Corporate information

Videocon d2h Limited is a limited company incorporated and domiciled in India under the Companies Act, 1956 of India. The name of the Company was changed from Bharat Business Channel Limited to the current name now, Videocon d2h Limited on July 1, 2014. The registered office is located at Auto Cars Compound, Adalat Road, Aurangabad, 431005, Maharashtra, India.

The company is engaged in the business of providing Direct to Home (DTH) services to its subscribers. The company has entered into a license agreement with the Ministry of Information and Broadcasting to provide DTH services in India. The DTH services are rendered to the subscribers through Consumer Premises Equipment (CPE) used for receiving and broadcasting DTH signals at subscriber's premises.

2. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards ('IFRS') and IFRIC interpretations, as issued by the International Accounting Standards Board. These financial statements have been prepared under the historical cost convention, as modified by financial assets /financial liabilities at fair value through statement of Income.

These financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at March 31, 2017. The policies set out below have been consistently applied to all the years presented.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 & 5. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The financial statements provide comparative information in respect of the previous periods. In addition, the company presents an additional statement of financial position at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

The Company has accumulated losses amounting to ₹17,918.32 mn as at March 31, 2017. The Company's ability to continue as a going concern depends on its ability to fund its operating and capital expenditure requirements. Further the management is confident of mobilizing necessary resources for continuing the operations and generating cash flow from business operations by increasing subscribers' base. Accordingly, these financial statements have been prepared on a going concern basis.

(All amounts are in INR Million)

Notes to Financial Statements for the year ended March 31, 2017

3. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company.

The following new standards or interpretations have not been applied for the year ended 31st March 2017.

STANDARDS OR INTERPRETATIONS	EFFECTIVE DATE
IFRS 9 – Financial Instruments	1 January 2018
IFRS 15 – Revenue from contacts with Customers	1 January 2018
IFRS 16 – Leases	1 January 2019

IFRS 9 *Financial Instruments*

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16 - Leases which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous leases standard, IAS 17 - Leases. IFRS 16, which is not applicable to service contracts, but only applicable to leases or lease components of a contract, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. IFRS 16 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by IAS 17 and instead, introduces a single lessee accounting model whereby a lessee is required to recognize assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognize depreciation of leases assets separately from interest on lease liabilities in the income statement. As IFRS 16substantially carries forward the lessor accounting requirements in IAS 17, a lessor will continue to classify its leases as operating leases or finance leases and to account for those two types of leases differently. IFRS 16 is effective from January 1, 2019, with early adoption allowed only if IFRS 15 - Revenue from Contracts with Customers is also adopted.

Amendments:

In June 2016, the IASB issued amendments to IFRS 2 - *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments, which were developed through IFRIC, provide requirements on the accounting for (i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, (ii) share-based payment transactions with a net settlement feature for withholding tax obligations and (iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are effective prospectively from January 1, 2018, with earlier or retrospective application permitted.

Notes to Financial Statements for the year ended March 31, 2017

We do not expect a material impact to our Financial Statements or disclosures upon adoption of the amendments.

In September 2016, the IASB published "Applying IFRS 9, *Financial Instruments* with IFRS 4, *Insurance Contracts*" (Amendments to IFRS 4). The amendments provide two options for entities that issue insurance contracts within the scope of IFRS 4: (i) an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets (the "overlay approach") and (ii) an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4 (the "deferral approach"). An entity would apply the overlay approach retrospectively to qualifying financial assets when it first applies IFRS 9. An entity would apply the deferral approach for annual periods beginning on or after January 1, 2018. The deferral can only be used for the three years following January 1, 2018. The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

We are currently evaluating the implementation method and the effect of adoption on our Financial Statements.

In December 2016, the IASB issued Annual Improvements to IFRS Standards 2014–2016 Cycle which has amendments to three Standards: IFRS 12 - *Disclosure of Interests in Other Entities* (effective date of January 1, 2017), IFRS 1- *First-time Adoption of International Financial Reporting Standards* (effective date of January 1, 2018) and IAS 28 - *Investments in Associates and Joint Ventures* (effective date of January 1, 2018).

The amendments clarify, correct or remove redundant wording in the related IFRS Standard and are not expected to have a material impact to our Financial Statements or disclosures upon adoption of the amendments

In December 2016, the IASB issued IFRIC Interpretation 22 - *Foreign Currency Transactions and Advance Consideration* which addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency. The interpretation is effective January 1, 2018.

We do not expect a material impact to our Financial Statements upon adoption of the interpretation.

Notes to Financial Statements for the year ended March 31, 2017

4. Significant accounting policies:

4.1 Intangible assets

Intangible Assets which includes License Fees, Computer Software, Technical Know-how and Trade Mark / Brand, are measured at cost of acquisition and are stated at cost less accumulated amortization and impairment, if any. Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised

a) License fees

Acquired licenses are initially recognised at cost. Subsequently, license fees are measured at cost less accumulated amortisation and accumulated impairment loss, if any.

Amortisation period for license fees is determined primarily by reference to the unexpired license period. Amortisation is charged to the income statement on a straight-line basis over the period of license. The useful life of license is 10 years.

b) Computer software

Computer software comprises of computer softwares purchased from third parties. Computer software licenses are capitalised on the basis of all the costs incurred to acquire and bring into use the specific purpose.

Software integral to a related item of hardware equipment is accounted for as property, plant and equipment. Costs associated with maintaining computer software programs are recognised as an expense when they are incurred.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives from the date the software is available for use. The useful economic life is estimated at 5 years.

c) Trademarks / Brand / Technical know-how and Designs

Trademark / Brand / Technical know-how and Designs are measured at cost and are amortised on straight line basis over its useful life which is the shorter of the license term and the useful economic life. The useful economic life is estimated at 10 years.

4.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation/amortization and impairment loss, if any. The cost is inclusive of freight, installation cost, duties, taxes, borrowing cost and other incidental expenses for bringing the asset to its working conditions for its intended use but net of CENVAT and Value Added Tax, wherever input credit is claimed.

Notes to Financial Statements for the year ended March 31, 2017

When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All other repair and maintenance costs are recognized in Income statement as incurred.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, using the straight-line method, over their estimated useful lives, as follows:

Assets	Useful Life
Land and Building	
Building	30 Years
Equipment & Machinery	
Plant and Machinery	13-15 years
Consumer Premises Equipment	7 Years
Computer hardware	3-6 years
Other assets (Furniture & Fixtures and Vehicle)	
Furniture & Fixtures	10 years
Vehicles	8 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

4.3 Impairment of assets

Property, plant and equipment and intangible assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to Financial Statements for the year ended March 31, 2017

4.4 Revenue

a) Subscription revenue from DTH services is recognized on accrual basis on rendering of the services and is net of applicable taxes and any discount / rebate given.

b) Activation revenue is recognized on the completion of activation services and is net of applicable taxes and any discount / rebate given.

c) Revenue from installation is recognized on completion of the installation services and is net of applicable taxes.

d) Revenue on account of sale of Set Top Box (STB), accessories and goods is recognized when the goods are dispatched and are net of Sales tax / VAT, discounts and rebates.

e) In case of CPE given on operating lease, lease rentals are recognized as revenue as per the terms of contract over the period of lease on straight line basis.

f) Other services like carriage fees and advertisement revenue are recognized on rendering of the service and are net of applicable taxes.

g) Interest income is recognized on time proportion basis taking into account the amount invested and the rate of interest.

h) Revenue and Expenditure on account of Free Commercial Time (FCT) granted by the broadcaster/s is recognised as and when same is utilised.

i) Service access fees are recognized as revenue over the estimated customer relationship period and are net of applicable taxes, discount and rebates.

4.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on weighted average basis and comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition.

4.6 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as an assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments as determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in Trade and other payables. Finance charges are recognised in the income statement.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Arrangement containing lease

The determination of whether an arrangement is, or contains, a lease is based on the substance of arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

4.7 Foreign currencies

a) Functional and presentation currency

The financial statements of the company are presented in Indian Rupees (“INR” or “□”) which is the functional currency of the Company.

b) Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the respective functional currency at the rates prevailing on the reporting period date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting period-end date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

All foreign exchange gains and losses are presented in the income statement within ‘Administration & Other expenses’ (net).

4.8 Employment benefits

a) Short Term Employees Benefits

All employee benefits payable within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, and bonus etc., are recognized in the Income Statement in the period in which the employee renders the related service.

b) Long Term Employee Benefits

i) Provident Fund and employees’ state insurance schemes

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employees and the employer make monthly contributions to the plan at a predetermined rate (presently 12 %) of the employees’ basic salary. These contributions are made to the fund administered and managed by the Government of India. The Company’s contributions to both these schemes are expensed. The Company has no further obligations under these plans beyond its monthly contributions.

ii) Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the ‘Gratuity Plan’) covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability in the balance sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. The present value of obligation under gratuity is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes 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.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Income Statement as income or expenses.

iii) Leave Encashment and Other long term benefit

Liability in respect of leave encashment for complete financial year is determined using the projected unit credit method with independent actuarial valuations as on the date of Statement of financial position and gains/losses are recognized immediately in the Income Statement.

c) The employee stock option plan is measured by reference to fair value in accordance with IFRS 2 (Share Based Payment) at the date at which equity instruments are granted and is recognized as an expenses over the vesting period, which ends on the date on which the employee becomes fully entitled to the award. Fair value is determined by using Black Scholes Model of valuation.

4.9 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

The charge for current tax is based on the result for the year adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Current and deferred tax is recognised in the income statement unless the item to which the tax relates was recognised outside the income statement being other comprehensive income or equity. The tax associated with such an item is also recognised in other comprehensive income or equity respectively

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary timing differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to Income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

A change in deferred tax assets and liabilities as a result of a change in the tax rates or laws are recognised in Income statement or other comprehensive income to the extent that it relates to items previously recognised in other comprehensive income.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

4.10 Financial instruments

Financial assets and financial liabilities, in respect of financial instruments, are recognised on the Company’s statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and liabilities at initial recognition.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

Notes to Financial Statements for the year ended March 31, 2017

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balance with banks, being those with original maturities of three months or less.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Capital market and bank borrowings

Interest bearing loans are initially measured at fair value (which is equal to cost at inception), and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs.

4.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

4.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

4.13 Earnings per share

The Company's earnings per share ('EPS') is determined based on the net loss attributable to the equity shareholders. Basic loss per share are computed using the weighted average number of shares outstanding during the year. Diluted loss per share is computed using the weighted average number of common and dilutive common equivalent shares if any outstanding during the year, except where the result would be anti-dilutive. The weighted average number of equity shares outstanding during the year are adjusted for event of bonus issue.

Notes to Financial Statements for the year ended March 31, 2017

4.14 Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The interest cost incurred for funding a qualifying asset during the construction period is capitalised based on actual investment in the asset at the average interest rate. All other borrowing costs are recognised in Income statement in the period in which they are incurred.

4.15 Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

5. Critical accounting estimates

The company prepares its financial statements in accordance with IFRS as issued by the IASB, the application of which often requires judgments to be made by management when formulating the company's financial position and results. Under IFRS, the management of the company is required to adopt those accounting policies most appropriate to the company's circumstances for the purpose of presenting fairly the company's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgment is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the company should it later be determined that a different choice would be more appropriate.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the company's disclosure of significant IFRS accounting policies which are provided in note 4 to the financial statements, "Significant accounting policies".

Management has discussed its critical accounting estimates and associated disclosures with the company's Audit Committee.

a. Impairment reviews

IFRS requires management to undertake an annual test for impairment of finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in EBITDA, calculated as operating profit before depreciation and amortisation;
- timing and quantum of future capital expenditure;
- long-term growth rates; and
- the selection of discount rates to reflect the risks involved.

Notes to Financial Statements for the year ended March 31, 2017

b. Revenue recognition

Arrangements with multiple deliverables

In revenue arrangements including more than one deliverable, the arrangement considerations are assigned to one or more separate deliverables based on its relative fair values for revenue recognition purpose.

Determining the fair value of each deliverable can require estimates due to the nature of the goods and services provided.

c. Taxation

The Company is subject to income taxes in Indian jurisdictions. Significant judgments are required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain; such determination being made by the relevant taxing authorities. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be found to be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Where considered necessary estimates are developed by management based on external specialist advice.

There are no other judgemental areas identified by management that could have a material effect on the provisions made at the reporting date.

Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

Recognition therefore involves judgement regarding the future financial performance of the company.

d. Employee benefit

The present value of the employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employment benefits include the discount rate. Any changes in these assumptions will have an effect on the carrying amount of employment benefits.

Discount rate as determined by the actuary is the interest rate used to discount the defined benefit obligation and calculate the net interest recognised in profit or loss on the net defined benefit liability. In determining the appropriate discount rate, consideration is given to the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits are to be paid and that have terms of maturity approximating the terms of the related pension obligation.

Other key assumptions relevant to the defined employment benefit obligations are based in part on current market conditions. Additional disclosures concerning these obligations are provided in note 24 & 25.

e. License Fees

There are transactions and calculations for which the ultimate license fees determination is uncertain; such determination being made by the relevant authorities. The company recognises liabilities based on estimates of whether additional fees will be found to be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income statement and liabilities in the period in which such determination is made.

There are no other judgemental areas identified by management that could have a material effect on the provisions made at the reporting date.

f. Other intangible assets

Estimation of useful life

The useful life used to intangible assets relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset. The basis for determining the useful life for the most significant categories of intangible assets is as follows:

Capitalised software

The useful life is determined by management at the time the software is acquired and brought into use and is regularly reviewed for appropriateness. For computer software licenses, the useful life represents management's view of expected term over which the Company will receive benefits from the software, but not exceeding the license term. For unique software products controlled by the Company, the life is based on historical experience with similar products as well as anticipation of future events which may impact their life such as changes in technology. Historically changes in useful lives have not resulted in material changes to the Company's amortisation charge.

g. Property, plant and equipment

Property, plant and equipment also represent a significant proportion of the asset base of the Company being 74 % as at March 31 2017 (March 31, 2016: 69%) of the Company's total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

Estimation of useful life

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the income statement.

The useful lives and residual values of Company assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

Historically changes in useful lives and residual values have not resulted in material changes to the Company's depreciation charge.

h. Provisions and contingent liabilities

The Company exercises judgement in measuring and recognizing provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities (see note 27). Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

Notes to Financial Statements for the year ended March 31, 2017

6. Segment analysis

The Company operates in a single business segment viz. Direct to Home services in India; accordingly there is no reportable business segment or geographical segment.

Notes to Financial Statements for the year ended March 31, 2017

7 Revenue from operations

Particulars	For the years ended March 31, 2017 (□ in Million)	March 31, 2016 (□ in Million)	March 31, 2015 (□ in Million)
Subscription and Activation Revenue	28,075.20	26,068.06	20,628.48
Other Operating Revenue	1,410.91	1,367.52	1,713.09
Lease Rentals	1,143.83	1,032.46	927.35
Sale of set top box and accessories	87.40	90.58	108.16
	30,717.34	**28,558.62**	**23,377.08**

8 Other Income

Particulars	For the years ended March 31, 2017 (□ in Million)	March 31, 2015 (□ in Million)	March 31, 2014 (□ in Million)
Other non-operating income	52.70	36.64	0.08
	52.70	**36.64**	**0.08**

9 Operating expenses

Particulars	For the years ended March 31, 2017 (□ in Million)	March 31, 2016 (□ in Million)	March 31, 2015 (□ in Million)
Content and Programming costs	12,250.51	10,796.54	8459.24
License fees and taxes	1,721.56	3,342.91	2489.52
Space segment charges and fees	1,602.92	1,555.40	1403.49
Installation and service expenses	7.73	273.42	938.36
IT support costs	342.68	346.57	330.01
Cost of material and components consumed	266.11	177.96	232.43
	16,191.51	**16,492.80**	**13,853.05**

10 Employee benefits expenses

Particulars	For the years ended March 31, 2017 (□ in Million)	March 31, 2016 (□ in Million)	March 31, 2015 (□ in Million)
Salaries, bonus and allowances *	1,207.38	1,132.85	957.87
Contribution to Provident and other funds	49.36	43.42	37.77
Staff welfare expenses	31.79	31.04	27.64
	1,288.53	**1,207.31**	**1,023.28**

* Salaries, bonus and allowances include □ 108.25 Mn (Previous year □ 117.77 Mn) towards share based payment.

Notes to Financial Statements for the year ended March 31, 2017

11 Administration and other expenses

Particulars	For the years ended March 31, 2017 (□ in Million)	March 31, 2016 (□ in Million)	March 31, 2015 (□ in Million)
Travelling and Conveyance Expenses	159.19	159.92	154.46
Rent	119.75	117.83	108.18
Power and Fuel	93.69	88.06	77.31
Legal and Professional Charges	219.88	84.66	147.55
Office and General Expenses	125.95	89.88	86.23
Exchange Fluctuation Loss (Net)	—	42.40	18.87
Communication Expenses	26.09	29.37	28.20
Repairs and Maintenance	24.44	30.73	27.51
Printing and Stationery	13.18	15.54	15.96
Insurance Expenses	21.49	13.98	5.05
Rates and Taxes	2.01	25.99	7.86
Auditors' Remuneration	5.52	5.00	9.39
Bad Debts	2.31	1.04	1.05
Provision for Doubtful Debts	1.92	0.10	0.42
	815.42	**704.51**	**688.04**

12 Selling and distribution expenses

Particulars	For the years ended March 31, 2017 (□ in Million)	March 31, 2016 (□ in Million)	March 31, 2015 (□ in Million)
Advertisement and Marketing Expenses	1,015.73	1,106.42	899.32
Customer Support Services	1,304.7	1,131.71	871.77
Distribution Expenses	28.88	20.71	85.23
	2,349.31	**2,258.84**	**1,856.32**

13 Finance (costs) / Finance Income (Net)

Particulars	For the years ended March 31, 2017 (□ in Million)	March 31, 2016 (□ in Million)	March 31, 2015 (□ in Million)
Finance Costs:			
Bank Loan Interest	(2,666.20)	(3,406.48)	(4,223.47)
Other Interest	(340.94)	(348.19)	(368.82)
Bank Charges	(177.00)	(112.64)	(124.46)
	(3,184.14)	**(3,867.31)**	**(4,716.75)**
Finance Income:			
Interest Income	368.26	724.48	102.53
Finance (Costs)/ Finance Income (net)	**(2,815.88)**	**(3,142.83)**	**(4,614.22)**

14 Taxation

The major components of income tax expense for the years ended 31st March 2017, 31st March 2016 and 31st March 2015

Income Tax expense

Particulars	For the years ended March 31, 2017 (□ in Million)	March 31, 2016 (□ in Million)	March 31, 2015 (□ in Million)
Income tax expenses in respect of :			
Current year	—	—	—
Total income tax	—	—	—
Deferred tax on origination and reversal of temporary differences	138.88	(377.40)	(1,217.93)
Total deferred tax	**138.88**	**(377.40)**	**(1,217.93)**
Total income tax expenses	**138.88**	**(377.40)**	**(1,217.93)**

Deferred tax

Deferred tax relates to the following:

Particulars	As at March 31, 2017 (□ in Million)	March 31, 2016 (□ in Million)
Statement of Financial Position		
Provision for Gratuity	32.82	16.94
Disallowances in Tax	851.64	548.05
Deferment of Expenses – Discount on Long term recharge	(98.82)	(94.00)
Allowances under Section 35D	—	—
Depreciation/ amortization and impairment	1,210.40	605.32
Employee stock option Plan	—	—
Losses available for offsetting against future taxable income	5,950.67	7,009.28
Deferred Tax Assets	**7,946.71**	**8,085.59**
Deferred tax Assets at April 1	8,085.59	7,708.19
Deferred tax expense /(benefit)	**138.88**	**(377.40)**

Reconciliation in the Statement of Financial Position:

Particulars	As at March 31, 2017 (□ in Million)	March 31, 2016 (□ in Million)
Deferred tax asset	6,835.13	7,574.27
Deferred tax liability	1,111.58	511.32
Deferred tax assets or Deferred tax liabilities net	**7,946.71**	**8,085.59**

Factors affecting the tax charge in future years

Factors that may affect the Company's future tax charge include the impact of corporate restructurings, the resolution of open issues, future planning opportunities, corporate acquisitions and disposals, the use of brought forward tax losses and changes in tax legislation and tax rates.

The Company is routinely subject to assessments by tax authorities in India. These are usually resolved through the Indian legal system. The Company considers each issue on its merits and, where appropriate, holds provisions in respect of the potential tax liability that may arise. However, the amount ultimately paid may differ materially from the amount accrued and could therefore affect the Company's overall profitability and cash flows in future periods.

At March 31, 2017 the gross amount and expiry dates of losses available for carry forward are as follows:

Particulars	For the years ended March 31, 2017 (□ in Million)	March 31, 2016 (□ in Million)	March 31, 2015 (□ in Million)
Expiring within 5 years			
Losses for which a deferred tax asset is recognized	9,780.04	7,782.51	5,579.33
Losses for which no deferred tax is recognized	—	—	—
Expiring within 6-10 years			
Losses for which a deferred tax asset is recognized	200.67	1,944.88	1,967.92

Losses for which no deferred tax is recognized	—	—	—
Unlimited		—	
Losses for which a deferred tax asset is recognized	9,277.11	12,956.35	15,356.02
Losses for which no deferred tax is recognized	—	—	—
Total		—	
Losses for which a deferred tax asset is recognized	19,257.82	22,683.74	22,903.27
Losses for which no deferred tax is recognized	—	—	—

Reconciliation of Effective Tax Rate **Rs in Mn**

Particulars	For the year ended March 31, March 31, 2017	March 31, 2016	March 31, 2015
Income / (Loss) before income taxes	**443.30**	**(1,299.45)**	**(3,944.57)**
Enacted tax rates in India	30.9%	30.9%	30.9%
Computed expected tax expense / (benefit)	**136.98**	**(401.53)**	**(1,218.87)**
Tax effects due to permanent difference	1.90	24.13	0.94
Tax effects due to the temporary differences	**138.88**	**(377.40)**	**(1,217.93)**
Provision for Gratuity	(15.88)	(2.26)	(4.89)
Disallowances in Tax	(303.59)	(17.82)	(345.52)
Deferrment of Expenses - Discount on Long term recharge	4.82	13.41	7.13
Allowances under Section 35D	—	20.23	(17.46)
Depreciation/ amortization and impairment	(605.08)	(467.98)	(354.87)
Employee stock option Plan	—	9.19	(9.19)
Losses available for offsetting against future taxable income	1,058.61	67.83	(493.13)
Income tax expenses	**138.88**	**(377.40)**	**(1,217.93)**

Notes to Financial Statements for the year ended March 31, 2017

15 Earning Per Share

Particulars	March 31, 2017 (□ in Million)	March 31, 2016 (□ in Million)	March 31, 2015 (□ in Million)
Profit/(Loss) for the year	304.42	(922.05)	(2,726.64)
Weighted average number of shares for basic loss per share	416,623,764	416,359,600	265,773,698
Weighted average number of shares for diluted loss per share	449,882,079	416,359,600	265,773,698
Basic earning per share	0.73	(2.21)	(10.26)
Diluted earning per share	0.68	(2.21)	(10.26)

Basic Profit/(loss) per share is calculated by dividing the Profit/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted Profit/(loss) per share are calculated by dividing the Profit/(loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Notes to Financial Statements for the year ended March 31, 2017

16 Property, Plant and equipment & Capital Work-in-Progress

(□ in Million)

Costs	Consumer Premises Equipments (CPE)	Plant and Machinery	Computers	Building	Electrical Installations	Furniture and Fixtures	Office Equipments	Vehicles	Capital Work-in-Progress	Total
As at March 31, 2014	25,895.83	3,151.76	566.11	232.52	186.28	54.28	28.69	18.18	2,224.51	32,358.16
Additions	6,808.52	337.03	89.36	11.34	16.87	6.13	8.36	—	319.69	7,597.30
Disposals / Adjustments	—	0.35	0.02	—	0.13	1.05	0.05	2.96	—	4.56
As at March 31, 2015	32,704.35	3,488.44	655.45	243.86	203.02	59.36	37.00	15.22	2,544.20	39,950.90
Additions	7,889.87	94.97	51.58	0.12	4.57	8.22	3.04	5.01	(829.43)	7,227.95
Disposals / Adjustments	—	0.01	0.45	—	0.14	0.30	0.17	—	—	1.07
As at March 31, 2016	40,594.22	3,583.40	706.58	243.98	207.45	67.28	39.87	20.23	1,714.77	47,177.78
Additions	5,863.49	80.54	21.01	1.02	0.96	1.42	1.94	—	116.15	6,086.53
Disposals / Adjustments	504.49	—	0.02	—	0.28	0.05	0.05	17.84	—	522.73
As at March 31, 2017	45,953.22	3,663.94	727.57	245.00	208.13	68.65	41.76	2.39	1,830.92	52,741.58

Accumulated depreciation and impairment	Consumer Premises Equipments (CPE)	Plant and Machinery	Computers	Building	Electrical Installations	Furniture and Fixtures	Office Equipments	Vehicles	Capital Work-in-Progress	Total
As at March 31, 2014	8,318.36	830.44	344.99	32.61	33.75	12.52	4.58	6.30	—	9,583.55
Depreciation for the year	4,245.36	260.88	127.97	7.95	25.95	6.98	16.55	2.58	—	4,694.22
Disposals / Adjustments	—	0.08	0.02	—	0.03	0.45	0.01	0.78	—	1.37
Impairment	359.04	—	—	—	—	—	—	—	—	359.04
As at March 31, 2015	12,922.76	1,091.24	472.95	40.56	59.67	19.05	21.12	8.10	—	14,635.45
Depreciation for the period	5,218.48	284.56	97.20	8.15	27.32	7.70	6.15	2.57	—	5,652.13
Disposals / Adjustments	—	0.01	0.37	—	0.07	0.13	0.07	—	—	0.65
Impairment	210.01	—	—	—	—	—	—	—		210.01
As at March 31, 2016	18,351.25	1,375.79	569.78	48.71	86.92	26.62	27.20	10.67	—	20,496.94
Depreciation for the period	6,413.74	288.75	55.08	8.17	27.52	8.02	4.76	2.12	—	6,808.16
Disposals / Adjustments	489.93	—	0.02	—	0.16	0.02	0.04	11.08	—	501.25
Impairment	(164.81)	—	—	—	—	—	—	—		(164.81)
As at March 31, 2017	24,110.25	1,664.54	624.84	56.88	114.28	34.62	31.92	1.71	—	26,639.04

Net Book Value	Consumer Premises Equipments (CPE)	Plant and Machinery	Computers	Building	Electrical Installations	Furniture and Fixtures	Office Equipments	Vehicles	Capital Work-in-Progress	Total
As at March 31, 2015	19,781.59	2,397.20	182.50	203.30	143.35	40.31	15.88	7.12	2,544.20	25,315.45
As at March 31, 2016	22,242.97	2,207.61	136.80	195.27	120.53	40.66	12.67	9.56	1,714.77	26,680.84
As at March 31, 2017	21,842.97	1,999.40	102.73	188.12	93.85	34.03	9.84	0.68	1,830.92	26,102.54

Property, Plant and equipment & Capital Work-in-Progress are charged by way of equitable mortgage with banks for term loans. For more details refer note no 22.

Notes to Financial Statements for the year ended March 31, 2017

17 Intangible Assets

(□ in Million)

Costs	Trademark / Brand	Technical Know-how and Designs	Computer Software	License Fees	Total
As at March 31, 2014	1,225.31	274.45	469.54	100.00	2,069.30
Additions	—	—	55.10	—	55.10
Disposals / Adjustments	—	—	—	—	—
As at March 31, 2015	1,225.31	274.45	524.64	100.00	2,124.40
Additions	—	0.43	41.41	—	41.84
Disposals / Adjustments	—	—	—	—	—
As at March 31, 2016	1,225.31	274.88	566.05	100.00	2,166.24
Additions	—	137.34	46.66	—	184.00
Disposals / Adjustments	—	—	—	—	—
As at March 31, 2017	1,225.31	412.22	612.71	100.00	2,350.24

Accumulated amortisation and impairment losses	Trademark / Brand	Technical Know-how and Designs	Computer Software	License Fees	Total
As at March 31, 2014	331.09	117.61	321.54	48.15	818.39
Depreciation for the year	122.53	27.44	72.40	11.11	233.48
Disposals / Adjustments	—	—	—	—	—
As at March 31, 2015	453.62	145.05	393.94	59.26	1,051.87
Depreciation for the year	122.53	27.47	65.16	11.11	226.27
Disposals / Adjustments	—	—	—	—	—
As at March 31, 2016	576.15	172.52	459.10	70.37	1,278.14
Depreciation for the year	122.53	31.82	57.27	11.11	222.73
Disposals / Adjustments	—	—	—	—	—
As at March 31, 2017	698.68	204.34	516.37	81.48	1,500.87

Net Book Value	Trademark / Brand	Technical Know-how and Designs	Computer Software	License Fees	Total
As at March 31, 2015	771.69	129.40	130.70	40.74	1,072.53
As at March 31, 2016	649.16	102.36	106.95	29.63	888.10
As at March 31, 2017	526.63	207.88	96.34	18.52	849.37

Amortisation of licences and other intangible assets is included within Depreciation and Amortisation on the income statement. All licences have been pledged as security against borrowings.

The remaining amortisation period of licence as follows:

Particulars	2017	2016	2015
Remaining amortization period	1 to 2 years	2 to 3 years	3 to 4 years

The Company takes on lease certain Computer Sofwares under non-cancellable finance lease agreements. The lease terms range between 2 and 5 years.

Notes to Financial Statements for the year ended March 31, 2017

18 Inventories

Particulars	As at March 31, 2017 (□ in Million)	As at March 31, 2016 (□ in Million)
Consumables and Spares (including Material-in-Transit)	380.85	400.23
(As taken, valued and certified by the management)		
	380.85	**400.23**

19 Trade Receivables

Particulars	As at March 31, 2017 (□ in Million)	As at March 31, 2016 (□ in Million)
Trade Receivables	4.47	3.94
Less: Provisions	(3.07)	(1.15)
	1.40	**2.79**

The management consider that the carrying amount of trade and other receivables approximates their fair value. The allowance for estimated irrecoverable amounts of trade debtors has been determined by reference to past default experience and information on specific balances outside trade terms and is calculated by reference to the present value of anticipated future proceeds.

20 Financial and Non-Financial Assets

Particulars	As at March 31, 2017 (□ in Million)	As at March 31, 2016 (□ in Million)
Included within non-current assets		
Financial assets:		
Capital Advance	1,975.10	1,570.05
Deposits	168.80	72.14
Term deposits with banks	557.91	412.37
	2,701.81	**2,054.56**
Non-Financial assets:		
Prepaid Rent	105.57	107.25
	105.57	**107.25**
Total	**2,807.38**	**2,161.81**
Included within current assets		
Financial assets:		
Term deposits with banks	2,889.23	4,869.86
Interest Receivables	223.96	142.80
Other Assets	573.00	516.02
Deposits	28.71	19.14
	3,714.90	**5,547.82**
Non-Financial assets:		
Balance with Central Excise/VAT Authority	585.85	1,067.42
Prepaid Expenses	205.94	312.93
Prepaid Rent	16.76	16.76
Advance Income Tax and Tax deducted at source	108.23	84.50
	916.77	**1,481.61**
Total	**4,631.67**	**7,029.43**

Term deposits with banks in financial assets includes Restricted Cash (March 31, 2017: □ 3,447.14 million, March 31, 2016: □ 3,282.23 million) given towards margin / reserves for term loan and bank guarantee. Included in above, a lien is marked on Fixed Deposits amounting to □ 2,000 million towards credit facility availed by a group entity from a bank. Other Assets include an inter corporate deposit of □ 500 million as at March 31, 2017 (March 31, 2016- □ 500 million)

21 Cash and cash equivalents

Particulars	As at March 31, 2017 (□ in Million)	As at March 31, 2016 (□ in Million)
Balances with Banks in Current Accounts	660.23	174.94
Cash on hand	1.60	3.75

Term deposits with banks	—	1,250.00
Cash and cash equivalents as presented in the statement of cash flows	**661.83**	**1,428.69**

Bank balances comprise cash held by the Company on a short-term basis with original maturity of three months or less. The carrying amount of cash and cash equivalents approximates their fair value.

The Company's exposure to credit, currency and interest rate risks relating to cash and cash equivalents, together with a sensitivity analysis, is detailed in note 29.

Notes to Financial Statements for the year ended March 31, 2017

22 Borrowings

Particulars	As at March 31, 207 (□ in Million)	As at March 31, 2016 (□ in Million)
Non Current (long-term)		
Long-term borrowings		
Term loans from banks	16,302.63	18,096.38
Less: Reclassified under current financial liabilities	(16,302.63)	(18,096.38)
	—	—
Finance Lease Obligation	235.84	5.37
included in current financial liability		
Long-term borrowings – Reclassified under current financial liabilities	16,302.63	18,096.38
Current Maturities of Term loans from banks	3,643.75	5,052.19
Total	**19,946.38**	**23,148.56**
Current Maturities of Finance Lease Obligation	138.23	17.77

(1) Term Loans from banks are secured by:

(a) First pari-passu charge by way of mortgage on the entire immovable assets, hypothecation of entire movable assets, both present and future.

(b) Assignment of contracts relating to transponder capacity, all government authorizations, license and insurance policies, if any, or a negative lien, if contracts are not assignable.

(c) Charge on Escrow Accounts and Debt Service Reserve Account.

(d) Guarantee of Corporate Promoters.

(e) Personal Guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot, Mr. R N. Dhoot and Mr. Saurabh P Dhoot.

Name of the Guarantor	Sanctioned Amount as on March 31, 2016 (□ in Million)	Outstanding as on March 31, 2016 (□ in Million)	Sanctioned Amount as on March 31, 2017 (□ in Million)	Outstanding as on March 31, 2017 (□ in Million)
Mr. Venugopal N. Dhoot Mr. Pradipkumar N. Dhoot Mr. Saurabh P Dhoot	28,250.00	23,148.56	30,750.00	19,946.38
Mr. R N. Dhoot	—	—	2,000.00	1,925.00

(2) A part of term loans are secured by first pari-passu charge on entire current assets of the Company, present and future.

(3) A part of term loans from banks are further secured by corporate guarantee of one non promoter shareholder and also by Videocon Industries Limited.

(4) Part of the term loans from Banks are also secured / guaranteed by:

(a) Pledge of 30% shares of the Company at the time of sanction.

(b) Non-Disposal undertaking of 21% shares of the Company at the time of sanction.

(c) Mortgage of various properties of group entities.

(5) The company was in compliance with its financial covenant requirements of loan agreements during fiscal year 2017. However , there were defaults in prior periods. Since the company has not obtained a specific waiver from the lenders of their right to accelerate the repayment of entire loan amount by the reporting date, the loan amounts are classified as current liabilities.

Notes to Financial Statements for the year ended March 31, 2017

22 Borrowings

(6) Loan facility wise outstanding amount is as follows :

Name of Banks	As at March 31, 2017 Amount (□ in Million)	As at March 31, 2016 Amount (□ in Million)
Secured Loans		
Central Bank of India	833.25	908.25
IDBI Bank Limited	4,606.25	4,965.00
Bank of Baroda	1,750.00	1,900.00
ICICI Bank Limited	120.00	1,800.00
Karur Vysa Bank Limited	500.00	300.00
Canara Bank	1,481.25	2,779.69
Jammu and Kashmir Bank Limited	600.00	850.00
Syndicate bank	260.00	700.00
Dena Bank	890.00	1,130.00
Oriental Bank of Commerce	140.00	600.00
Bank of India	3,237.50	3,425.00
Bank of Maharashtra	875.00	950.00
Union Bank of India	1,312.50	1,396.88
United Bank of India	1,340.63	1,443.75
Yes Bank	2,000.00	0.00
Total Term Loan from banks	**19,946.38**	**23,148.57**

(7) The floating rate of interest on loans from Banks and Financial Institutions ranges between 12.08% and 13.90% p.a

8) As per the original repayment terms, the term loan from banks are repayable as below –

Particulars	As at March 31, 2017 (₹ in Million)	As at March 31, 2016 (₹ in Million)
Within one year	3,643.75	5,052.19
Between One and three year	8,289.38	7,636.25
Between three and five years	6,785.13	8,982.00
Over five years	1,228.13	1,478.13
Total	**19,946.38**	**23,148.56**

Repayment of Term Loan from bank is considered as Gross basis, processing fees is not considered in repayment schedule in note no 8 above.

9) Periodic finance lease obligations are as below:

Particulars	As at March 31, 2017 (₹ in Million)	As at March 31, 2016 (₹ in Million)
Within one year	138.23	17.77
Between One and two year	148.99	5.37
Between two and three years	86.86	—
Total	**374.07**	**23.13**

10) The Loan from other parties are repayable on demand.

11) The rate of interest of loans from other parties is SBI PLR minus 2%

23 Financial and Non-Financial Liabilities

Particulars	As at March 31, 2017 (₹ in Million)	As at March 31, 2016 (₹ in Million)
Included within Non-current liabilities:		
Non-Financial liabilities:		
Income Received in Advance	2,365.13	2,739.59
	2,365.13	**2,739.59**
Total	**2,365.13**	**2,739.59**
Included within current liabilities:		
Financial liabilities:		
Long-term borrowings – Reclassified under current financial liabilities	16,302.63	18,096.38
Current Maturities of Term loans from banks	3,643.75	5,052.19
Current Maturities of Finance Lease Obligation	138.23	17.77
Payable for capital expenditure	246.72	450.78
Interest Accrued but not due on Borrowings	12.42	4.68
	20,343.75	**23,621.80**
Trade Payable #	**5,058.26**	**5,602.86**
Non-Financial liabilities:		
Income Received in Advance	4,240.53	4,298.29
Others	3,180.17	3,084.95
	7,420.70	**7,383.24**

Includes Acceptance of ₹ 1,195.17 mn (Previous Year ₹ 1,825.34 Mn) for bill discounting facility.

Notes to Financial Statements for the year ended March 31, 2017

24 Post-employment benefits – Gratuity

Particulars	(₹ in Million)
As at March 31, 2014	**31.68**
Addition/ adjustments during the year	15.84
As at March 31, 2015	**47.52**
Addition/ adjustments during the period	6.33
As at March 31, 2016	**53.85**
Addition/ adjustments during the period	52.35
As at March 31, 2017	**106.20**

Provisions have been analysed between current and non-current as follows:

Particulars	(₹ in Million)
As at March 31, 2017	
Current	20.88
Non-current	85.32
As at March 31, 2016	
Current	0.80
Non-current	53.04

Defined Benefit Plans – Gratuity:

The plan provides for a lump sum payment to vested employees, at retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

Defined benefit plans as per actuarial valuation – Gratuity

Particulars	March 31, 2017 (₹ in Million)	March 31, 2016 (₹ in Million)
a. The amounts recognized in the Balance Sheet as at the end of the year		
1. Present Value of Defined Benefit Obligation	133.03	54.85
2. Fair value of plan assets	26.83	1.01
3. Funded Status – Surplus/ (Deficit)	(106.20)	(53.84)
4. Net Assets/(Liability)	(106.20)	(53.84)
b. The amounts recognized in the Statement of Profit and Loss for the year		
1. Current Service Cost	13.41	8.73
2. Interest Cost	4.20	3.71
3. Actuarial (Gains)/Losses	73.64	1.53
4. Past Service Cost	—	—
5. Return on plan asset	(0.74)	—
6. Total Expenses	90.51	13.97
c. The changes obligations during the year		
1. Present value of Defined Benefit Obligation at the beginning of the year	54.85	47.52
2. Current Service Cost	13.41	8.73
3. Interest Cost	4.27	3.71
4. Past Service Cost		
5. Actuarial (Gain)/ Losses	73.65	1.53
6. Benefit Payments	(13.15)	(6.64)
7. Present value of Defined Benefit Obligation at the end of the year	133.03	54.85

Actuarial Assumptions: Gratuity

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015
Discount Rate	7.45%	7.80%	7.80%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Salary Escalation	5%	5%	5%
Attrition Rate	2%	2%	2%

Notes to Financial Statements for the year ended March 31, 2017

25 Others employment benefits

Particulars	(₹ in Million)
As at March 31, 2014	**21.20**
Addition/ adjustments during the year	8.32
As at March 31, 2015	**29.52**
Addition/ adjustments during the year	5.63
As at March 31, 2016	**35.15**
Addition/ adjustments during the year	8.07
As at March 31, 2017	**43.22**

Provisions have been analysed between current and non-current as follows:

Particulars	(₹ in Million)
As at March 31, 2017	
Current	8.86
Non-current	34.36
As at March 31, 2016	
Current	3.70
Non-current	31.45

Defined Contribution Plan

The Company makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner.

Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. The Company has recognised ₹ 49.36 million for Provident Fund contributions in the income statement for the year ended March 31, 2017 (March 31, 2016: ₹ 43.42 million).The contributions payable by the Company are in accordance with rules framed by the Government of India from time to time.

Defined benefit plans as per actuarial valuation – Leave Encashment

Particulars	For the years ended March 31, 2017 (₹ in Million)	March 31, 2016 (₹ in Million)
a. The amounts recognized in the Balance Sheet as at the end of the year		
1. Present Value of Defined Benefit Obligation	43.22	35.15
2. Fair value of plan assets	—	—
3. Funded Status – Surplus/ (Deficit)	(43.22)	(35.15)
4. Net Assets/(Liability)	(43.22)	(35.15)
b. The amounts recognized in the Statement of Profit and Loss for the year		
1. Current Service Cost	9.89	13.63
2. Interest Cost	2.74	2.31
3. Actuarial (Gains)/Losses	26.18	3.25
4. Past Service Cost		
5. Total Expenses	38.81	19.19
c. The changes obligations during the year		
1. Present value of Defined Benefit Obligation at the beginning of the year	35.15	29.52
2. Current Service Cost	9.89	13.63
3. Interest Cost	2.74	2.31
4. Past Service Cost		
5. Actuarial (Gain)/ Losses	26.18	3.25
6. Benefit Payments	(30.73)	(13.56)
7. Present value of Defined Benefit Obligation at the end of the year	43.23	35.15

Actuarial Assumptions: Leave Encashment

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015
Discount Rate	7.45%	7.80%	7.80%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Salary Escalation	5%	5%	5%
Attrition Rate	2%	2%	2%

Notes to Financial Statements for the year ended March 31, 2017

26 Commitments

Particulars	As at March 31, 2017 (₹ in Million)	As at March 31, 2016 (₹ in Million)	As at March 31, 2015 (₹ in Million)
Contracts for future capital expenditure not provided in the financial statements	619.54	301.27	163.64

27 Contingent liabilities

Particulars	As at March 31, 2017 (₹ in Million)	As at March 31, 2016 (₹ in Million)	As at March 31, 2015 (₹ in Million)
DTH license fees *(Refer below Sub Note (i))*	6,413.67	5,052.91	3,661.07
Counter guarantees given for guarantees given by the bankers	968.86	972.50	587.03
Entertainment tax *(Refer below Sub Note (ii))*	297.18	683.22	127.14
Tax deducted at source *(Refer below Sub Note (iii))*	61.88	72.77	74.36
Letters of credit opened by a bank	9.33	29.50	23.56
Service tax (Refer below Sub Note (iv))	1,610.23	1,610.23	1,086.24
Value Added Tax	56.21	74.74	—
Lien mark on fixed deposit for borrowings by a group entity	2,000.00	2,000.00	2,000.00
	11,417.36	**10,495.88**	**7,559.40**

Sub notes

i) DTH License fee payable by the Company is calculated on adjusted gross revenue in accordance with the judgment given by TDSAT in the petition No. 92(C) and 93 (C) of 2009 dated 28th May 2010 and the same is provided for in the books of account. The Company has received a demand notice dated March 24, 2014 from Ministry of Information & Broadcasting demanding additional license fees of ₹ 1,582.89 million (including interest of ₹ 272.44 million) on the difference between gross revenue and adjusted gross revenue upto financial year 2012-13. The Company has filed a petition before TDSAT challenging the demand on, among others, the grounds of arbitrariness, non following principals of natural justice and during pendency of appeal before the Hon'ble Supreme Court dealing with the issue of license fees to be paid by DTH operators etc. and an interim stay has been granted for the payment of this demand. As per the stand of Ministry of Information and Broadcasting there would be a claim for additional license fees for financial year 2013-14 to 2016-17 of ₹ 4,830.79 million. Pending the matter for further hearing and final outcome, no provision is considered necessary by the management.

ii) (a) In respect of Entertainment Tax in various States, the Company has preferred appeals / writ petitions in the High Court / Supreme Court challenging the applicability of Entertainment Tax to the Company. Pending the final outcome of these appeals / petitions, the Company has paid under protest and provided for the disputed liability, except for the disputed amount of ₹ 96.71 million (Previous Year ₹ 74.50 million) in respect of one state (Previous year two states).

ii) (b) Further, the company has received show cause notice (SCN) dated 29 December, 2015 from the office of Commissioner of Entertainment Tax, Uttar Pradesh, asking the company to show cause as to why an additional demand of ₹ 422.95 million together with interest of ₹ 185.77 million upto 31st December, 2015 should not be raised on the company. The company has replied to the said SCN explaining that the amount in the notice is incorrect and that the Company has paid the entertainment tax dues as per its working even though writ petition is pending.

The office of Commissioner of Entertainment Tax, Uttar Pradesh has after reviewing the company's response to (SCN) has reduced the demand from ₹ 422.95 million to ₹ 137.95 million and interest thereon was reduced from ₹ 185.77 million to ₹ 62.52 million. The company has paid under protest one third of total demand as per court order amounting to ₹ 69.03 million. The company has filed an appeal before Honorable High Court and pending the matter under litigation, no provision is considered necessary by the management.

iii) The Company had received demand notices for non-deduction of income tax at source from certain payments and interest thereon for Assessment Year 2010-11, 2011-12 and 2012-13. The Company had filed appeals against the said orders and demand notices. The appeals for Assessment years 2010-11 and 2011-12 have been disposed off by the Commissioner of Income Tax (Appeals) who has granted substantial relief. Based on the decisions of the first appellate authority, the Assessing officer has revised the demand at ₹ 12.70 million for the Assessment Year 2010-11, ₹ 12.31 million for the Assessment Year 2011-12 and Rs 74.41 million for Assessment year 2012-13. The Company has preferred appeal before the Appellate Tribunal for Assessment Year 2010-11 & 2011-12. The Company has provided for ₹ 12.70 million for the Assessment Year 2010-11, ₹ 12.31 million for Assessment Year 2011-12 and ₹ 12.53 million for Assessment Year 2012-13 and no further provision is considered necessary by the management.

(iv) (a) The Company has received two show cause notice dated June 13, 2014 and October 15, 2015 from Commissioner of Customs, Central Excise and Service Tax with regard to service tax on Advance Usage charges i.e., rental charges collected from the subscribers towards the usage of Set Top Boxes by the subscribers. The amount of service tax involved in respective show cause notices are ₹ 694.47 million (excluding interest) for the period from April 2009 to December 2013 and ₹ 266.23 million (excluding interest) for the period from January 2014 to March 2015.

The Company had submitted its reply to Commissioner of Central Excise, Customs and Service Tax, Aurangabad to both the notice on 20/10/2016. The Commissioner of Central Excise, Customs and Service Tax, Aurangabad has further issued an order which is received by the company on April 20, 2017 confirming the demand of original Show cause notice. The Company is in the process of filing the appeal in CESAT against the order of the Commissioner of Central Excise, Customs and Service Tax, Aurangabad. Pending the matter under litigation, no provision is considered necessary by the management

(iv) (b) The Company has received two show cause notice dated June 13, 2014 and October 15, 2015 from Commissioner of Customs, Central Excise and Service Tax with regard to service tax on Advance Usage charges i.e., rental charges collected from the subscribers towards the usage of Set Top Boxes by the subscribers. The amount of service tax involved in respective show cause notices are ₹ 694.47 million (excluding interest) for the period from April 2009 to December 2013 and ₹ 266.23 million (excluding interest) for the period from January 2014 to March 2015.

The Company had submitted its reply to Commissioner of Central Excise, Customs and Service Tax, Aurangabad to both the notice on October 20, 2016. The Commissioner of Central Excise, Customs and Service Tax, Aurangabad has further issued an order which is received by the company on April 20, 2017 confirming the demand of original Show cause notice. The Company is in the process of filing the appeal in CESAT against the order of the Commissioner of Central Excise, Customs and Service Tax, Aurangabad. Pending the matter under litigation, no provision is considered necessary by the management

Notes to Financial Statements for the year ended March 31, 2017

28 Related Party

The Company's related parties are its Key Management Personnel. Company's related parties and transactions with those related parties are as follows:

List of related parties

Name of Key Management Personnel -

Mr. Saurabh P. Dhoot (Whole Time Director)

Mr. Anil Khera (Chief Executive Officer)

Mr. Pradeep Ramwilas Rathi (Non - Executive, Independent Director)

Mr. Nabankur Gupta (Non - Executive, Independent Director)

Mr. Shivratan Jeetmal Taparia (Non - Executive, Independent Director)

Mr. Karunchandra Srivastava (Non - Executive, Independent Director)

Relative of Key Management Personnel (with whom transactions have taken place)

Mrs. Shelly Anil Khera (Wife of Mr. Anil Khera)

Others

C E India Limited

Infodart Technologies India Limited

Quadrant Televentures Limited

PE Electronics Limited

Planet M Retail Limited

Tekcare India Private Limited

Trend Electronics Limited

Value Industries Limited

Videocon Industries Limited

Videocon Telecommunications Limited

Force Appliances Private Limited

Jubilant Logistic Limited

KAIL Limited

Techno Kart India Limited (Formerly Next Retail India Limited)

Techno Electronics Limited

Topaki Media Private Limited

Universal Digital Connect Limited

Videocon Realty and Infrastructure Limited

KBS Realtors Private Limited

Nippon Investments and Finance Company Private Limited

Kartouche Properties and Finvest Private Limited

Joshua Properties and Finvest Private Limited

Tecorno Properties and Finvest Private Limited

Applicomp (India) Ltd

Century Appliances Ltd

Videocon Integrated Solutions Pvt. Ltd.

Details of transactions with related parties

Particulars	As at March 31, 2017 (□ in Million)	As at March 31, 2016 (□ in Million)	As at March 31, 2015 (□ in Million)
Payment of salaries / remuneration / perquisites			
Key Management Personnel			

Mr. Saurabh P. Dhoot	18.77	—	—
Mr. Anil Khera	30.25	20.29	10.46
Rent paid			
Relative of Key Management Personnel			
Mrs. Shelly Anil Khera (Inclusive of Service Tax)	0.88	1.44	1.28
Sitting Fees			
Key Management Personnel			
Mr. Pradeep Ramwilas Rathi	0.15	0.16	0.01
Mr. Nabankur Gupta	0.19	0.20	0.03
Mr. Shivratan Jeetmal Taparia	0.19	0.23	0.01
Mr. Karunchandra Srivastava	0.39	0.40	0.41
Ms. Geetanjali Kirloskar	0.02	—	—
Brand royalty			
Others			
C E India Limited	0.78	0.77	0.70

Notes to Financial Statements for the year ended March 31, 2017

Details of transactions with related parties … Cont

Particulars	As at March 31, 2017 (□ in Million)	As at March 31, 2016 (□ in Million)	As at March 31, 2015 (□ in Million)
IT Support Expenses			
Infodart Technologies India Limited	44.49	40.94	42.03
Call Centre Expenses			
Quadrant Televentures Limited	144.85	104.32	61.31
Videocon Telecommunications Limited	3.08	5.75	4.12
Videocon Integrated Solutions Pvt. Ltd.	14.87	—	—
Business Support Expenses			
Videocon Industries Limited	4.46	5.69	7.23
Jubiant Logistic Limited	147.57	150.49	140.68
Schemes Expenses			
PE Electronics Limited	7.62	1.91	1.62
Techno Kart India Limited (Formerly Next Retail India Limited)	0.83	0.29	—
Tekcare India Private Limited	0.00	0.02	—
Universal Digital Connect Limited	—	0.13	0.70
Purchase of Assets			
Planet M Retail Limited	—	—	0.01
Planet Mobiles Private Limited	0.54		
Trend Electronics Limited	4,641.01	4,769.53	5,913.18
KAIL Limited	—	—	0.00
Techno Kart India Limited (Formerly Next Retail India Limited)	0.37	0.03	0.02
Videocon Industries Limited	550.47	492.75	368.16
Applicomp (India) Ltd	112.49	—	—
Value Industries Limited	—	—	4.88
Infodart Technologies India Limited	—	—	16.68
Purchase of Spares			
Tekcare India Private Limited	—	0.28	1.94
Videocon Industries Limited	19.74	—	0.00
Finance Cost			
Videocon Industries Limited	—	—	132.75
Marketing Expenses / Sales Promotion			
Topaki Media Private Limited	91.04	42.34	36.50
Techno Kart India Limited (Formerly Next Retail India Limited)	—	—	4.63
Sales and Revenue			
Tekcare India Private Limited	8.21	0.09	0.61
PE Electronics Limited	0.21	0.01	—
Universal Digital Connect Limited	20.65	14.38	17.22
Jubiant Logistic Limited	0.00	0.26	0.20
Techno Kart India Limited (Formerly Next Retail India Limited)	1.13	0.46	1.90
KAIL Limited	—	0.00	—
Topaki Media Private Limited	—	10.92	—
Value Industries Limited	—	—	0.39
Planet Mobiles Private Limited	0.80	—	—
Trend Electronics Limited	1.56	0.67	—
Videocon Industries Limited	0.33	64.11	9.99
Unsecured Loan and Advances			
Videocon Industries Limited	—	—	2,250.00
Universal Digital Connect Limited	—	—	39.37
Rent			
Videocon Industries Limited	0.85	0.81	0.21
Job work			
Force Appliance Pvt Ltd	—	8.11	5.15
Century Appliances Ltd.	6.65	—	—
Trend Electronics Limited	20.71	—	—
Guarantees / Collateral			
Personal Guarantee given for Term Loans taken by the company			
Venugopal N. Dhoot	16,302.63	23,148.56	25,908.25
Pradipkumar N. Dhoot	16,302.63	23,148.56	25,908.25
Rajkumar N. Dhoot	1,925.00	—	—

Saurabh P. Dhoot	1,925.00	—	—
Corporate Guarantee given for Term Loans taken by the company			
Videocon Industries Limited	1,260.00	5,830.00	8,675.00
Collateral security given for Term Loans taken by the company			
Nippon Investments and Finance Company Private Limited	—	—	250.00
KBS Realtors Private Limited	—	—	1,250.00
Collateral security jointly given for Term Loan taken by the company	—	2,000.00	—
Videocon Realty and Infrastructure Limited			
Kartouche Properties and Finvest Private Limited			
Joshua Properties and Finvest Private Limited			
Tecorno Properties and Finvest Private Limited			
Venugopal N. Dhoot			
Pradipkumar N. Dhoot			
Fixed deposit hypothicated against loan taken by group entity			
Videocon Industries Limited	2,000.00	—	2,000.00
Videocon Realty and Infrastructure Limited	—	2,000.00	—

Notes to Financial Statements for the year ended March 31, 2017

Amount due to related parties –

Particulars	As at March 31, 2017 (□ in Million)	As at March 31, 2016 (□ in Million)
Rent payable to relative of Key Management Personnel	—	0.30
Others Payable		
C E India Limited	—	—
Applicomp (India) Ltd.	—	
Century Appliances Ltd	0.24	
Infodart Technologies India Limited	12.82	12.22
Quadrant Televentures Limited	9.73	22.87
PE Electronics Limited	2.54	1.09
Tekcare India Private Limited	—	3.64
Trend Electronics Limited	—	—
Videocon Telecommunications Limited	1.07	6.11
Videocon Integrated Solutions Pvt. Ltd.	2.38	—
KAIL Limited	0.00	0.02
Techno Electronics Limited	—	0.04
Topaki Media Private Limited	23.15	—
Jubiant Logistic Limited	29.41	33.18
Others Receivable		
Videocon Industries Limited	87.29	48.18
Trend Electronics Limited	1,973.18	1,555.35
Tekcare India Private Limited	4.75	
Planet Mobiles Private Limited	0.70	—
Topaki Media Private Limited	—	10.92
Techno Kart India Limited (Formerly Next Retail India Limited)	12.58	2.14
Universal Digital Connect Limited	17.50	21.82

(All amounts are in INR Million)

Notes to Financial Statements for the year ended March 31, 2017

29. Capital and financial risk management

I. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company's policy is to manage its borrowings using mixture of long-term and short-term borrowing facilities, including money market borrowings and other instruments permitted under its Treasury Policy, to meet anticipated funding requirements.

The following table summarizes the capital of the Company:

Particulars	As at March 31, 2017	As at March 31, 2016
Total borrowings	20,320.45	23,171.70
Less: Cash and cash equivalents	(661.83)	(1,428.69)
Net Debt (a)	19,658.62	21,743,01
Total Equity	7,808.65	7,235.64
Total Equity (b)	7,808.65	7,235.64
Total capital (a) + (b)	27,467.27	28,978.53

Term deposits of □ 3,447,27 million as at March 31, 2017 and □ 5,282.23 million as at March 31, 2016 (including restricted Cash as at March 31, 2017: □ 3,447.27 million and as at March 31, 2016: □ 3,282,23 million which are placed towards margin / reserves for term loans and bank guarantees) shown under other financial assets are not included in cash & cash equivalent for calculation of above total capital.

II. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by a treasury department (company treasury) as per the policy of the Company. Company treasury identifies, evaluates and hedges financial risks if any in close co-operation with the company's operating units. The policy covers the areas of overall risk management, including foreign exchange risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The major financial instruments of the Company include cash and bank deposits, trade and other receivables, trade and other payables and borrowings. Details of these financial instruments are disclosed in the respective notes to the financial statements. The risk management approach of the Company is aimed to minimize the financial risks for the business.

Notes to Financial Statements for the year ended March 31, 2017

a) Market Risk

(i) Foreign exchange risk

The company operates in local market and carries no major foreign currency risk, except for trade payables in respect of imports made by the company. However according to the management there is no material impact of the same. Trade payables in foreign currencies as on March 31, 2017 is □ 287.99 million (March 31, 2016 □ 483.47 million). The impact of foreign exchange sensitivity of 5% strengthening or weakening on the payables is □ 14.40 million.

The sensitivity analysis is based on a reasonably possible change in the underlying foreign currency against the INR computed from historical data and assuming all other information to be constant.

(ii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash held at variable rates.

In respect to borrowing on floating rates the Company negotiates exit options without break-costs on interest reset dates wherever possible.

The table below shows the Company's sensitivity to interest rates on floating rate bank borrowings on profit or loss and equity:

	INR in Million	
	For the year ended	
Particulars	**March 31, 2017**	**March 31, 2016**
1% strengthening of rates	199.46	231.49
1% weakening in rates	199.46	231.49

The profile of Company's borrowings as at March 31, 2017 and March 31, 2016 is provided on Note 22.

(iii) Price risk

The Company is not exposed to any price risk as the Company does not have any investment as on the reporting date.

b) Credit risk

Credit risk encompasses the direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. It principally arises from deposits with banks and others, trade and other receivables mainly linked to the credit exposures of customers.

The Company maintains its Cash and cash equivalents, Derivative financial instruments, Bank deposits with banks and financial institutions having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Trade receivables of the Company are typically unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which Company grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. The Company has no concentration of credit risk as the customer base is geographically distributed in India.

Notes to Financial Statements for the year ended March 31, 2017

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Company manages liquidity risk by maintaining adequate banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. It also maintains varied maturity profile with a cap on the level of debt maturing in any one calendar quarter, therefore minimising refinancing risk. Long-term borrowings generally mature between one and 8 years. Liquidity is reviewed on a daily basis based on weekly cash flow forecast.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the company's policies and procedures include specific guidelines to focus on the maintaining existing subscriber's base, adding new subscribers and developing innovative products.

30. Fair value of financial instruments

Fair value hierarchy

Financial liabilities measured at fair value and classified into level 3 :

This level of hierarchy includes financial liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor they are based on available market data. The item in this category is employee stock option valuation, measured at fair value.

Particulars	March 31, 2017 □ in million	March 31, 2016 □ in million
Opening	147.51	29.74
Charge to income statement	94.25	117.77
Utilised during the year	(241.76)	—
Closing	—	147.51

31. The Company has adopted a change in the accounting treatment of entertainment tax effective April 1, 2016. Hitherto, the subscription revenue was inclusive of entertainment tax and the payment of the entertainment tax was accounted for under operating expenses under the head license fees & taxes. From April 1, 2016, the entertainment tax is charged separately and the entertainment tax collected and paid is accounted for separately in the memorandum account. As a result of the change, the subscription revenue and the license fees and taxes for the year are lower by Rs. 2,263.52 Millions. The said change has no impact on the profit for the year.

32. The Board of Directors of the Company has approved a scheme of arrangement for amalgamation of the Company with Dish TV India Limited and the execution of definitive agreements in relation to such amalgamation (the "Proposed Transaction")

Notes to Financial Statements for the year ended March 31, 2017

Following the closing of the Proposed Transaction, the merged entity will be renamed as Dish TV Videocon Limited (“Dish TV Videocon”). Pursuant to the Scheme, Dish TV Videocon shall issue 857.79 million equity shares as consideration under the Scheme and the shareholders of the company shall be allotted 2.021 new shares of Dish TV Videocon for every one share held in company (subject to certain adjustments as set out in the Scheme), which would result in Dish TV shareholders owning 1,066.861 million existing shares or 55.4% of Dish TV Videocon, and company’s shareholders owning 857.791 million new shares or 44.6% of Dish TV Videocon.

Upon closing of the Proposed Transaction, Dish TV Videocon shall continue to be listed on the National Stock Exchange of India and the BSE Limited in India and proposed to list on the Luxembourg Stock Exchange in the form of GDRs. Under the Scheme, holders of company’s ADSs will receive their new shares in the form of GDRs, unless they elect to receive and hold new shares directly.

The proposed transaction has received the approval of Competition Commission of India. The company has also filed application with National Company Law Tribunal (NCLT). In the process, NCLT has convened the meeting of shareholders on dated May 8, 2017 and the shareholders have voted in favor of the scheme of arrangement of amalgamation with requisite majority.

The Proposed Transaction is expected to close in the second half of 2017

33. Approval of the financial statements

The financial statements were approved by the board of directors of the Company and authorised for issue on May 29, 2017

For and on behalf of the Board

SAURABH P. DHOOT
Executive Director

PRADEEP RAMWILAS RATHI
Director

Place: Mumbai
Date: May 29, 2017

Videocon d2h Limited

Financial Statements

31 March 2016

Videocon d2h Limited - Financial Statements
(All amounts are in INR Million)
Statement of Financial Position (Audited)

Particulars	Note	As at March 31, 2016 (₹in Million)	As at March 31, 2015 (₹in Million)
Assets			
Non-current Assets			
Property, Plant and equipment & Capital Work-in-Progress	16	26,680.84	25,315.45
Intangible Assets	17	888.10	1,072.53
Other Financial Assets	20	2,054.56	752.40
Other Non-Financial Assets		107.25	108.92
Deferred Tax Assets (Net)		8,085.59	7,708.19
Total non-current assets		**37,816.34**	**34,957.49**
Current Assets			
Inventories	18	400.23	341.25
Trade Receivables	19	2.79	1.63
Other Financial Assets	20	5,547.82	3,151.58
Other Non-Financial Assets	20	1,481.61	924.69
Cash and cash equivalents	21	1,428.69	9,888.77
Total current assets		**8,861.14**	**14,307.92**
Total Assets		**46,677.48**	**49,265.41**
Equity			
Share Capital		4,163.60	3,930.00
Share Premium		21,147.28	21,380.88
Retained earnings		(18,222.75)	(17,300.70)
Other reserves		147.51	29.74
Total Equity		**7,235.64**	**8,039.92**
Liabilities			
Non-current Liabilities			
Long-term borrowings	22	5.37	23.13
Other Non-Financial Liabilites	23	2,739.59	2,869.14
Post employement benefits	24	53.04	44.99
Others employement benefits	25	31.45	26.10
Total non-current liabilities		**2,829.45**	**2,963.36**
Current Liabilities			
Trade Payable		5,602.86	4,338.03
Other Non-Financial Liabilites	23	7,383.24	7,170.16
Other Financial Liabilities	23	23,621.79	26,747.99
Post employement benefits	24	0.80	2.53
Others employement benefits	25	3.70	3.42
Total current liabilities		**36,612.39**	**38,262.13**
Total Liabilities		**39,441.84**	**41,225.49**
Total equity and liabilities		**46,677.48**	**49,265.41**

Videocon d2h Limited - Financial Statements
(All amounts are in INR Million)
Income Statement (Audited)

Particulars	**Note**	**For the year ended**		
		March 31, 2016 (₹in Million)	**March 31, 2015 (₹in Million)**	**March 31, 2014 (₹in Million)**
INCOME				
Revenue from operations	7	28,558.62	23,377.08	17,644.10
		28,558.62	**23,377.08**	**17,644.10**
EXPENSE				
Operating expense	9	16,492.80	13,853.05	10,715.06
Employee benefits expense	10	1,207.31	1,023.28	864.28
Administration and other expenses	11	704.51	688.04	538.71
Selling and distribution expenses	12	2,258.84	1,856.32	1,605.56
Depreciation, amortization and impairment	16&17	6,088.42	5,286.82	4,211.89
Total Expenses		**26,751.88**	**22,707.51**	**17,935.50**
Profit / (Loss) from operations		**1,806.74**	**669.57**	**(291.40)**
Finance costs / Finance Income (Net)	13	(3,142.83)	(4,614.22)	(4,351.02)
Other Income	8	36.64	0.08	17.26
Profit / (loss) before tax		**(1,299.45)**	**(3,944.57)**	**(4,625.16)**
Income tax expense				
Current tax	14	-	-	-
Deferred tax	14	(377.40)	(1,217.93)	(1,429.68)
Profit / (Loss) after tax		**(922.05)**	**(2,726.64)**	**(3,195.48)**
Basic and Diluted earning per share	15	**(2.21)**	**(10.26)**	**(12.04)**

Videocon d2h Limited - Financial Statements
(All amounts are in INR Million)
Statement of Cash flows

	Note	March 31, 2016 (₹ in Million)	March 31, 2015 (₹ in Million)	March 31, 2014 (₹ in Million)
Cash flows from operating activities				
Profit before Tax		**(1,299.45)**	**(3,944.57)**	**(4,625.16)**
Adjustments for:				
Depreciation, Amortization and Impairment		6,088.42	5,286.82	4,211.89
Finance Costs		3,867.31	4,716.75	4,447.98
Interest Income		(724.48)	(102.53)	-96.96
Employee benefits expenses		11.96	24.16	6.38
Share based payment		117.77	29.74	
Liabilities/ provisions no longer required written back		-	-	(15.41)
Operating cash flow before changes in assets and liabilites		**8,061.53**	**6,010.37**	**3,928.72**
Decrease/(increase) in inventories		(58.98)	(24.12)	(63.96)
Decrease/(increase) in trade receivables		(1.16)	2.61	14.50
Decrease/(increase) in other financial and non-financial assets		(4,219.82)	(244.64)	(1,635.12)
Increase/(decrease) in trade payable		1,264.83	2,134.17	227.06
Increase/(decrease) in other financial and non-financial liabilites		(285.07)	1,228.81	875.65
Cash generated from operations		**4,761.33**	**9,107.20**	**3,346.85**
Income tax paid		33.84	(0.67)	19.25
Net cash inflow from operating activities		**4,727.49**	**9,107.87**	**3,327.60**
Cash flows from investing activities				
Purchase of intangible assets		(41.83)	(55.10)	(63.02)
Property, Plant and equipment & Capital Work-in-Progress		(7,227.96)	(7,597.34)	(6,438.82)
Decrease in Capital Work-in-Progress & Disposal of Property, Plant and equipment		0.42	3.17	285.54
Interest Income		724.48	102.53	96.96
Net cash flow from investing activities		**(6,544.89)**	**(7,546.74)**	**(6,119.34)**
Cash flows from financing activities				
Increase in Equity Share Capital		233.60	1,510.00	0.00
Share Premium Received		(233.60)	15,540.88	0.00
Proceeds from borrowings		2,750.00	8,163.82	7,333.25
Repayment of borrowings		(5,525.37)	(12,355.20)	(5,697.30)
Interest & other borrowing costs paid		(3,867.31)	(4,716.75)	(4,447.98)
Net cash flow from financing activities		**(6,642.68)**	**8,142.75**	**-2,812.03**
Net increase/(decrease) in cash and cash equivalents during the year		(8,460.08)	9,703.87	(5,603.77)
Cash and cash equivalents at beginning of the financial year	21	9,888.77	184.90	5,788.67
Cash and cash equivalents at end of the financial year	21	**1,428.69**	**9,888.77**	**184.90**

Videocon d2h Limited - Financial Statements
(All amounts are in INR Million)
Notes to Financial Statements for the year ended March 31, 2016

Statement of Changes in Equity **(₹in Million)**

	Called up share capital	Share premium	Share Application Money	Retained earnings	Share based payment Reserve	Total
Balance as at March 31, 2013	**2,420.00**	**5,840.00**	-	**(11,378.58)**	-	**(3,118.58)**
Loss for the year	-	-	-	(3,195.48)	-	(3,195.48)
Balance as at March 31, 2014	**2,420.00**	**5,840.00**	-	**(14,574.06)**	-	**(6,314.06)**
ESOP 2014 plan					29.74	29.74
Additional Issued	1,510.00	15,540.88		-	-	17,050.88
Loss for the year	-	-	-	(2,726.64)	-	(2,726.64)
Balance as at March 31, 2015	**3,930.00**	**21,380.88**	-	**(17,300.70)**	**29.74**	**8,039.92**
Bonus shares issued during the year	233.60	(233.60)				-
Loss for the year	-	-	-	(922.04)	-	(922.04)
ESOP 2014 plan					117.77	117.77
Balance as at March 31, 2016	**4,163.60**	**21,147.28**	-	**(18,222.74)**	**147.51**	**7,235.65**

Share Capital

Particulars	**As at March 31, 2016**		**As at March 31, 2015**	
	No of Shares (in Nos)	**Value (₹in Million)**	**No of Shares (in Nos)**	**Value (₹in Million)**
Authorized shares *(Equity Shares of ₹ 10/- each)*	500,000,000	5,000.00	500,000,000	5,000.00
Ordinary shares of ₹10 allotted , issued and fully paid	392,999,600	3,930.00	242,000,000	2,420.00
Allotted during the year	-	-	150,999,600	1,510.00
Bonus shares issued during the year	23,360,000	233.60	-	-
As at March 31	**416,359,600**	**4,163.60**	**392,999,600**	**3,930.00**

a) The company, under ESOP Plan 2014, has given an option to its eligible employees entitling upto 4,000,000 equity shares. Each option pursuant to the ESOP 2014 entitles the grantees to apply for one equity share. The exercise price is Rs 50 per option. So far the company has granted an option of 3,705,000 equity shares and the grant is administered by an ESOP Trust named Videocon d2h Employee Welfare Trust. The company has alloted these number of shares to ESOP Trust persuant to shareholders consent in Extra Ordinary General Meeting held on September 25, 2015. As per the scheme, Trust will issue the shares of the company to its eligible employees who has exercised the Stock Option and has successfully completed the vesting conditions as per ESOP Plan 2014.

b) In terms of Contribution agreement entered into between company and Silver Eagle Acquisition Corporation and persuant to achievement of initial performance hurdle in terms of ADSs price target, the company has;

(i) Obtained the consent of Shareholders by passing an ordinary resolution in Extra Ordinary General Meeting held on September 25, 2015 for issuance of 23,360,000 earn out shares by way of bonus issue to existing shareholders of the company as on December 31, 2014. The allotment of these bonus shares is completed by December 23, 2015.

(ii) Obtained the consent of Shareholders by passing an ordinary resolution in Extra Ordinary General Meeting held on September 25, 2015 for issuance of 999,996 earn out ADSs equivalent to 3,999,984 equity shares by way of bonus issue to Deutsche Bank Trust Company Americas, the Depository for the benefit of Global Eagle Acquisition LLC, the Sponsor. The company has initiated the SEC related regulatory requirement for allotment of these shares.

(iii) The company has also granted a stock option of 2,800,000 equity shares to its executive director, Mr Saurabh Dhoot and persuant to achivement of initial performance hurdle, Mr Dhoot is eligible for 1,400,000 equity shares subject to regulatory approvals.

1. Corporate information

Videocon d2h Limited is a limited company incorporated and domiciled in India under the Companies Act, 1956 of India. The name of the Company was changed from Bharat Business Channel Limited to the current name now, Videocon d2h Limited on July 1, 2014. The registered office is located at Auto Cars Compound, Adalat Road, Aurangabad, 431005, Maharashtra, India.

The company is engaged in the business of providing Direct to Home (DTH) services to its subscribers. The company has entered into a license agreement with the Ministry of Information and Broadcasting to provide DTH services in India. The DTH services are rendered to the subscribers through Consumer Premises Equipment (CPE) used for receiving and broadcasting DTH signals at subscriber's premises.

2. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards ('IFRS') and IFRIC interpretations, as issued by the International Accounting Standards Board. These financial statements have been prepared under the historical cost convention, as modified by financial assets /financial liabilities at fair value through statement of Income.

These financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at March 31, 2016. The policies set out below have been consistently applied to all the years presented.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 & 5. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The financial statements provide comparative information in respect of the previous periods. In addition, the company presents an additional statement of financial position at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

The Company has incurred a loss of INR 922.05 mn during the year ended March 31, 2016 and has accumulated losses amounting to INR 18,222.75 mn as at March 31, 2016, resulting into substantial erosion of its net worth. Further, the Company has breached certain covenants of the long term loan agreements. These factors raise significant doubt that the entity will be able to continue as a going concern. The management is confident of meeting its funds requirements in the future and generating cash flow from business operations through increasing its subscriber's base. Accordingly, these financial statements have been prepared on going concern basis. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

3. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company.

The following new standards or interpretations have not been applied for the year ended 31st March 2016.

(All amounts are in INR Million)

Notes to Financial Statements for the year ended March 31, 2016

STANDARDS OR INTERPRETATIONS	EFFECTIVE DATE
IFRS 9- Financial Instruments	1 January 2018
IFRS 15- Revenue from contacts with Customers	1 January 2017
IFRS 16- Leases	1 January 2019

IFRS 9 *Financial Instruments*

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16 - Leases which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous leases standard, IAS 17 - Leases. IFRS 16, which is not applicable to service contracts, but only applicable to leases or lease components of a contract, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. IFRS 16 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by IAS 17 and instead, introduces a single lessee accounting model whereby a lessee is required to recognize assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognize depreciation of leases assets separately from interest on lease liabilities in the income statement. As IFRS 16substantially carries forward the lessor accounting requirements in IAS 17, a lessor will continue to classify its leases as operating leases or finance leases and to account for those two types of leases differently. IFRS 16 is effective from January 1, 2019, with early adoption allowed only if IFRS 15 - Revenue from Contracts with Customers is also adopted.

<u>Amendments:</u>

IAS 28 and IFRS 10 (amendment), 'Sale or Contribution of Assets between an investor and its associate or joint venture', are effective for periods beginning on or after 1 January 2016. The amendment requires on the transfer of an asset that is a business in a downstream transaction that the group recognise the gain or loss on the transfer in full. On transfer of an asset that is not a business, the investor recognises a partial gain or loss based on the group's unrelated interest in the associate or joint venture.

Consistently IFRS 10 has been amended that the full gain or loss is not recognised when a subsidiary is transferred that does not meet the definition of a business.

This amendment is unlikely to have an impact on the Company as it has no subsidiary or associate.

IAS 16 & IAS 38 (amendments), 'Clarification of Acceptable Methods of Depreciation and Amortisation', is effective for periods beginning on or after 1 January 2016. The amendment clarifies that a deprecation method based on revenue is not an appropriate method in determining a pattern in which the assets future economic benefits are consumed

This amendment is unlikely to have a material impact on the financial statement of the company.

IAS 16 & IAS 41 (amendments), 'Agriculture: Bearer Plants', is effective for periods beginning on or after 1 January 2016. The amendment provides a definition of bearer plants which are scoped out of IAS 41. Instead bearer plants would fall to be within the scope of IAS 16. Bearer plants are broadly those which are used in the production or supply of agricultural produce over more than one period and are unlikely to be sold as agricultural produce.

This amendment is unlikely to have an impact on the Company as it has no agricultural activities involving bearer plants.

IFRS 11 (amendment), 'Accounting for acquisitions of interests in joint operations', is effective prospectively for periods beginning on or after 1 January 2016. The amendments clarifies that a joint operator that acquires an asset or group of assets in a joint operation that represents a business in accordance with IFRS 3, applies the principles in IFRS 3 in accounting for business combinations to the acquisition. This will result in separate recognition of goodwill if any arises on the acquisition. If the asset or group of assets acquired does not constitute a business the principles of IFRS 3 are not applied.

This amendment is unlikely to have an impact on the Company as it has no joint operations.

4. Significant accounting policies:

4.1 Intangible assets

Intangible Assets which includes License Fees, Computer Software, Technical Know-how and Trade Mark / Brand, are measured at cost of acquisition and are stated at cost less accumulated amortization and impairment, if any. Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised

a) License fees

Acquired licenses are initially recognised at cost. Subsequently, license fees are measured at cost less accumulated amortisation and accumulated impairment loss, if any.

Amortisation period for license fees is determined primarily by reference to the unexpired license period. Amortisation is charged to the income statement on a straight-line basis over the period of license. The useful life of license is 10 years.

b) Computer software

Computer software comprises of computer softwares purchased from third parties. Computer software licenses are capitalised on the basis of all the costs incurred to acquire and bring into use the specific purpose.

Software integral to a related item of hardware equipment is accounted for as property, plant and equipment. Costs associated with maintaining computer software programs are recognised as an expense when they are incurred.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives from the date the software is available for use. The useful economic life is estimated at 5 years.

c) Trademarks / Brand / Technical know-how and Designs

Trademark / Brand / Technical know-how and Designs are measured at cost and are amortised on straight line basis over its useful life which is the shorter of the license term and the useful economic life. The useful economic life is estimated at 10 years.

4.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation/amortization and impairment loss, if any. The cost is inclusive of freight, installation cost, duties, taxes, borrowing cost and other incidental expenses for bringing the asset to its working conditions for its intended use but net of CENVAT and Value Added Tax, wherever input credit is claimed.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All other repair and maintenance costs are recognized in Income statement as incurred.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, using the straight-line method, over their estimated useful lives, as follows:

Assets	**Useful Life**
Land and Building	
Building	30 Years
Equipment & Machinery	
Plant and Machinery	13 – 15 years
Consumer Premises Equipment	7 Years
Computer hardware	3-6 years
Other assets (Furniture & Fixtures and Vehicle)	

Furniture & Fixtures	10 years
Vehicles	8 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

4.3 Impairment of assets

Property, plant and equipment and intangible assets
At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.4 Revenue

a) Subscription revenue from DTH services is recognized on accrual basis on rendering of the services and is net of applicable taxes and any discount / rebate given.

b) Activation revenue is recognized on the completion of activation services and is net of applicable taxes and any discount / rebate given.

c) Revenue from installation is recognized on completion of the installation services and is net of applicable taxes.

d) Revenue on account of sale of Set Top Box (STB), accessories and goods is recognized when the goods are dispatched and are net of Sales tax / VAT, discounts and rebates.

e) In case of CPE given on operating lease, lease rentals are recognized as revenue as per the terms of contract over the period of lease on straight line basis.

f) Other services like carriage fees and advertisement revenue are recognized on rendering of the service and are net of applicable taxes.

g) Interest income is recognized on time proportion basis taking into account the amount invested and the rate of interest.

h) Revenue and Expenditure on account of Free Commercial Time (FCT) granted by the broadcaster/s is recognised as and when same is utilised.

i) Service access fees are recognized as revenue over the estimated customer relationship period and are net of applicable taxes, discount and rebates.

4.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on weighted average basis and comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition.

4.6 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as an assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments as determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in Trade and other payables. Finance charges are recognised in the income statement.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Arrangement containing lease
The determination of whether an arrangement is, or contains, a lease is based on the substance of arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

4.7 Foreign currencies

a) Functional and presentation currency
The financial statements of the company are presented in Indian Rupees ('INR') which is the functional currency of the Company.

b) Transactions and balances
Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the respective functional currency at the rates prevailing on the reporting period date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting period-end date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.
Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

All foreign exchange gains and losses are presented in the income statement within 'Administration & Other expenses' (net).

4.8 Employment benefits

a) **Short Term Employees Benefits**
All employee benefits payable within twelve months of rendering the services are classified as short-

term employee benefits. Benefits such as salaries, wages, and bonus etc., are recognized in the Income Statement in the period in which the employee renders the related service.

b) **Long Term Employee Benefits**

i) Provident Fund and employees' state insurance schemes

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employees and the employer make monthly contributions to the plan at a predetermined rate (presently 12 %) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. The Company's contributions to both these schemes are expensed. The Company has no further obligations under these plans beyond its monthly contributions.

ii) Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability in the balance sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.The present value of obligation under gratuity is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes 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.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Income Statement as income or expenses.

iii) Leave Encashment and Other long term benefit

Liability in respect of leave encashment for complete financial year is determined using the projected unit credit method with independent actuarial valuations as on the date of Statement of financial position and gains/losses are recognized immediately in the Income Statement.

c) The employee stock option plan is measured by reference to fair value in accordance with IFRS 2 (Share Based Payment) at the date at which equity instruments are granted and is recognized as an expenses over the vesting period, which ends on the date on which the employee becomes fully entitled to the award. Fair value is determined by using Black Scholes Model of valuation.

4.9 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

The charge for current tax is based on the result for the year adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Current and deferred tax is recognised in the income statement unless the item to which the tax relates was recognised outside the income statement being other comprehensive income or equity. The tax associated with such an item is also recognised in other comprehensive income or equity respectively

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary timing differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to Income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

A change in deferred tax assets and liabilities as a result of a change in the tax rates or laws are recognised in Income statement or other comprehensive income to the extent that it relates to items previously recognised in other comprehensive income.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

4.10 Financial instruments

Financial assets and financial liabilities, in respect of financial instruments, are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and liabilities at initial recognition.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balance with banks, being those with original maturities of three months or less.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Capital market and bank borrowings

Interest bearing loans are initially measured at fair value (which is equal to cost at inception), and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs.

4.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

4.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

4.13 Earnings per share

The Company's earnings per share ('EPS') is determined based on the net loss attributable to the equity shareholders. Basic loss per share are computed using the weighted average number of shares outstanding during the year. Diluted loss per share is computed using the weighted average number of common and dilutive common equivalent shares if any outstanding during the year, except where the result would be anti-dilutive. The weighted average number of equity shares outstanding during the year are adjusted for event of bonus issue.

4.14 Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The interest cost incurred for funding a qualifying asset during the construction period is capitalised based on actual investment in the asset at the average interest rate. All other borrowing costs are recognised in Income statement in the period in which they are incurred.

4.15 Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

5. Critical accounting estimates

The company prepares its financial statements in accordance with IFRS as issued by the IASB, the application of which often requires judgments to be made by management when formulating the company's financial position and results. Under IFRS, the management of the company is required to adopt those accounting policies most appopriate to the company's circumstances for the purpose of presenting fairly the company's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgment is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the company should it later be determined that a different choice would be more appropriate.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the company's disclosure of significant IFRS accounting policies which are provided in note 4 to the financial statements, "Significant accounting policies".

Management has discussed its critical accounting estimates and associated disclosures with the company's Audit Committee.

a. Impairment reviews

IFRS requires management to undertake an annual test for impairment of finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in EBITDA, calculated as operating profit before depreciation and amortisation;
- timing and quantum of future capital expenditure;
- long-term growth rates; and
- the selection of discount rates to reflect the risks involved.

b. Revenue recognition

Arrangements with multiple deliverables

In revenue arrangements including more than one deliverable, the arrangement considerations are assigned to one or more separate deliverables based on its relative fair values for revenue recognition purpose.

Determining the fair value of each deliverable can require estimates due to the nature of the goods and services provided.

c. Taxation

The Company is subject to income taxes in Indian jurisdictions. Significant judgments are required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain; such determination being made by the relevant taxing authorities. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be found to be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Where considered necessary estimates are developed by management based on external specialist advice.

There are no other judgemental areas identified by management that could have a material effect on the provisions made at the reporting date.

Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

Recognition therefore involves judgement regarding the future financial performance of the company.

d. Employee benefit

The present value of the employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employment benefits include the discount rate. Any changes in these assumptions will have an effect on the carrying amount of employment benefits.

Discount rate as determined by the actuary is the interest rate used to discount the defined benefit obligation and calculate the net interest recognised in profit or loss on the net defined benefit liability. In determining the appropriate discount rate, consideration is given to the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits are to be paid and that have terms of maturity approximating the terms of the related pension obligation.

Other key assumptions relevant to the defined employment benefit obligations are based in part on current market conditions. Additional disclosures concerning these obligations are provided in note 24 & 25.

e. License Fees

There are transactions and calculations for which the ultimate license fees determination is uncertain; such determination being made by the relevant authorities. The company recognises liabilities based on estimates of whether additional fees will be found to be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income statement and liabilities in the period in which such determination is made.

There are no other judgemental areas identified by management that could have a material effect on the provisions made at the reporting date.

f. Other intangible assets

Estimation of useful life

The useful life used to intangible assets relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset. The basis for determining the useful life for the most significant categories of intangible assets is as follows:

Capitalised software

The useful life is determined by management at the time the software is acquired and brought into use and is regularly reviewed for appropriateness. For computer software licenses, the useful life represents management's view of expected term over which the Company will receive benefits from the software, but not exceeding the license term. For unique software products controlled by the Company, the life is based on historical experience with similar products as well as anticipation of future events which may impact their life such as changes in technology. Historically changes in useful lives have not resulted in material changes to the Company's amortisation charge.

g. Property, plant and equipment

Property, plant and equipment also represent a significant proportion of the asset base of the Company being 69 % as at March 31 2016 (March 31, 2015: 61%) of the Company's total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

Estimation of useful life

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the income statement.

The useful lives and residual values of Company assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

Historically changes in useful lives and residual values have not resulted in material changes to the Company's depreciation charge.

h. Provisions and contingent liabilities

The Company exercises judgement in measuring and recognizing provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities (see note 27). Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

6. Segment analysis

The Company operates in a single business segment viz. Direct to Home services in India; accordingly there is no reportable business segment or geographical segment.

(All amounts are in INR Million)

Notes to Financial Statements for the year ended March 31, 2016

7 Revenue from operations

Particulars	For the year ended March 31, 2016 (₹in Million)	March 31, 2015 (₹in Million)	March 31, 2014 (₹in Million)
Subscription and Activation Revenue	26,068.06	20,628.48	15,250.91
Other Operating Revenue	1,367.52	1,713.09	1,518.38
Lease Rentals	1,032.46	927.35	761.34
Sale of set top box and accessories	90.57	108.16	113.47
	28,558.61	**23,377.08**	**17,644.10**

8 Other Income

Particulars	For the year ended March 31, 2016 (₹in Million)	March 31, 2015 (₹in Million)	March 31, 2014 (₹in Million)
Liabilities/ provisions no longer required written back	-	-	15.41
Other non-operating income	36.64	0.08	1.85
	36.64	**0.08**	**17.26**

9 Operating expenses

Particulars	For the year ended March 31, 2016 (₹in Million)	March 31, 2015 (₹in Million)	March 31, 2014 (₹in Million)
Content and Programming costs	10,796.54	8,459.24	6,019.58
License fees and taxes	3,342.91	2,489.52	1,832.05
Space segment charges and fees	1,555.40	1,403.49	1,332.29
Installation and service expenses	273.42	938.36	1,028.68
IT support costs	346.57	330.01	283.60
Cost of material and components consumed	177.95	232.43	218.86
	16,492.79	**13,853.05**	**10,715.06**

10 Employee benefits expenses

Particulars	For the year ended March 31, 2016 (₹in Million)	March 31, 2015 (₹in Million)	March 31, 2014 (₹in Million)
Salaries, bonus and allowances *	1,132.85	957.87	809.94
Contribution to Provident and other funds	43.42	37.77	33.76
Staff welfare expenses	31.03	27.64	20.58
	1,207.30	**1,023.28**	**864.28**

* Salaries, bonus and allowances include ₹ 117.77 Mn towards provision for ESOP Plan 2014.

Videocon d2h Limited - Financial Statements
(All amounts are in INR Million)
Notes to Financial Statements for the year ended March 31, 2016

11 Administration and other expenses

Particulars	For the year ended		
	March 31, 2016 (₹in Million)	**March 31, 2015 (₹in Million)**	**March 31, 2014 (₹in Million)**
Travelling and Conveyance Expenses	159.92	154.46	131.45
Rent	117.83	108.18	89.78
Power and Fuel	88.06	77.31	68.98
Legal and Professional Charges	84.66	147.55	67.11
Office and General Expenses	89.89	84.16	63.48
Exchange Fluctuation Loss (Net)	42.40	18.87	48.17
Communication Expenses	29.37	28.20	24.88
Repairs and Maintenance	30.73	27.51	22.20
Printing and Stationery	15.54	15.96	10.84
Insurance Expenses	13.98	5.05	5.78
Rates and Taxes	25.99	7.86	4.51
Auditors' Remuneration	5.00	9.39	1.53
Loss on Sale of Fixed Assets	-	2.07	-
Bad Debts	1.04	1.05	-
Provision for Doubtful Debts	0.09	0.42	-
	704.50	**688.04**	**538.71**

12 Selling and distribution expenses

Particulars	For the year ended		
	March 31, 2016 (₹in Million)	**March 31, 2015 (₹in Million)**	**March 31, 2014 (₹in Million)**
Advertisement and Marketing Expenses	1,106.42	899.32	893.68
Customer Support Services	1,131.71	871.77	627.16
Distribution Expenses	20.72	85.23	84.72
	2,258.85	**1,856.32**	**1,605.56**

13 Finance (costs) / Finance Income (Net)

Particulars	For the year ended		
	March 31, 2016 (₹in Million)	**March 31, 2015 (₹in Million)**	**March 31, 2014 (₹in Million)**
Finance Costs:			
Bank Loan Interest	(3,406.48)	(4,223.47)	(4,235.14)
Other Interest	(348.19)	(368.82)	(112.08)
Bank Charges	(112.64)	(124.46)	(100.76)
	(3,867.31)	**(4,716.75)**	**(4,447.98)**
Finance Income:			
Interest Income	724.48	102.53	96.96
Finance (Costs)/ Finance Income (net)	**(3,142.83)**	**(4,614.22)**	**(4,351.02)**

14 Taxation

The major components of income tax expense for the years ended 31st March 2016, 31st March 2015 and 31st March 2014

Income Tax expense

Particulars	For the year ended		
	March 31, 2016 (₹ in Million)	March 31, 2015 (₹ in Million)	March 31, 2014 (₹ in Million)
Income tax expenses in respect of :			
Current year	-	-	-
Total income tax	-	-	-
Deferred tax on origination and reversal of temporary differences	(377.41)	(1,217.93)	(1,429.68)
Total deferred tax	**(377.41)**	**(1,217.93)**	**(1,429.68)**
Total income tax expenses	**(377.41)**	**(1,217.93)**	**(1,429.68)**

Deferred tax

Deferred tax relates to the following:

Particulars	As at	
	March 31, 2016 (₹ in Million)	March 31, 2015 (₹ in Million)
Statement of Financial Position		
Provision for Gratuity	16.94	14.68
Disallowances in Tax	548.05	530.23
Deferrment of Expenses - Discount on Long term recharge	(94.00)	(80.59)
Allowances under Section 35D	-	20.23
Depreciation/ amortization and impairment	605.32	137.34
Employee stock option Plan	-	9.19
Losses available for offsetting against future taxable income	7,009.27	7,077.11
Deffered Tax Assets	**8,085.58**	**7,708.19**
Deferred tax Assets at April 1	7,708.19	6,490.26
Deferred tax expense /(benefit)	**(377.39)**	**(1,217.93)**

Reconciliation in the Statement of Financial Position:

Particulars	As at	
	March 31, 2016 (₹ in Million)	March 31, 2015 (₹ in Million)
Deferred tax asset	7,574.26	7,651.44
Deferred tax liability	511.33	56.75
Deferred tax assets or Deferred tax liabilities net	**8,085.59**	**7,708.19**

Factors affecting the tax charge in future years

Factors that may affect the Company's future tax charge include the impact of corporate restructurings, the resolution of open issues, future planning opportunities, corporate acquisitions and disposals, the use of brought forward tax losses and changes in tax legislation and tax rates.

The Company is routinely subject to assessments by tax authorities in India. These are usually resolved through the Indian legal system. The Company considers each issue on its merits and, where appropriate, holds provisions in respect of the potential tax liability that may arise. However, the amount ultimately paid may differ materially from the amount accrued and could therefore affect the Company's overall profitability and cash flows in future periods.

At March 31, 2016 the gross amount and expiry dates of losses available for carry forward are as follows:

Particulars	As at		
	March 31, 2016 (₹ in Million)	March 31, 2015 (₹ in Million)	March 31, 2014 (₹ in Million)
Expiring within 5 years			
Losses for which a deferred tax asset is recognized	7,782.51	5,579.33	1,124.18
Losses for which no deferred tax is recognized	-	-	-
Expiring within 6-10 years			
Losses for which a deferred tax asset is recognized	1,944.88	1,967.92	8,965.86
Losses for which no deferred tax is recognized	-	-	-
Unlimited			
Losses for which a deferred tax asset is recognized	12,956.35	15,356.02	11,217.34
Losses for which no deferred tax is recognized	-	-	-
Total			
Losses for which a deferred tax asset is recognized	22,683.74	22,903.27	21,307.38
Losses for which no deferred tax is recognized	-	-	-

Reconciliation of Effective Tax Rate **Rs in Mn**

Particulars	For the year ended March 31,		
	March 31,2016	March 31,2015	March 31, 2014
Income / (Loss) before income taxes	**(1,299.45)**	**(3,944.57)**	**(4,625.16)**
Enacted tax rates in India	30.9%	30.9%	30.9%
Computed expected tax expense / (benefit)	**(401.53)**	**(1,218.87)**	**(1,429.17)**
Tax effects due to permanent difference	24.13	0.94	-0.51
Tax effects due to the temporary differences	**-377.40**	**-1,217.93**	**-1,429.68**
Provision for Gratuity	(2.26)	(4.89)	(1.35)
Disallowances in Tax	(17.82)	(345.52)	(62.87)
Deferrment of Expenses - Discount on Long term recharge	13.41	7.13	21.16
Allowances under Section 35D	20.23	(17.46)	1.47
Depreciation/ amortization and impairment	(467.98)	(354.87)	(203.97)
Employee stock option Plan	9.19	(9.19)	-
Losses available for offsetting against future taxable income	67.83	(493.13)	(1,184.12)
Income tax expenses	**(377.40)**	**(1,217.93)**	**(1,429.68)**

15 Earning Per Share

Particulars	As at March 31, 2016 (₹in Million)	As at March 31, 2015 (₹in Million)	As at March 31, 2014 (₹in Million)
Profit/(Loss) for the year	(922.05)	(2,726.64)	(3,195.48)
Weighted average number of shares for basic loss per share	416,359,600	265,773,698	265,360,000
Weighted average number of shares for diluted loss per share	416,359,600	265,773,698	265,360,000
Basic earning per Share	(2.21)	(10.26)	(12.04)
Diluted earning per Share	(2.21)	(10.26)	(12.04)

Basic Profit/(loss) per share is calculated by dividing the Profit/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted Profit/(loss) per share are calculated by dividing the Profit/(loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Videocon d2h Limited - Financial Statements
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Notes to Financial Statements for the year ended March 31, 2016

16 Property, Plant and equipment & Capital Work-in-Progress

(₹in Million)

Costs	Consumer Premises Equipments	Plant and Machinery	Computers	Building	Electrical Installations	Furniture and Fixtures	Office Equipments	Vehicles	Capital Work-in-Progress	Total
As at March 31, 2014	25,895.83	3,151.76	566.11	232.52	186.28	54.28	28.69	18.18	2,224.51	32,358.16
Additions	6,808.52	337.03	89.36	11.34	16.87	6.13	8.36	-	319.69	7,597.30
Disposals / Adjustments	-	0.35	0.02	-	0.13	1.05	0.05	2.96	-	4.56
As at March 31, 2015	32,704.35	3,488.44	655.45	243.86	203.02	59.36	37.00	15.22	2,544.20	39,950.90
Additions	7,889.87	94.97	51.58	0.12	4.57	8.22	3.04	5.01	(829.43)	7,227.95
Disposals / Adjustments	-	0.01	0.45	-	0.14	0.30	0.17	-	-	1.07
As at March 31, 2016	40,594.22	3,583.40	706.58	243.98	207.45	67.28	39.87	20.23	1,714.77	47,177.78
Accumulated depreciation and impairment	**Consumer Premises Equipments**	**Plant and Machinery**	**Computers**	**Building**	**Electrical Installations**	**Furniture and Fixtures**	**Office Equipments**	**Vehicles**	**Capital Work-in-Progress**	**Total**
As at March 31, 2014	8,318.36	830.44	344.99	32.61	33.75	12.52	4.58	6.30	-	9,583.55
Depreciation for the year	4,245.36	260.88	127.97	7.95	25.95	6.98	16.55	2.58	-	4,694.22
Disposals / Adjustments	-	0.08	0.02	-	0.03	0.45	0.01	0.78	-	1.37
Impairment	359.04	-	-	-	-	-	-	-	-	359.04
As at March 31, 2015	12,922.76	1,091.24	472.95	40.56	59.67	19.05	21.12	8.10	-	14,635.45
Depreciation for the period	5,218.48	284.56	97.20	8.15	27.32	7.70	6.15	2.57	-	5,652.13
Disposals / Adjustments	-	0.01	0.37	-	0.07	0.13	0.07	-	-	0.65
Impairment	210.01	-	-	-	-	-	-	-		210.01
As at March 31, 2016	18,351.25	1,375.79	569.78	48.71	86.92	26.62	27.20	10.67	-	20,496.94
Net Book Value	**Consumer Premises Equipments**	**Plant and Machinery**	**Computers**	**Building**	**Electrical Installations**	**Furniture and Fixtures**	**Office Equipments**	**Vehicles**	**Capital Work-in-Progress**	**Total**
As at March 31, 2014	17,577.47	2,321.32	221.12	199.91	152.53	41.76	24.11	11.88	2,224.51	22,774.61
As at March 31, 2015	19,781.59	2,397.20	182.50	203.30	143.35	40.31	15.88	7.12	2,544.20	25,315.45
As at March 31, 2016	22,242.97	2,207.61	136.80	195.27	120.53	40.66	12.67	9.56	1,714.77	26,680.84

Property, Plant and equipment & Capital Work-in-Progress are charged by way of equitable mortgage with banks for term loans. For more details refer note no 22.

17 Intangible Assets

(₹in Million)

Costs	Trademark / Brand	Technical Know-how and Designs	Computer Software	License Fees	Total
As at March 31, 2014	1,225.31	274.45	469.54	100.00	2,069.30
Additions	-	-	55.10	-	55.10
Disposals / Adjustments	-	-	-	-	-
As at March 31, 2015	1,225.31	274.45	524.64	100.00	2,124.40
Additions	-	0.43	41.41	-	41.84
Disposals / Adjustments	-	-	-	-	-
As at March 31, 2016	1,225.31	274.88	566.05	100.00	2,166.24
Accumulated amortisation and impairment losses	**Trademark / Brand**	**Technical Know-how and Designs**	**Computer Software**	**License Fees**	**Total**
As at March 31, 2014	331.09	117.61	321.54	48.15	818.39
Depreciation for the year	122.53	27.44	72.40	11.11	233.48
Disposals / Adjustments	-	-	-	-	-
As at March 31, 2015	453.62	145.05	393.94	59.26	1,051.87
Depreciation for the year	122.53	27.47	65.16	11.11	226.27
Disposals / Adjustments	-	-	-	-	-
As at March 31, 2016	576.15	172.52	459.10	70.37	1,278.14
Net Book Value	**Trademark / Brand**	**Technical Know-how and Designs**	**Computer Software**	**License Fees**	**Total**
As at March 31, 2015	771.69	129.40	130.70	40.74	1,072.53
As at March 31, 2016	649.16	102.36	106.95	29.63	888.10

Amortisation of licences and other intangible assets is included within Depreciation and Amortisation on the income statement. All licences have been pledged as security against borrowings.

The remaining amortisation period of licence as follows:

Particulars	2016	2015
Remaining amortization period	2 to 3 years	3 to 4 years

The Company takes on lease certain Computer Sofwares under non-cancellable finance lease agreements. The lease terms range between 2 and 5 years.

18 Inventories

Particulars	As at March 31, 2016 (₹in Million)	As at March 31, 2015 (₹in Million)
Consumables and Spares (including Material-in-Transit)	400.23	341.25
(As taken, valued and certified by the management)		
	400.23	**341.25**

19 Trade Receivables

Particulars	As at March 31, 2016 (₹in Million)	As at March 31, 2015 (₹in Million)
Trade Receivables	3.94	2.68
Less: Provisions	(1.15)	(1.05)
	2.79	**1.63**

The management consider that the carrying amount of trade and other receivables approximates their fair value. The allowance for estimated irrecoverable amounts of trade debtors has been determined by reference to past default experience and information on specific balances outside trade terms and is calculated by reference to the present value of anticipated future proceeds.

20 Financial and Non-Financial Assets

Particulars	As at March 31, 2016 (₹in Million)	As at March 31, 2015 (₹in Million)
Included within non-current assets		
Financial assets:		
Capital Advance	1,570.05	661.52
Deposits	72.14	46.20
Term deposits with banks	412.37	44.68
	2,054.56	**752.40**
Non Financial assets:		
Prepaid Rent	107.25	108.92
	107.25	**108.92**
Total	**2,161.81**	**861.32**
Included within current assets		
Financial assets:		
Term deposits with banks	4,869.86	3,067.77
Interest Receivables	142.80	51.25
Other Assets	516.02	12.50
Deposits	19.14	20.06
	5,547.82	**3,151.58**
Non Financial assets:		
Balance with Central Excise/VAT Authority	1,067.42	646.05
Prepaid Expenses	312.93	211.21
Prepaid Rent	16.76	16.76
Advance Income Tax and Tax deducted at source	84.50	50.67
	1,481.61	**924.69**
Total	**7,029.43**	**4,076.27**

Term deposits with banks in financial assets includes Restricted Cash (March 31, 2016: ₹ 3,282.23 million, March 31, 2015: ₹ 3,110.71 million) given towards margin / reserves for term loan and bank gurantee. Included in above, a lien is marked on Fixed Deposits amounting to ₹ 2,000 million towards credit facility availed by a group entity from a bank.

21 Cash and cash equivalents

Particulars	As at March 31, 2016 (₹in Million)	As at March 31, 2015 (₹in Million)
Balances with Banks in Current Accounts	174.94	8,287.05
Cash on hand	3.75	1.72
Term deposits with banks	1,250.00	1,600.00
Cash and cash equivalents as presented in the statement of cash flows	**1,428.69**	**9,888.77**

Bank balances comprise cash held by the Company on a short-term basis with original maturity of three months or less. The carrying amount of cash and cash equivalents approximates their fair value.

The Company's exposure to credit, currency and interest rate risks relating to cash and cash equivalents, together with a sensitivity analysis, is detailed in note 29.

22 Borrowings

Particulars	As at	
	March 31, 2016 (₹in Million)	March 31, 2015 (₹in Million)
Non Current (long-term)		
Long-term borrowings		
Term loans from banks	18,096.38	22,977.00
Less: Reclassified under current financial liabilities	-18,096.38	-22,977.00
	-	-
Finance Lease Obligation	5.37	23.13
included in current financial liability		
Long-term borrowings - Reclassified under current financial	18,096.38	22,977.00
Current Maturities of Term loans from banks	5,052.19	2,931.25
Total	**23,148.56**	**25,908.25**
Current Maturities of Finance Lease Obligation	17.77	15.69

(1) Term Loans from banks are secured by:

(a) First pari-passu charge by way of equitable mortgage on the entire immovable assets, hypothecation of entire movable assets, both present and future.

(b) Assignment of contracts relating to transponder capacity, all government authorizations, license and insurance policies, if any, or a negative lien, if contracts are not assignable.

(c) Charge on Escrow Accounts and Debt Service Reserve Account.

(d) Guaranttee of Corporate Promoters.

(e) Personal Guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

Name of the Guarantor	Outstanding as on March 31, 2016 (₹in Million)	Outstanding as on March 31, 2015 (₹in Million)
Mr. Venugopal N. Dhoot Mr. Pradipkumar N. Dhoot	23,148.56	25,908.25

(2) A part of term loans are secured by first pari-passu charge on entire current assets of the Company, present and future.

(3) A part of term loans from banks are further secured by corporate guarantee of one non promoter shareholder and also by Videocon Industries Limited.

(4) Part of the term loans from Banks are also secured / guaranteed by:

(a) The Rupee Term Loans of ₹ 5,830 Mn (Previous Year ₹ 8,675 Mn) are also secured by pledge and non-disposal undertaking of 30% and 21% equity shares of the equity shares of the Company paid up at the time of sanction, respectively, corporate guarantees of Videocon Industries Limited and one non promoter corporate shareholder of the Company.

(b) The Rupee Term Loans of ₹ 16,068.52 Mn (Previous Year ₹ 14,733.25 Mn) are also guaranteed by way of letter of comfort from Videocon Industries Limited.

22 Borrowings

(6) Loan facility wise outstanding amount is as follows :

Name of Banks	March 31, 2016 Amount (₹in Million)	March 31, 2015 Amount (₹in Million)
<u>Secured Loans</u>		
Central Bank of India	908.25	958.25
IDBI Bank Limited	4,965.00	5,140.63
Bank of Baroda	1,900.00	1,975.00
ICICI Bank Limited	1,800.00	2,550.00
Karur Vysa Bank Limited	300.00	425.00
Canara Bank	2,779.69	3,378.12
Jammu and Kashmir Bank Limited	850.00	975.00
Syndicate bank	700.00	900.00
Dena Bank	1,130.00	850.00
Oriental Bank of Commerce	600.00	850.00
Bank of India	3,425.00	1,925.00
Bank of Maharashtra	950.00	1,000.00
Union Bank of India	1,396.88	1,481.25
United Bank of India	1,443.75	1,500.00
IFCI Ltd	0.00	2,000.00
Total Term Loan from banks	**23,148.56**	**25,908.25**

(a) The floating rate of interest on loans from Banks and Financial Institutions ranges between 12.4 % and 14.5 % p.a

8) As per the original repayment terms, the term loan from banks are repayable as below -

Particulars	As at	
	March 31, 2016 (₹in Million)	March 31, 2015 (₹in Million)
Within one year	5,052.19	2,931.25
Between One and three year	7,636.25	9,681.88
Between three and five years	8,982.00	7,430.62
Over five years	1,478.13	5,864.50
Total	**23,148.56**	**25,908.25**

Repayment of Term Loan from bank is considered as Gross basis, processing fees is not considered in repayment schdule in note no 8 above.

9) Periodic finance lease obligations are as below:

Particulars	As at	
	March 31, 2016 (₹in Million)	March 31, 2015 (₹in Million)
Within one year	17.77	15.69
Between One and two year	5.37	17.77
Between two and three years	-	5.36
Total	**23.13**	**23.14**

10) The Loan from other parties are repayable on demand.

11) The rate of interest of loans from other parties is SBI PLR minus 2%

23 Financial and Non-Financial Liabilities

Particulars	As at	
	March 31, 2016 (₹in Million)	March 31, 2015 (₹in Million)
Included within Non-current liabilities:		
Non-Financial liabilities:		
Income Received in Advance	2,739.59	2,869.14
	2,739.59	**2,869.14**
Total	**2,739.59**	**2,869.14**
Included within current liabilities:		
Financial liabilities:		
Long-term borrowings - Reclassified under current financial liabilities	18,096.38	22,977.00
Current Maturities of Term loans from banks	5,052.19	2,931.25
Current Maturities of Finance Lease Obligation	17.77	15.69
Payable for capital expenditure	450.78	823.49
Interest Accrued but not due on Borrowings	4.68	0.56
	23,621.80	**26,747.99**
Trade Payable #	**5,602.86**	**4,338.03**
Non-Financial liabilities:		
Income Received in Advance	4,298.29	4,572.89
Others	3,084.95	2,597.28
	7,383.24	**7,170.17**

Includes Acceptance of ₹ 1,825.34 mn (Previous Year ₹ 1,261.17 Mn) for bill discounting facility.

24 Post employment benefits - Gratuity

Particulars	Gratuity (₹ in Million)
As at March 31, 2014	**31.68**
Addition/ adjustments during the year	15.84
As at March 31, 2015	**47.52**
Addition/ adjustments during the period	6.33
As at March 31, 2016	**53.85**

Provisions have been analysed between current and non-current as follows:

Particulars	Gratuity (₹ in Million)
As at March 31, 2016	
Current	0.80
Non-current	53.04
As at March 31, 2015	
Current	2.53
Non-current	44.99

Defined Benefit Plans - Gratuity:

Defined benefit plans as per actuarial valuation - Gratuity

Particulars	For the years ended	
	March 31, 2016	March 31, 2015
	(₹ in Million)	(₹ in Million)
a. The amounts recognized in the Balance Sheet as at the end of the year		
1. Present Value of Defined Benefit Obligation	54.85	47.52
2. Fair value of plan assets	1.01	-
3. Funded Status – Surplus/ (Deficit)	(53.84)	(47.52)
4. Net Assets/(Liability)	(53.84)	(47.52)
b. The amounts recognized in the Statement of Profit and Loss for the year		
1. Current Service Cost	8.73	8.73
2. Interest Cost	3.71	2.47
3. Actuarial (Gains)/Losses	1.53	7.15
4. Past Service Cost	-	-
5. Total Expenses	13.97	18.35
c. The changes obligations during the year		
1. Present value of Defined Benefit Obligation at the beginning of the year	47.52	31.67
2. Current Service Cost	8.73	8.73
3. Interest Cost	3.71	2.47
4. Past Service Cost		-
5. Actuarial (Gain)/ Losses	1.53	7.15
6. Benefit Payments	(6.64)	(2.51)
7. Present value of Defined Benefit Obligation at the end of the year	54.85	47.52

Actuarial Assumptions: Gratuity

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Discount Rate	7.80%	7.80%	9.31%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Salary Escalation	5%	5%	5%
Attrition Rate	2%	2%	2%

25 Others employment benefits

Particulars	**Leave Encashment (₹ in Million)**
As at March 31, 2013	**19.18**
Addition/ adjustments during the year	2.02
Interest accretion	
Reversals/ utilised during the year	
As at March 31, 2014	**21.20**
Addition/ adjustments during the year	8.32
As at March 31, 2015	**29.52**
Addition/ adjustments during the year	5.63
As at March 31, 2016	**35.15**

Provisions have been analysed between current and non-current as follows:

Particulars	**Leave Encashment (₹ in Million)**
As at March 31, 2016	
Current	3.70
Non-current	31.45
As at March 31, 2015	
Current	3.42
Non-current	26.10

Defined Contribution Plan

The Company makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner.

Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. The Company has recognised Rs. 43.42 million for Provident Fund contributions in the income statement for the year ended March 31, 2015 (March 31, 2015: Rs. 37.77 million).The contributions payable by the Company are in accordance with rules framed by the Government of India from time to time.

Defined benefit plans as per actuarial valuation - Leave Encashment

Particulars	**For the years ended**	
	March 31, 2016	**March 31, 2015**
	(₹ in Million)	**(₹ in Million)**
a. The amounts recognized in the Balance Sheet as at the end of the year		
1. Present Value of Defined Benefit Obligation	35.15	29.52
2. Fair value of plan assets	-	-
3. Funded Status – Surplus/ (Deficit)	(35.15)	(29.52)
4. Net Assets/(Liability)	(35.15)	(29.52)
b. The amounts recognized in the Statement of Profit and Loss for the year		
1. Current Service Cost	13.63	7.05
2. Interest Cost	2.31	1.65
3. Actuarial (Gains)/Losses	3.25	8.99
4. Past Service Cost		-
5. Total Expenses	19.19	17.69
c. The changes obligations during the year		
1. Present value of Defined Benefit Obligation at the beginning of the year	29.52	21.20
2. Current Service Cost	13.63	7.05
3. Interest Cost	2.31	1.65
4. Past Service Cost		-
5. Actuarial (Gain)/ Losses	3.25	8.99
6. Benefit Payments	(13.56)	(9.38)
7. Present value of Defined Benefit Obligation at the end of the year	35.15	29.52

Actuarial Assumptions: Leave Encashment

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Discount Rate	7.80%	7.80%	9.31%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Salary Escalation	5%	5%	5%
Attrition Rate	2%	2%	2%

26 Commitments

Particulars	**As at March 31, 2016 (₹in Million)**	**As at March 31, 2015 (₹in Million)**	**As at March 31, 2014 (₹in Million)**
Contracts for future capital expenditure not provided in the financial statements	3,012.70	163.64	160.67

27 Contingent liabilities

Particulars	**As at March 31, 2016 (₹in Million)**	**As at March 31, 2015 (₹in Million)**	**As at March 31, 2014 (₹in Million)**
DTH license fees *(Refer below Sub Note 1)*	5,052.91	3,661.07	2,483.93
Counter guarantees given for guarantees given by the bankers	972.50	587.03	592.58
Entertainment tax *(Refer below Sub Note 2)*	683.22	127.14	80.47
Tax deducted at source *(Refer below Sub Note 3)*	72.77	74.36	74.36
Letters of credit opened by a bank	29.50	23.56	2.27
Service tax	1,610.23	1,086.24	-
Value Added Tax	74.74	-	0.50
	8,495.88	**5,559.40**	**3,234.11**

Sub notes

1. DTH License fee payable by the Company is calculated on adjusted gross revenue in accordance with the judgment given by TDSAT in the petition No. 92(C) and 93 (C) of 2009 dated 28th May 2010 and the same is provided for in the books of account. The Company has received a demand notice dated March 24, 2014 from Ministry of Information & Broadcasting demanding additional license fees of ₹ 1,582.89 million (including interest of Rs 272.44 million) on the difference between gross revenue and adjusted gross revenue upto financial year 2012-13. The Company has filed a petition before TDSAT challenging the demand on, among others, the grounds of arbitrariness, non following principals of natural justice and during pendency of appeal before the Hon'ble Supreme Court dealing with the issue of license fees to be paid by DTH operators etc. and an interim stay has been granted for the payment of this demand. As per the stand of Ministry of Information and Broadcasting there would be a claim for additional license fees for financial year 2013-14 to 2015-16 of ₹ 3470.02 million. Pending the matter for further hearing and final outcome, no provision is considered necessary by the management.

2 (a). In respect of Entertainment Tax in various States, the Company has preferred appeals / writ petitions in the High Court / Supreme Court challenging the applicability of Entertainment Tax to the Company. Pending the final outcome of these appeals / petitions, the Company has paid under protest and provided for the disputed liability, except for the disputed amount of ₹ 74.50 million (Previous Year ₹127.14 million) in respect of one state (Previous year two states).

2(b). Further, the company has received show cause notice (SCN) dated 29 December, 2015 from the office of Commissioner of Entertainment Tax, Uttar Pradesh, asking the company to show cause as to why an additional demand of ₹ 422.95 million together with interest of ₹ 185.77 million upto 31st December, 2015 should not be raised on the company. The company has replied to the said SCN explaining the authority that amount in the notice is incorrect and the Company has paid the entertainment tax dues as per its working even though writ petition is pending. In the opinion of the management, no further liability is expected and no provision is considered necessary in this regard.

3. The Company had received demand notices for non-deduction of income tax at source from certain payments and interest thereon for Assessment Year 2010-11, 2011-12 and 2012-13. The Company had filed appeals against the said orders and demand notices. The appeals for Assessment years 2010-11 and 2011-12 have been disposed off by the Commissioner of Income Tax (Appeals) who has granted substantial relief. Based on the decisions of the first appellate authority, the Assessing officer has revised the demand at ₹ 12.70 million for the Assessment Year 2010-11, ₹ 12.31 million for the Assessment Year 2011-12 and Rs 74.41 million for Assessment year 2012-13. The Company has preferred appeal before the Appellate Tribunal for Assessment Year 2010-11 & 2011-12. The Company has provided for ₹ 1.81 million for the Assessment Year 2010-11, ₹ 12.31 million for Assessment Year 2011-12 and ₹ 12.53 million for Assessment Year 2012-13 and no further provision is considered necessary by the management.

28 Related Party

The Company's related parties are its Key Management Personnel. Company's related parties and transactions with those related parties are as follows:

List of related parties

Name of Key Management Personnel -

Mr. Saurabh P. Dhoot (Whole Time Director)
Mr. Anil Khera (Chief Executive Officer)
Mr. Pradeep Ramwilas Rathi (Non - Executive, Independent Director)
Mr. Nabankur Gupta (Non - Executive, Independent Director)
Mr. Shivratan Jeetmal Taparia (Non - Executive, Independent Director)
Mr. Karunchandra Srivastava (Non - Executive, Independent Director)

Relative of Key Management Personnel (with whom transactions have taken place)

Mrs. Shelly Anil Khera (Wife of Mr. Anil Khera)

Others

C E India Limited
Infodart Technologies India Limited
Quadrant Televentures Limited
PE Electronics Limited
Planet M Retail Limited
Tekcare India Private Limited
Trend Electronics Limited
Value Industries Limtted
Videocon Industries Limited
Videocon Telecommunications Limited
Force Appliances Private Limited
Jubilant Logistic Limited
KAIL Limited
Techno Kart India Limited (Formerly Next Retail India Limited)
Techno Electronics Limited
Topaki Media Private Limited
Universal Digital Connect Limited
Videocon Realty and Infrastructure Limited
KBS Realtors Private Limited
Nippon Investments and Finance Company Private Limited

Details of transactions with related parties

Particulars	**As at March 31, 2016 (₹in Million)**	**As at March 31, 2015 (₹in Million)**	**As at March 31, 2014 (₹in Million)**
Payment of salaries / remuneration / perquisites			
Key Management Personnel			
Mr. Anil Khera	20.29	10.46	10.11
Rent paid			
Relative of Key Management Personnel			
Mrs. Shelly Anil Khera (Inclusive of Service Tax)	1.44	1.28	1.15
Sitting Fees			
Key Management Personnel			
Mr. Pradeep Ramwilas Rathi	0.16	0.01	0.08
Mr. Nabankur Gupta	0.20	0.03	0.14
Mr. Shivratan Jeetmal Taparia	0.23	0.01	0.02
Mr. Karunchandra Srivastava	0.40	0.41	0.21
Brand royalty			
Others			
C E India Limited	0.77	0.70	0.51

Details of transactions with related parties … Cont

Particulars	As at March 31, 2016 (₹in Million)	As at March 31, 2015 (₹in Million)	As at March 31, 2014 (₹in Million)
IT Support Expenses			
Infodart Technologies India Limited	40.94	42.03	39.25
Call Centre Expenses			
Quadrant Televentures Limited	104.32	61.31	37.37
Videocon Telecommunications Limited	5.75	4.12	12.90
Business Support Expenses			
Videocon Industries Limited	5.69	7.23	125.87
Jubiant Logistic Limited	150.49	140.68	-
Schemes Expesnes			
PE Electronics Limited	1.91	1.62	2.47
Techno Kart India Limited (Formerly Next Retail India Limited)	0.29	-	-
Tekcare India Private Limited	0.02	-	-
Universal Digital Connect Limited	0.13	0.70	0.39
Purchase of Assets			
Planet M Retail Limited	-	0.01	0.13
Trend Electronics Limited	4,769.53	5,913.18	5,832.31
KAIL Limited	-	-	52.94
Techno Kart India Limited (Formerly Next Retail India Limited)	0.03	0.02	0.02
Videocon Industries Limited	492.75	368.16	-
Value Industries Limited	-	4.88	-
Infodart Technologies India Limited	-	16.68	-
Purchase of Spares			
Tekcare India Private Limited	0.28	1.94	1.92
Videocon Industries Limited	-	-	7.56
Finance Cost			
Videocon Industries Limited	-	132.75	4.75
Marketing Expenses / Sales Promotion			
Topaki Media Private Limited	42.34	36.50	137.25
Techno Kart India Limited (Formerly Next Retail India Limited)	-	4.63	-
Sales and Revenue			
Tekcare India Private Limited	0.09	0.61	0.01
PE Electronics Limited	0.01	-	-
Universal Digital Connect Limited	14.38	17.22	18.97
Jubiant Logistic Limited	0.26	-	-
Techno Kart India Limited (Formerly Next Retail India Limited)	0.46	1.90	-
KAIL Limited	0.00	-	-
Topaki Media Private Limited	10.92	-	-
Value Industries Limited	0.00	0.39	-
Trend Electronics Limited	0.67	-	-
Videocon Industries Limited	64.11	9.99	-
Unsecured Loan and Advances			
Videocon Industries Limited	-	2,250.00	-241.04
Universal Digital Connect Limited	-	39.37	-34.75
Rent			
Videocon Industries Limited	0.81	0.21	-
Job work			
Force Appliance Pvt Ltd	8.11	5.15	-
Guarantees / Collateral			
Personal Guarantee given for Term Loans taken by the company			
Venugopal N. Dhoot	23,148.56	27,500.00	33,100.00
Pradipkumar N. Dhoot	23,148.56	27,500.00	33,100.00
Corporate Guarantee given for Term Loans taken by the company			
Videocon Industries Limited	5,830.00	18,950.00	18,950.00
Collateral security given for Term Loans taken by the company			
Nippon Investments and Finance Company Private Limited	-	250.00	-
KBS Realtors Private Limited	-	1,250.00	-
Fixed deposit hypothicated against loan taken by group entity			
Videocon Industries Limited	-	2,000.00	-
Videocon Realty and Infrastructure Limited	2,000.00	-	-

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Notes to Financial Statements for the year ended March 31, 2016

Amount due to related parties -

Particulars	As at March 31, 2016 (₹in Million)	As at March 31, 2015 (₹in Million)
Rent payable to relative of Key Management Personnel	0.30	0.12
Others Payable		
C E India Limited	-	-
Infodart Technologies India Limited	12.22	5.18
Quadrant Televentures Limited	22.87	15.65
PE Electronics Limited	1.09	5.09
Tekcare India Private Limited	3.64	3.43
Trend Electronics Limited	-	-
Videocon Industries Limited	-	138.66
Videocon Telecommunications Limited	6.11	1.16
KAIL Limited	0.02	-
Techno Electronics Limited	0.04	0.34
Topaki Media Private Limited	-	118.22
Value Industries Limited	-	0.09
Techno Kart India Limited (Formerly Next Retail India Limited)	-	0.83
Force Appliance Pvt Ltd	-	0.49
Jubiant Logistic Limited	33.18	48.70
Others Receivable		
Planet M Retail Limited	-	-
Videocon Industries Limited	48.18	
Trend Electronics Limited	1,555.35	637.90
Value Industries Limtted	-	-
KAIL Limited	-	-
Topaki Media Private Limited	10.92	-
Techno Kart India Limited (Formerly Next Retail India Limited)	2.14	-
Universal Digital Connect Limited	21.82	7.50

(All amounts are in INR Million)

29. Capital and financial risk management

I. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company's policy is to manage its borrowings using mixture of long-term and short-term borrowing facilities, including money market borrowings and other instruments permitted under its Treasury Policy, to meet anticipated funding requirements.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the Statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the Statement of financial position plus net debt.

The gearing ratio at March 31, 2016 and March 31, 2015 were as follows:

Particulars	As at March 31, 2016	As at March 31, 2015
Total borrowings	23,153.93	25,931.38
Less: Cash and cash equivalents	(1,428.49)	(9,888.77)
Net Debt	21,725.24	16,042.61
Total Equity	7,235.68	8,010.18
Total Equity	7,235.68	8,010.18
Gearing ratio (Net debt/ Total capital)	3.00	2.00

Restricted Cash (March 31, 2016: ₹ 3,282.23 million, March 31, 2015: ₹ 3,110.71 million) includes Term Deposits with bank which are placed towards margin / reserves for term loans and bank guarantees. These are shown under other financial assets and not included in cash & cash equivalent for calculation of above gearing ratio.

II. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by a treasury department (company treasury) as per the policy of the Company. Company treasury identifies, evaluates and hedges financial risks if any in close co-operation with the company's operating units. The policy covers the areas of overall risk management, including foreign exchange risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The major financial instruments of the Company include cash and bank deposits, trade and other receivables, trade and other payables and borrowings. Details of these financial instruments are disclosed in the respective notes to the financial statements. The risk management approach of the Company is aimed to minimize the financial risks for the business.

a) Market Risk

(i) Foreign exchange risk

The company operates in local market and carries no major foreign currency risk, except for trade payables in respect of imports made by the company. However according to the management there is no material impact of the same. Trade payables in foreign currencies as on March 31, 2016 is INR 483 million (March 31, 2015 INR 742 million). The impact of foreign exchange sensitivity of 5% strengthening or weakening on the payables is INR 24 million.

The sensitivity analysis is based on a reasonably possible change in the underlying foreign currency against the INR computed from historical data and assuming all other information to be constant.

(ii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash held at variable rates.

In respect to borrowing on floating rates the Company negotiates exit options without break-costs on interest reset dates wherever possible.

The table below shows the Company's sensitivity to interest rates on floating rate bank borrowings on profit or loss and equity:

₹ in Million

Particulars	For the year ended	
	March 31, 2016	March 31, 2015
1% strengthening of rates	231.49	259.08
1% weakening in rates	231.49	259.08

The profile of Company's borrowings as at March 31, 2016 and March 31, 2015 is provided on Note 22.

(iii) Price risk

The Company is not exposed to any price risk as the Company does not have any investment as on the reporting date.

b) Credit risk

Credit risk encompasses the direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. It principally arises from deposits with banks and others, trade and other receivables mainly linked to the credit exposures of customers.

The Company maintains its Cash and cash equivalents, Derivative financial instruments, Bank deposits with banks and financial institutions having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Trade receivables of the Company are typically unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which Company grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. The Company has no concentration of credit risk as the customer base is geographically distributed in India.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Company manages liquidity risk by maintaining adequate banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. It also maintains varied maturity profile with a cap on the level of debt maturing in any one calendar quarter, therefore minimising refinancing risk. Long-term borrowings generally mature between one and 8 years. Liquidity is reviewed on a daily basis based on weekly cash flow forecast.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the company's policies and procedures include specific guidelines to focus on the maintaining existing subscriber's base, adding new subscribers and developing innovative products.

30. Fair value of financial instruments

Fair value hierarchy

Financial liabilities measured at fair value and classified into level 3 :

This level of hierarchy includes financial liabilities measured using inputs that are not based on observable market data (unobservable inputs).Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor they are based on available market data. The item in this category is employee stock option valuation, measured at fair value.

Particulars	March 31, 2016 ₹ in million	March 31, 2015 ₹ in million
Opening	29.74	Nil
Charge to income statement	117.77	29.74
Closing	147.51	29.74

31. Approval of the financial statements

The financial statements were approved by the board of directors of the Company and authorised for issue on May 24, 2016

For and on behalf of the Board

SAURABH P. DHOOT
Executive Director

K .C. SRIVASTAVA
Director

Place: Mumbai
Date: May 24, 2016

THE COMPANY

DISH TV INDIA LIMITED

18th Floor, A Wing, Marathon Futurex, NM Joshi Marg, Lower Parel, Mumbai,
Maharashtra – 400 013,
India

LEGAL ADVISORS TO THE COMPANY

As to U.S. and English law
Shearman & Sterling (London) LLP
9 Appold Street
London EC2A 2AP
United Kingdom

As to Indian law
Luthra & Luthra Law Offices
Indiabulls Finance Centre,
Tower 2 Unit A2, 20th Floor, Elphinstone Road,
Senapati Bapat Marg,
Mumbai - 400 013
India