



DISH TV INDIA LIMITED

(CIN: L51909MH1988PLC287553)

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400013

RELATED PARTY TRANSACTION POLICY

(Effective from October 1, 2014)

(Revised Policy approved by the Audit Committee and Board of Directors at their meeting held
on March 26, 2019 effective from April 1, 2019)

INTRODUCTION

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

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

The policy will be applicable to the Company effective from October 1, 2014 and the Revised Policy is approved by the Audit Committee and Board of Directors at their meeting held on March 26, 2019. This policy is intended to regulate transactions between the Company and its Related Parties, based on the applicable laws, rules and regulations applicable to the Company

OBJECTIVES

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

This policy is framed in accordance with the requirement of The Companies Act 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & other laws and regulations applicable to the Company and is intended to ensure the required approval and disclosure of transactions between the Company and its Related Parties. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policy concerning material related party transactions.

DEFINITIONS

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

“**Arm’s length transaction**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest

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

Explanation.—For the purpose of this clause,—

- a) the expression "significant influence" means control of at least twenty per cent. of total voting power, or control of or participation in business decisions under an agreement;
- b) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement;

“**Audit Committee or Committee**” shall mean the Committee of Board of Directors of the Company constituted under provisions of Listing Regulations and Companies Act, 2013.

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

“Company” means Dish TV India Limited

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

“Related Party” means Related Party as defined in Section 2(76) of Companies Act, 2013, Regulation 2(1) (zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/ or under the applicable accounting standards, as amended from time to time.

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

- (i) They are members of a Hindu undivided family
- (ii) They are husband and wife
- (iii) One person is related to the other in such manner as may be prescribed

Rule 4 of the Definition Rules have prescribed the following persons who shall be deemed to be the relative of another, if he or she is related to another in the following manner;

1. Father (including step - father)
2. Mother (including step - mother)
3. Son (including step - son)
4. Son’s wife
5. Daughter
6. Daughter’s husband
7. Brother (including step – brother)
8. Sister (including step – sister)

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

- a) the Chief Executive Officer or the managing director or the manager;
- b) the company secretary;
- c) the whole-time director;
- d) the Chief Financial Officer
- e) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- f) such other officer as may be prescribed

“Related-Party Transaction” means any transaction involving transfer of resources, services or obligations between a company and a Related Party, regardless of whether a price is charged, and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract, including but not limited to the following –

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

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

“Material Related Party Transaction” means a transaction with a Related Party,

- if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company and
- with respect to brand usage or royalty means a transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover as per the last audited financial statements of the Company.

IDENTIFICATION OF RELATED PARTY TRANSACTIONS

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

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

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

PROHIBITIONS RELATED TO RELATED PARTY TRANSACTIONS

All Related Party Transactions shall require prior approval of Audit Committee. However the Audit Committee at its discretion grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to conditions prescribed in Listing Regulations and Companies Act, 2013 and Rules made thereunder, as amended from time to time. The Audit Committee shall also satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.

If any additional Related Party Transaction is to be entered by the Company post omnibus approval granted by the Audit Committee, then the Company shall present such transaction before the Audit Committee in its next meeting for its prior approval.

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

REVIEW OF RELATED-PARTY TRANSACTION

1. Proposed Related Party Transactions will be referred to at the ensuing scheduled meeting of the Audit Committee for review and approval. The Audit Committee of the Board will review and, if appropriate, approve Related-Party Transactions.

2. Accordingly, the management shall present to the Committee the following information with respect to all proposed Related-Party Transactions expected to be entered into, to facilitate review of each related party transaction:
 - a. The name of the Related Party and the basis on which such person or entity is a Related Party and nature of relationship;
 - b. The purpose, nature, material terms and details of the transaction including duration and value, if any of the contract/transaction;
 - c. Brief benefits, rights, obligations of the Company and related party
 - d. In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price / value and / or material terms of the contract or arrangement including a justification to the proposed variations;
 - e. Manner of determining the pricing and other commercial terms, whether or not included as part of contract;
 - f. Whether all factors relevant to the contract have been considered;
 - g. Copy of the agreement, contract, purchase order or correspondence etc. if any;
 - h. Valuation reports, if any, in case of sale or purchase or leasing / renting of capital assets such as building;
 - i. Justification as to the arm's length nature of the proposed transaction;
 - j. Declaration/ confirmation that the transaction is in the ordinary course of business;
 - k. Any other material information regarding the transaction(s) or the Related Party's interest in the transaction(s).

3. After reviewing such information, the members of the Audit Committee (without the participation the Committee member(s) interested in the transaction, if any) shall approve or disapprove such transactions, after considering the following factors, among others, to the extent relevant to the appropriate Related Party Transaction:

- a) Whether the Related Party Transaction is in the normal course of business of the Company;
- b) Whether the terms of the Related Party Transaction are fair and on arms-length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- c) Whether the Related Party Transaction would affect the independence of any Independent Director;
- d) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of, or in connection, with the proposed transaction
- e) Whether the Company was notified about the Related Party Transaction before its commencement;
- f) Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the benefits arising there from to the Company or Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deem relevant.
- g) Whether such transactions is / are not inconsistent with the best interests of the Company and its shareholders;

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

4. No member of the Audit Committee shall participate in the review, consideration or approval of any Related-Party Transaction with respect to which such member or any of his or her relatives is a Related Party.

5. If any material information with respect to such transactions shall change subsequent to the Committee's review of such transactions, management shall provide the Committee with updated information at a subsequent meeting and get the changes approved afresh by the Committee.
6. If the Committee determines that a Related Party Transaction should be brought before the Board, whether in view of internal pre-determined threshold, if any, or otherwise or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

NO PRIOR APPROVAL REQUIRED

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

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

OMNIBUS APPROVAL BY AUDIT COMMITTEE

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

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

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

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

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

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

APPROVAL OF THE RELATED PARTY TRANSACTIONS

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

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

All material related party transactions will be placed for approval of the shareholders of the Company through resolution and all entities under the definition of related parties shall not vote on such resolutions. The Audit Committee will have the discretion to seek opinion / report of an independent expert in case of material transactions.

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

A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover as per the last audited financial statements of the Company.

RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

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

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

DISCLOSURE

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

The Company will also disclose the details of all material Related Party on a quarterly basis in the compliance report on corporate governance filed with the stock exchanges under provisions of Regulation 27 of the Listing Regulation.

The Company will disclose the details of all Related Party on consolidated basis, within 30 days from the date of publication of its standalone and consolidated financial results for half year as per the format specified in accounting standard / Listing Regulation and shall disclose the same in the compliance report on corporate governance filed with the stock exchanges. The same shall also be published on the website.