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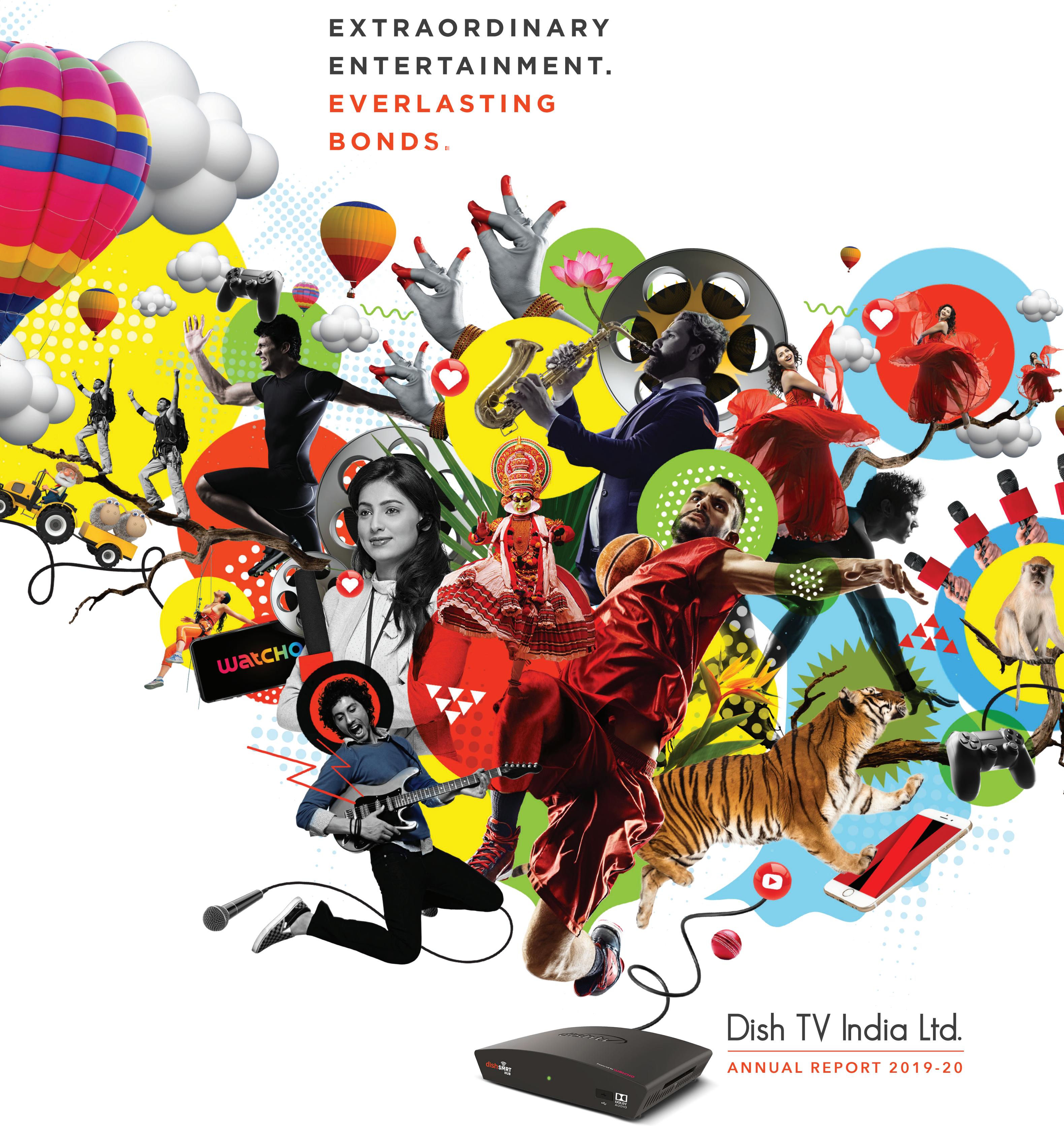
EXTRAORDINARY
ENTERTAINMENT.
EVERLASTING
BONDS.



# Dish TV India Ltd.

ANNUAL REPORT 2019-20

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# MILLION WAYS OF ENTERTAINMENT.

# FOR MILLIONS OF US.

## BOARD OF DIRECTORS

| | |
|---|---|
| Mr. Jawahar Lal Goel | Chairman and Managing Director |
| Mr. Anil Kumar Dua | Executive Director & Group Chief Executive Officer |
| Mr. Ashok Mathai Kurien | Non- Executive Director |
| Mr. Bhagwan Das Narang | Independent Director |
| Dr. (Mrs.) Rashmi Aggarwal | Independent Director |
| Mr. Shankar Aggarwal | Independent Director |

**KEY MANAGERIAL PERSONNEL**

| | |
|---|---|
| Mr. Jawahar Lal Goel | - Chairman and Managing Director |
| Mr. Anil Kumar Dua | - Executive Director & Group Chief Executive Officer |
| Mr. Rajeev Kumar Dalmia | - Chief Financial Officer |
| Mr. Ranjit Singh | - Company Secretary |

**AUDITORS**

| | |
|---|---|
| Walker Chandiok & Co LLP | - Statutory Auditors |
| Protiviti Advisory India Member LLP | - Internal Auditor |
| Jayant Gupta & Associates | - Secretarial Auditor |
| Chandra Wadhwa & Co. | - Cost Auditor |

**BANKERS**

Axis Bank
ICICI Bank
IDBI Bank
Indusind Bank Limited
RBL Bank Limited
Standard Chartered Bank
Yes Bank

**SHARE REGISTRAR**

Link Intime India Private Limited
Unit: Dish TV India Limited
C-101, 247 Park, L.B.S. Marg
Vikhroli West, Mumbai- 400083
Tel: +91-22- 49186270
Fax: +91-22-49186060

**REGISTERED OFFICE**

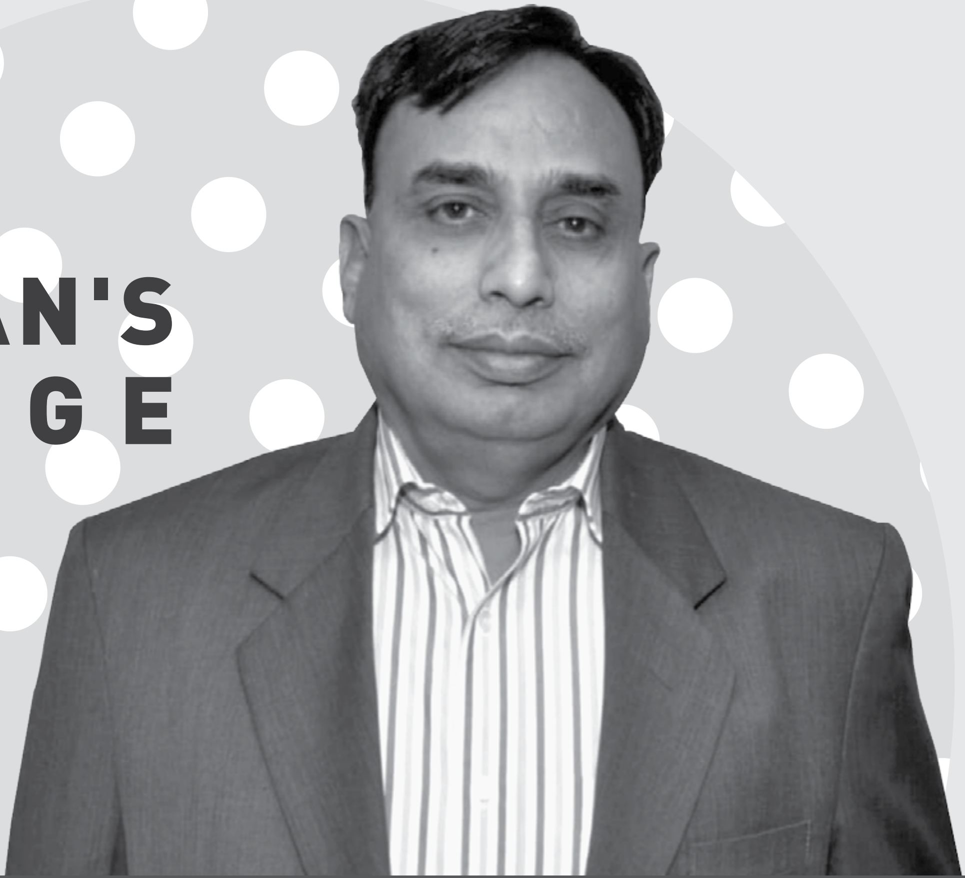
18th Floor, A Wing,
Marathon Futurex, N M Joshi Marg,
Lower Parel, Mumbai-400013
Tel: +91-22-7106 1234

**CORPORATE OFFICE**

FC-19, Sector 16 A, Film City,
Noida-201301, UP, India
Tel: +91-120-5047000
Fax: +91-120-4357078

Website: www.dishd2h.com
E-Mail: investor@dishd2h.com
CIN: L51909MH1988PLC287553

# CHAIRMAN'S MESSAGE



## Dear Shareholders,

It is my privilege to present you the Annual Report of Dish TV India Ltd for the financial year ended March 31, 2020. We are in the middle of the biggest crisis – COVID 19 pandemic, which has presented unprecedented challenges with severe socio-economic consequences and disruption of demand and supply chains. As a result of the pandemic, the world economy is projected to contract sharply by 4.9% in 2020. The Indian economy is expected to recover faster and resume its growth trajectory on the back of digitization, globalization, favourable demographics, and the Government's structural as well as fiscal reforms.

Dish TV, with its three brands continues to provide unparalleled entertainment along with latest news, entertainment and information on evolving business environment to the society. During the year under review, we were able to perform well and consolidate the progress across the business with new opportunities, despite the tough market environment.

**India's M&E Industry Developments**

The Indian Media and Entertainment (M&E) industry is the fastest developing sector in the world today. The industry is evolving as consumers are expecting M&E provider to deliver choice, convenience and value, all wrapped inside personalized, customized experiences, that are available on demand. This has resulted in continuous reinventing and explore dynamic entertainment genre, be it in terms of platform, devices, delivery, consumption patterns, government regulations as well as technology and payment methods.

The transformation phase of the industry has led to the emergence of many new trends and opportunities across content, distribution, consumption and monetization. With the evolution of digital behaviour and advent of 5G technology, subscription models will have greater role in monetization of digital platforms and open up new opportunities for wide variety of home entrainment suited to all age groups and taste. The opportunities presented by the arrival of smart television sets and digital connectivity can improve the engagement between creators of content and consumers.

The Over the Top (OTT) platforms are trying to jostle for space along with traditional distribution platforms. With the increasing threat from internet content and OTT players, some TV distribution networks have launched their own OTT platforms or partnering with pure play OTT players to retain their urban and rural audience along with expanding their viewership. The price gap and monthly ARPU will play a positive role in favour of DTH player in the initial years and thereafter the consumer habit will determine the longevity and acceptance of the OTT platform. Although, the ever-changing trends in the industry have opened up several growth opportunities, the shift in consumer demand for personalization is implying constant pressure on entertainment companies to drive innovation and embrace new technologies.

**Performance Overview**

Dish TV India has emerged as a leading and prominent player in Indian M&E industry. We have pan India distribution network and have established strong foothold in semi urban and rural areas. With a diverse offering of products and services, we are one of the preferred entertainment brands in the country. The first mover advantage continues to play a major role in rural and semi-urban area where the brand acceptability is much better and is almost synonymous with the category.

Our Company has always been at the forefront of bringing top of the line technology to meet the needs of the subscribers to access linear as well as streamed content on their television sets. In this direction, we have launched new Android powered hybrid HD set-top boxes called Dish SMRT Hub and d2h Stream for Dish and d2h brands respectively.

An Alexa-enabled smart dongle called Dish SMRT Kit and d2h Magic allows users to convert their existing set-top box into a smart device and brings support for OTT & online entertainment apps. Through these devices, we are associated with the leading players in the OTT and entertainment space like Amazon Prime, Zee5, Sony Liv, You Tube, Eros Now, MX Player, Hungama, Watcho etc. to bring best in class entertainment to its customers.

Watcho, our in-house OTT platform has already shown green shoots of revenue generation with subscription model coming into play. We expect to gain even a higher wallet and screen share of new users across demographics apart from our existing subscribers. We are working towards making this application a one-stop shop for all entertainment needs for our subscribers. We will continue to remain ahead of the competition in terms of new launch, innovation led by technology and provide all contemporary means of affordable entertainment to the subscribers.

In terms of performance, FY20 was a rather mixed one. The Company continued to add subscribers in the DTH market and apprehended the 'Fastest Growing DTH Brand in HD Category' title for the second consecutive year. During the year under review, EBIDTA increased marginally by 3% to ₹21,060 million in FY20 from ₹20,443 in FY19. PBT before exceptional item improved considerably to ₹1,282 million in FY20 as compared to ₹268 million in FY19. However, Our Company reported net loss of ₹16,548 million in FY20 as against net loss of ₹11,634 million in FY19 due to exceptional loss of ₹19,155 million in FY20 and ₹15,430 million in FY19 respectively, related to impairment of goodwill. The Company continues to reduce its debt despite increased level of business activity and enhanced EBITDA.

**Looking Ahead**

We believe the challenging times gives an opportunity to grow our business with a competitive approach in reaching customers and delivering great work. We will continue to leverage strengths of our multi-brands viz. "Dish TV", "d2h" and "Zing" to win the growing demand of streamed content and reach new milestones. Our primary objective is the customer first and we will continue to invest in evolving technologies to fulfill customer needs. In an endeavour to provide seamless TV viewing experience amid Covid-19 lockdown, our Company has launched a variety of programmes, offers and packages for its customers. Going forward, we will continue to adopt and deploy the latest technology to meet the needs of subscribers in the most efficient manner.

I take this opportunity to thank all the shareholders including our Subscribers, Central and State Government bodies, Ministry of Information and Broadcasting, TRAI and other Regulatory authorities, Investors and Business associates, for continued faith in us. I also thank my colleagues on the Board for their valuable contribution and all the employees, for their constant efforts towards growth of the organisation.

Your trust has been our biggest inspiration. I thank you all and look forward to your continuous support and co-operation.

Stay entertained at home!

Sincerely,

**Jawahar Lal Goel**

Chairman & Managing Director

# INDEX

# DISH TV INDIA LIMITED

Regd. Office: 18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai - 400 013
Corporate Office: FC-19, Sector-16A, Noida, Uttar Pradesh - 201 301
Tel No.: 0120 – 5047005/5047000, Fax No.: 0120 – 4357078
Website: www.dishd2h.com, E-mail: investor@dishd2h.com, CIN: L51909MH1988PLC287553

# NOTICE

**Notice** is hereby given that the 32nd (Thirty Second) **Annual General Meeting ('AGM')** of the members of Dish TV India Limited will be held on Tuesday, September 29, 2020, at 11:00 A.M. (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), to transact the following businesses:

**ORDINARY BUSINESSES:**

1. **Adoption of the Audited Standalone and Consolidated Financial Statements and Report of the Board of Directors and Auditors thereon**

   To receive, consider and adopt the Audited Financial Statements of the Company prepared as per Indian Accounting Standards (Ind-AS) on a standalone and consolidated basis, for the financial year ended March 31, 2020, including the Balance Sheet as at March 31, 2020, the Statement of Profit & Loss and Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. **Re-appointment of Mr. Anil Kumar Dua (DIN- 03640948), Director liable to retire by rotation**

   To appoint a Director in place of Mr. Anil Kumar Dua (DIN-03640948), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESSES:**

3. **Ratification of remuneration of Cost Auditors for the financial year 2020-21**

   To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 ('the Act') read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and such other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), a cost audit fee of ₹ 4,50,000/- (Rupees Four Lakh Fifty Thousand Only), excluding applicable taxes, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby confirmed, ratified and approved to be paid to M/s Chandra Wadhwa & Co., (Firm Registration No. 00239), Cost Accountants, as the Cost Auditors of the Company, to conduct the audit of the relevant cost records of the Company, as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, for the financial year ending March 31, 2021."

4. **Re-Appointment of Mr. Jawahar Lal Goel (DIN - 00076462) as the Managing Director of the Company for the period from December 17, 2019 to March 31, 2020**

   To consider and if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution:**

   **"RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') and the rules made thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification or re-enactment thereof for the time being in force), Article 126 of the Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and subject to requisite regulatory approvals, if required, the consent of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Jawahar Lal Goel, as the Managing Director of the Company for the period from December 17, 2019 to March 31, 2020 (both days included), at the following remuneration and terms, notwithstanding that such remuneration may have exceeded the limits prescribed under Section 197 of the Act:

a) Basic Salary:

₹ 15,70,000 per month with an authority to the Board of Directors to determine any merit based revisions from time to time, in the range of ₹ 15,00,000 to ₹ 22,00,000 per month.

b) Allowances and Perquisites: In addition to the basic salary, Mr. Jawahar Lal Goel was entitled to:

i) Allowances as per the rules of the Company including Personnel Allowance, House Rent Allowance, Children Education Allowance and Leave Travel Allowance, in aggregate not exceeding ₹ 15,00,000 per month, with an authority to the Board of Directors to determine any revision from time to time in the range of ₹ 14,00,000 to ₹ 20,00,000 per month;

ii) Perquisites as per the rules of the Company including club fees, personal accident and medical insurance, car related expense, telecommunication facilities at residence etc. Perquisites were evaluated as per Income Tax Rules, wherever applicable. In absence of any such rules, perquisites were evaluated at actual cost;

iii) Company's contribution to provident fund, gratuity and leave encashment as per the rules of the Company. Company's contribution to provident fund and gratuity (payable at a rate not exceeding half a month's salary for each completed year of service), have not been included in the computation of the ceiling on remuneration payable to the Managing Director. Encashment of accumulated leaves at the end of his tenure are not included in the computation of the ceiling on remuneration payable to the Managing Director.

**RESOLVED FURTHER THAT** consent of the members be and is hereby accorded pursuant to Section 197, Schedule V and other applicable provisions of the Act, if any, and subject to requisite approvals, if necessary, where in any Financial Year during the currency of tenure of Mr. Jawahar Lal Goel as Managing Director, the Company had no profits or its profits were inadequate, the Company shall pay to Mr. Jawahar Lal Goel, Managing Director, remuneration by way of salary and perquisites approved herein supra, including any variations, as the minimum remuneration.

**RESOLVED FURTHER THAT** subject to necessary permissions / approvals, all acts, actions and decisions of the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof which the Board may have constituted) with regard to the aforementioned re-appointment of the Managing Director be and are hereby ratified and approved and it is hereby confirmed that the Board of the Company was duly authorised to fix, vary, reduce or amend the remuneration and other terms of his re-appointment from time to time, as it may have deemed expedient or necessary during the tenure of his re-appointment or as may be prescribed by the authorities giving such sanction or approval or to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, and to settle and finalize all issues that may arise in this regard."

**5. Re-Appointment of Mr. Jawahar Lal Goel (DIN - 00076462) as the Managing Director of the Company from April 1, 2020 to March 31, 2022**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution:**

**"RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') and the rules made thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification or re-enactment thereof for the time being in force), Article 126 of the Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and subject to requisite regulatory approvals, if required, the consent of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Jawahar Lal Goel, as the Managing Director of the Company for the period from April 1, 2020 to March 31, 2022 (both days included), at the following remuneration and terms, notwithstanding that such remuneration may exceed the limits prescribed under Section 197 of the Act:

a) Basic Salary:

₹ 15,70,000 per month with an authority to the Board of Directors to determine any merit based revisions from time to time, in the range of ₹ 15,00,000 to ₹ 22,00,000 per month.

b) Allowances and Perquisites: In addition to the basic salary, Mr. Jawahar Lal Goel shall be entitled to:

i. Allowances as per the rules of the Company including Personnel Allowance, House Rent Allowance, Children Education Allowance and Leave Travel Allowance which in aggregate shall be not exceeding ₹ 15,00,000 per month, with an authority to the Board of Directors to determine any revision from time to time in the range of ₹ 14,00,000 to ₹ 20,00,000 per month;

ii. Perquisites as per the rules of the Company including club fees, personal accident and medical insurance, car related expense, telecommunication facilities at residence etc. Perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In absence of any such rules, perquisites shall be evaluated at actual cost;

iii. Contribution to provident fund, gratuity and leave encashment as per the rules of the Company. Company's contribution to provident fund and gratuity (payable at a rate not exceeding half a month's salary for each completed year of service), shall not be included in the computation of the ceiling on remuneration payable to the Managing Director. Encashment of accumulated leaves at the end of his tenure shall not be included in the computation of the ceiling on remuneration payable to the Managing Director.

**RESOLVED FURTHER THAT** subject to necessary permissions/approvals, the Board of Directors of the Company be and is hereby authorised to fix, vary, reduce or amend the remuneration and other terms of his re-appointment from time to time, as it may deem expedient or necessary during the tenure of his reappointment or as may be prescribed by the authorities giving such sanction or approval.

**RESOLVED FURTHER THAT** consent of the members be and is hereby accorded pursuant to Section 197, Schedule V and other applicable provisions of the Act, if any, and subject to requisite approvals, if necessary, where in any Financial Year during the currency of tenure of Mr. Jawahar Lal Goel as Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Jawahar Lal Goel, Managing Director, remuneration by way of salary and perquisites approved herein supra, including any variations, as the minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) be and is hereby authorized to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, and to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, finalizing and executing any agreement, deeds and such other documents as may be necessary and to delegate all or any of the powers vested or conferred herein to any Director(s) or Officer(s) of the Company as may be required to give effect to the above resolutions."

By order of the Board
For **Dish TV India Limited**

**Ranjit Singh**
Company Secretary & Compliance Officer
Membership No. A15442

Place: Noida
Date: September 2, 2020

**Registered Office:**
18th Floor, A Wing, Marathon Futurex,
N M Joshi Marg, Lower Parel, Mumbai – 400 013
CIN: L51909MH1988PLC287553
E-mail: investor@dishd2h.com
Web: www.dishd2h.com

**NOTES:**

1. In view of the continuing COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos. 14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 32nd Annual General Meeting ('AGM') of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 32nd AGM shall be the Registered Office of the Company.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), which sets out the details relating to the Special Businesses to be transacted at the AGM, is annexed hereto.

3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE ON HIS/HER BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to MCA Circular No. 14/2020 dated April 8, 2020, since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Pursuant to Section 113 of the Act, Corporate/Institutional members intending to send their authorized representative(s) to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting are requested to send (in advance), scanned copy (PDF/JPG Format) of a duly certified copy of the relevant Board Resolution / Letter of Authority / Power of Attorney, together with the respective specimen signatures of those representative(s), to the Scrutinizer through e-mail to investor@dishd2h.com and pcs.jga@gmail.com, with a copy marked to evoting@nsdl.co.in

5. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the Listing Regulations") as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider dematerializing of shares held by them in physical form. Members can contact the Company or Company's Registrars and Transfer Agents, for assistance in this regard *i.e.* Link Intime India Private Limited.

6. Green Initiative: Members who have not registered their e-mail address are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

7. Inspection:

   All documents referred to in this Notice and other statutory registers are open for inspection by the Members online during the AGM through video conference.

8. **Submission of questions or queries prior to AGM/ Registration of Speakers:** Members seeking any information with regard to the accounts or any other matter to be placed at the AGM, are requested to write to the Company from September 21, 2020 to September 25, 2020 through e-mail on investors@dishd2h.com. Such questions shall be taken up during the meeting or replied by the Company suitably. Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending their request from their registered e-mail address mentioning their name, DP ID and client ID/Folio no, No. of shares, PAN, mobile number at investors@dishd2h.com on or before close of Business hours of September 25, 2020. Those Members who have registered themselves as a speaker will be allowed to express their views, ask questions during the AGM. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.

9. Additional information, pursuant to the Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["the Listing Regulations"] and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, on Director recommended by the Board for appointment/ re-appointment at the AGM forms part of the Notice. Their detailed profile also forms part of the Corporate Governance Report. The Directors have furnished consent/disclosure for their appointment/re-appointment as required under the Act and rules made thereunder.

10. In accordance with the MCA General Circular No. 20/2020 dated May 5, 2020 and SEBI Circular No. SEBI/ HO/ CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended March 31, 2020 pursuant to Section 136 of the Act and Notice calling the Annual General Meeting pursuant to section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/Registrar or the Depository Participant(s).

    The Company will not be dispatching physical copies of such statements and Notice of AGM to any Member. Members are requested to register/update their e-mail addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with Registrar, by following due procedure.

    A copy of the Notice of this AGM along with Annual Report for the Financial Year 2019-2020 is available on the website of the Company at www.dishd2h.com, website of the Stock Exchanges where the shares of the Company are listed *i.e.* BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com

11. Members are requested to notify immediately about any change in their postal address / E-Mail address / dividend mandate / bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agent, *viz.* Link Intime India Private Ltd having its office at C -101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083. E-Mail - rnt.helpdesk@linkintime.co.in

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the RTA.

13. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or staying abroad or demise of any members as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified.

14. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send share certificates to the Company for consolidation into a single folio. Members who hold shares in physical form are advised to convert their shareholding in dematerialized form with any Depository Participant.

15. In all correspondences with the Company, members are requested to quote their account/folio numbers and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID No(s).

16. Pursuant to Section 72 of the Act, members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / Demat form, the nomination form may be filed with the respective Depository Participant.

17. Pursuant to the provisions of Section 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016 (IEPF Rules), the dividend which remains

unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company.

As per Section 124 of the Act read with the IEPF Rules, the shares on which dividend remains unclaimed for seven consecutive years or more are required to be transferred to the Investor's Education and Protection Fund (IEPF). The shareholders can request the Company / RTA as per the prescribed provisions for claiming the shares out of the IEPF.

18. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.

**General instructions for accessing and participating in the 32nd AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting**

19. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

20. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

21. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 and Secretarial Standard - 2 issued by Institute of Company Secretaries of India, the Members of the Company are provided with the facility to cast their vote electronically, *i.e.* remote e-voting prior to the AGM and also during the AGM (for those Members who had not exercised their vote through remote e-voting) provided by National Securities Depository Limited (NSDL), on all the resolutions set forth in this Notice. The instructions for e-voting are given in this Notice. Please note that Remote E-Voting is an alternate mode to cast votes and is optional.

22. The remote E-Voting period for all items of businesses contained in this notice of AGM shall commence from **Friday, the 25th day of September, 2020 at 9.00 A.M. (IST)** and will end on **Monday, the 28th day of September, 2020 at 5.00 P.M. (IST)**. The E-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.

23. The cut-off date for determining the eligibility of shareholders to exercise remote E-Voting rights and attendance at AGM is Tuesday, September 22, 2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the above-mentioned cut-off date, shall be entitled to avail the facility of remote E-Voting or voting at the meeting through electronic mode. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

24. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

25. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. Members are requested to carefully read the instructions for E-Voting before casting their vote.

26. At the AGM, the Chairman of the meeting shall after discussion on all the resolutions on which voting is to be held, allow voting by electronic means to all those members who are present at the meeting but have not casted

their votes by availing the remote E-Voting facility. The Board of Directors of your Company have appointed Mr. Jayant Gupta, Practicing Company Secretary (PCS No. 9738), as the Scrutinizer to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.

27. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, will first download the votes cast at the meeting and thereafter unblock the votes cast through remote E-Voting in the presence of at least 2 (two) witnesses not in the employment of the Company and not more than forty eight (48) hours of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman, or a person authorised by him in writing who shall countersign the same and declare the result of voting forthwith.

28. The results declared along with the Scrutinizer's report shall be placed on the website of the Company *viz.* www.dishd2h.com and shall also be communicated to the Stock Exchanges. The Resolutions, if approved, shall be deemed to be passed, on the date of AGM.

29. **The instructions and process of E-Voting are as under:**

A. The details of the process and manner for remote e-voting are explained herein below:

**Step 1:** Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

**Step 2:** Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-Voting website?

(i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

(ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under Shareholders/Members section.

(iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services *i.e.* IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 *i.e.* Cast your vote electronically.

(iv) Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | | Your User ID is: |
|---|---|---|
| a) | For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) | For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example, if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) | For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example, if EVEN is 101456 and folio number is 001*** then user ID is 101456001*** |

(v) Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment *i.e.* a .pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

ii. If your email ID is not registered, please follow steps mentioned below in process for those members whose email ids are not registered.

(vi) If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

(vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

(viii) Now, you will have to click on "Login" button.

(ix) After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

(i) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

(ii) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

(iii) Select "EVEN" (E-Voting Event Number) of 'Dish TV India Limited' *viz.* 114156

(iv) Now you are ready for e-Voting as the Voting page opens.

(v) Cast your vote by selecting appropriate options *i.e.* assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

(vi) Upon confirmation, the message "Vote cast successfully" will be displayed.

(vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

(viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**B. Process for registration of email id for obtaining annual report and user id password for e-voting and updation of bank account mandate for receipt of dividend:-**

| | |
|---|---|
| Physical Holding | Send a request to the Registrar and Transfer Agents of the Company, Link Intime India Private Ltd at rnt.helpdesk@linkintime.co.in providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address.<br>Following additional details need to be provided in case of updating Bank Account Details:<br>a) Name and Branch of the Bank in which you wish to receive the dividend,<br>b) the Bank Account type,<br>c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions<br>d) 9 digit MICR Code Number, and<br>e) 11 digit IFSC Code<br>f) scanned copy of the cancelled cheque bearing the name of the first shareholder.<br>Alternatively, shareholders can get their e-mail address register with Company's Registrar and Transfer Agent by clicking the link https://linkintime.co.in/emailreg/email_register.html |
| Demat Holding | Please contact Registrar and Transfer Agents of the Company and register your email address and bank account details in your demat account, as per the process advised by the RTA. |

C. Any person, who acquires equity shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date *i.e.* Tuesday, September 22, 2020, may obtain the User ID and password by following process mentioned above or sending a request at evoting@nsdl.co.in or investor@dishd2h.com

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

D. Please note that Members connecting from mobile devices or tablets or through laptops etc connecting *via* mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

E. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the password.

F. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

G. Members are encouraged to join the Meeting through Laptops for better experience.

H. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

I. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.

J. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or seek clarification from the Company by sending e-mail to investor@dishd2h.com or send a request to Mr. Amit Vishal, Sr. Manager – NSDL (022-24994360/amitv@nsdl.co.in) or Ms. Pallavi Mhatre, Manager – NSDL (022-24994545/pallavid@nsdl.co.in)

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

By order of the Board
For **Dish TV India Limited**

**Ranjit Singh**
Company Secretary & Compliance Officer
Membership No. A15442

Place: Noida
Date: September 2, 2020

**Registered Office:**
18th Floor, A Wing, Marathon Futurex,
N M Joshi Marg, Lower Parel, Mumbai – 400 013
CIN: L51909MH1988PLC287553
E-mail: investor@dishd2h.com
Web: www.dishd2h.com

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 3**

The Board at its meeting held on July 23, 2020, on the basis of the recommendation of the Audit Committee, had approved the re-appointment of M/s Chandra Wadhwa & Co., Cost Accountants (Firm registration No 00239) as the Cost Auditors of the Company for the Financial Year 2020-21 at a cost audit fee of ₹ 4,50,000/- (Rupees Four lakh and Fifty Thousand Only) plus applicable taxes and other terms and conditions, subject to the confirmation, approval and ratification by the members at the meeting.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), ratification for the remuneration of the Cost Auditors by the members is sought, which is payable to the Cost Auditor for the Financial Year ended 2020-21, by passing an Ordinary Resolution as set out at Item No. 3 of the Notice.

Your Board recommends the Ordinary Resolution as set out in Item No. 3 for your approval.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolution.

**Item No. 4 and 5**

Mr. Jawahar Lal Goel was initially appointed as the Managing Director of the Company on January 6, 2007 and thereafter re-appointed as the Managing Director of the Company from time to time. The appointment / re-appointment(s) of Mr. Goel as the Managing Director of the Company and terms thereof, were duly approved by the Shareholders of the Company, from time to time, and the Ministry of Corporate Affairs, Government of India, as applicable.

At the 30th Annual General Meeting of the Company held on September 28, 2018, Mr. Goel was re-appointed as the Managing Director of the Company for a period from January 6, 2019 to December 16, 2019 (both days inclusive).

Further, Securities and Exchange Board of India *vide* its Notification bearing No. SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018 amended Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and directed that with effect from April 1, 2020, the Chairperson of the board of the top 500 listed entities shall –

(a) be a non-executive director;
(b) not be related to the Managing Director or the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act.

While the Board was inclined for re-appointing Mr. Goel for a longer term, however, in order to comply with the above regulatory provisions, the Board of Directors of the Company at their Meeting held on December 12, 2019, approved the re-appointment of Mr. Goel as the Managing Director of the Company for a period from December 17, 2019 to March 31, 2020 (both days inclusive) *i.e.*, the date till which he can continue to assume the position of Chairman and Managing Director in terms of the applicable regulatory provisions. The said re-appointment was subject to the approval of shareholders of the Company, in terms of applicable provisions.

Subsequent to the above referred Board Meeting, SEBI *vide* its Notification bearing No. SEBI/ LAD-NRO/GN/2020/02 dated January 10, 2020, extended the timeline for implementation of the said regulation to April 1, 2022, in place of April 1, 2020. In effect, the previous regulatory position *vis-à-vis* the CEO / Managing Director / Chairman and relation between them remains unchanged till March 31, 2022.

In view of the aforesaid amendment in the regulatory provisions, the Board of Directors of the Company at their Meeting held on February 12, 2020, approved the re-appointment of Mr. Goel as the Managing Director of the Company, on the same terms as applicable hitherto, for the period from April 1, 2020, to March 31, 2022 (both days inclusive). The said re-appointment was subject to the approval of shareholders of the Company, in terms of applicable provisions.

Mr. Goel is the Prime architect in establishing India's first and most modern and advanced technological infrastructure for the implementation of Direct to Home (DTH) services. He has been the leader in pioneering the DTH services in India and instrumental in establishing Dish TV as a prominent brand and established player. During Mr. Goel's tenure the Company has made commendable progress in all spheres of its business operations. The performance of the Company has been improving on year on year basis under the leadership of Mr. Goel.

Mr. Goel has been instrumental in the continuous growth of the Company on all operating and financial parameters including turning the Company into profitable, which made the Company the first Direct to Home (DTH) operator of the Country to come into profits.

In view of the aforesaid facts and Mr. Goel's rich experience, dynamism and contribution towards the growth of the Company, the Board of Directors of the Company recommends the re-appointment of Mr. Goel as the Managing Director of the Company to the Shareholders of the Company, from December 17, 2019 to March 31, 2020 and again from April 1, 2020 to March 31, 2022, subject to such other requisite regulatory approvals, if required, as set out at Item nos. 4 and 5 of this Notice.

The terms of appointment as mentioned in the resolution may be altered and varied by the Board within the limits approved by the members. Further, in the event of loss or inadequacy of profits in any financial year, the remuneration as detailed in the resolution (with such variation as may be approved by the Board, within overall limit) will be payable as minimum remuneration subject to the provisions of Schedule V of the Companies Act, 2013.

In terms of the provisions of Section 197 (as amended by the Companies (Amendment) Act, 2017), read with Schedule V of the Act, the Company is required to obtain the approval of the members by way of a special resolution for payment of remuneration to Managerial Personnel in case of no profits/ inadequacy of profits. Further, pursuant to a recent amendment in the SEBI Listing Regulations, effective from April 1, 2019, the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by Special Resolution in a general meeting, if the annual remuneration payable to such Executive Director exceeds ₹ 5 Crore or 2.5% of the net profits of the Company, whichever is higher; or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5% of the net profits of the Company. The proposed special resolutions being approved as set out at Item No. 4 & 5, of this Notice would also be in compliance with the requirements of SEBI Listing Regulations.

The Company, as on date, is not in default in payment of dues to any bank or public financial institution or to non-convertible debenture holders or to any other secured creditor, and accordingly their prior approval is not required, for approval of the proposed Special Resolutions.

The Nomination and Remuneration Committee at its meetings held on December 12, 2019 and February 12, 2020 and Board of Directors at their meetings held on December 12, 2019 and February 12, 2020, have considered these proposals and recommended / approved the remuneration payable/ paid to managerial personnel, subject to the approval of Members by Special Resolutions.

Requisite details relating to the proposal as prescribed in Schedule V of the Companies Act, 2013 are given herein:

**I. GENERAL INFORMATION:**

a) **Nature of Industry:** The Company is engaged in providing Direct-to-Home ('DTH') service comprising of distribution of satellite based television signals, constituting Channels, pursuant to a DTH license issued by the Ministry of Information and Broadcasting, Government of India (MIB). The Company is also into the business of providing Teleport Services to the broadcasters of various channels.

b) **Date of Commencement of Service:** October 2, 2003

c) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable

d) **Financial Performance:** Financial performance for the last three Financial Years is as per details below:

(₹ In Lakhs)

| Particulars (Standalone) | FY 2018 | FY 2019 | FY 2020 |
|---|---|---|---|
| **Total Revenue** | | | |
| - From Continuing operation | 292,392 | 405,007 | 1,67,848 |
| - From Discontinuing operation | 73,046 | - | - |
| **EBITDA** | | | |
| - From Continuing operation | 15,205 | 47,768 | 57,101 |
| - From Discontinuing operation | 52,612 | - | - |
| **Profit Before taxes** | | | |
| - From Continuing operation | (14,193) | (168,550) | (183,827) |
| - From Discontinuing operation | 18,986 | - | - |
| **Profit After taxes** | 3,334 | (128,942) | (139,409) |
| **Basic / Diluted EPS (In ₹)** | 0.31/0.31 | (6.70)/(6.70) | (7.25)/(7.25) |
| **Total Assets** | 1,130,878 | 1,084,729 | 947,565 |
| **Shares Outstanding (No.)** | 1,841,270,434 | 1,841,287,514 | 1,841,287,514 |

e) Foreign investments or collaborations, if any: Investment in Company's subsidiary Dish T V Lanka (Private) Limited :- ₹ 2.94 Lakhs

## II. INFORMATION ABOUT APPOINTEE:

a. **Background details:** Mr. Goel presently aged 65 years, at the beginning of his career, ventured into a trade of Agro Commodities at a young age of 16 years in 1970 in which he made considerable progress. Thereafter, with the advent of Private Media Participation in India, he played one of the most vital role in conceptualizing and establishing Siti Cable Network Ltd. (a Multi System Operator) - one of the largest cable distribution network of various TV channels in India in 1994. Apart from the company, Mr. Goel holds directorship in one (1) other public company.

b. **Past Remuneration:**

The Ministry of Corporate Affairs, Government of India, vide its approval letter no. C68324631/2015 – CL – VII dated February 18, 2016, approved the re – appointment of Mr. Goel for a period of three years with effect from January 6, 2016, at a remuneration of ₹ 1,03,50,000/- (for period from January 06, 2016 to January 05, 2017), ₹ 1,19,03,000 (for period from January 06, 2017 to January 05, 2018) and ₹ 1,36,88,000 (for period from January 06, 2018 to January 05, 2019).

Further, the Nomination and Remuneration Committee at their meeting held on October 28, 2016, considering the Industry trend, area expertise and profitability of the Company in the Financial Year 2015-16, approved the revision in remuneration to upto ₹ 4 Cr per annum with effect from November 1, 2016, in terms of Section 197 of the companies Act, 2013. The said appointment from January 6, 2019 to December 16, 2019 (both days included) and terms thereof including the remuneration was approved by the Members of the Company at their 30th Annual General Meeting held on September 28, 2018.

c. **Recognition or awards:** Mr. Goel was the past President of Indian Broadcasting Foundation (IBF) which takes up various issues relating to Broadcasting industry at various forums. He is active member on the Board of various committees and task force, set up by the Ministry of Information and Broadcasting, Government of India (MIB) which takes care of several critical matters relating to the industry.

d. **Job Profile and its suitability:** Mr. Goel is a technocrat having around 49 years of diversified experience including in the Entertainment Industry. In view of his rich experience, dynamism and recognition, the Board of Directors of the Company feels that Mr. Goel would be the most competent person to continue as the Managing Director of the Company. Mr. Goel brings along with him unparalleled industry insight, exemplary managerial capability and high domain expertise which will continue to help the Company to achieve its desired objectives and will continue to take progressive strides for the progress of the Company as well as the DTH industry.

e. **Tenure:** Re-appointment for the period from December 17, 2019 to March 31, 2020 (both days included) and for the period from April 01, 2020 to March 31, 2022 (both days included).

f. **Remuneration Proposed:** The details of the remuneration for the Re-appointment term from December 17, 2019 to March 31, 2020 (both days included) is set out in the Special Resolution mentioned in item No. 4 and details of the remuneration for the period from April 01, 2020 to March 31, 2022 (both days included) is set out in the Special Resolution mentioned in item No. 5.

g. **Other Terms and Conditions:**

a) In the event of absence or inadequacy of profits in any financial year during the tenure, salary and perquisites as approved by the members, are payable whether or not, these are within the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013.

b) Reimbursement of entertainment expenses, mobile expenses, car related expense etc., actually and properly incurred in the course of business of the Company shall be allowed.

c) No sitting fees shall be paid for attending the meetings of the Board of Directors or Committees thereof.

d) Mr. Goel shall not be eligible for Stock Options.

e) The terms of re-appointment shall not be subject to retirement by rotation.

f) Mr. Goel shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the Company and subsidiaries.

**h. Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person:**

The remuneration is a factor of experience, expertise, Industry practice, size of the Company and the remuneration of the competing Companies. The DTH business is highly complex in terms of technology, consumer behavior, compelling alternate technology, rising competition from cable and OTT platforms, retention of the acquired customers and providing leadership to a very educated and matured set of employees. The DTH business has a long gestation period and is highly capital intensive in nature requiring large out-flows of funds. Therefore the Company requires strong and exceptionally proven and experienced managerial personnel to monitor and successfully manage the interest of the Company.

Considering Mr. Goel's experience and the contributions to the Company's business and size of the Company - keeping in view the similar or higher levels of remuneration in India at these levels, the remuneration proposed is moderate in comparison to the remuneration packages of similar senior level personnel in other similar Companies in the Industry.

The Nomination and Remuneration Committee pursued remuneration of managerial persons in the industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Mr. Goel, before approving the remuneration proposed.

**i. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Mr. Goel has no other pecuniary relationship with the Company or with the managerial personnel, except the remuneration being paid to him as the Managing Director of the Company.

**III. OTHER INFORMATION:**

**a. Reasons for loss or inadequate profits:** The Company continues to acquire customers and incur subsidy on all such acquisitions. Moreover, the Company continues to spend on brand building, marketing, infrastructure, customer support service, sales and distribution infrastructure etc., which will continue and shall continue to benefit the Company in coming years. Fixed cost pertaining to salary, administration, technology cost, call center cost and transponder charges continues to create heavy toll on the finances of the Company. Recent competition and new TRAI Tariff order has also led to margin pressure and sub-optimal pricing of the product. All of this has resulted in losses to the Company during the current financial year. Though the Company remains positive at the EBITDA level, but due to the pressure of higher depreciation and amortization, profit after tax is negative and impacting the overall profitability of the Company.

**b. Steps taken or proposed to be taken for improvement:** Your Company undertook several initiatives including launching High Definition Service, Strategic partnership with Amazon Prime Video, Amazon Alexa, ShortsTV, Zee5, Hungama Play, Voot, Sony Liv, Alt Balaji and many more to fuel Strategic growth, Growing penetration of wireless broadband, creation of large number of service franchises, synchronization of 2 satellites to enable the subscribers to receive services from both the satellites simultaneously and over all control of the market dynamics. Several steps taken to contain the cost across all the heads of expenses and augmentation of revenue by movie on demand and other value added services has led to higher income and such efforts will continue in the years to come. Under the new tariff order, there is a continuous program to upgrade the subscribers and increase the consumption of the content on a regular basis for revenue enhancement. The recent initiatives to optimize the cost pertaining to call center, personnel, marketing and general administration will save money and pave way for better cash flow and profitability in the near future. Though the impact of depreciation will continue due to continuous addition of new subscribers and upgradation of broadcasting station.

c. **Expected increase in productivity and profits in measurable terms:** Under the leadership of Mr. Goel the Company has commenced it journey towards creating a hybrid environment, with hybrid boxes which will provide live channels from the current setup and contents from the IP setup as well, the Company launched new NXT HD+ set-top boxes with best-in-class technology, contemporary User Interface and enhanced customer experience. The Company offered multiple product like Dish SMRT HUB, Dish SMRT Kit – with Alexa and also launched Watcho App to get Personalized TV experience everywhere. The Company expects to continue with the performance level it has achieved in the previous year. This is expected to impact the overall profit on a positive basis. The Company also measures the productivity by way of ARPU, EBITDA margin, gross margin and various expense ratios. This year the EBITDA margin is much higher than previous year resulting in better free cash flow.

Requisite parameters under Section 200 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given herein:

1. **Financial and operating performance of the Company during the three preceding financial years**

   Requisite details are provided in para I (d) above.

2. **Remuneration or commission drawn by individual concerned in any other capacity from the Company**

   Mr. Goel is not drawing any remuneration or commission in any other capacity from the Company

3. **Remuneration or Commission drawn by Managerial Personnel from any other company**

   Mr. Goel is not drawing any remuneration or commission from any other Company

4. **Professional qualification and experience**

   Mr. Goel presently aged 65 years, at the beginning of his career, ventured into a trade of Agro Commodities at a young age of 16 years in 1970 in which he made considerable progress. Thereafter, with the advent of Private Media Participation in India, he played one of the most vital role in conceptualizing and establishing Siti Cable Network Ltd. (a Multi System Operator) - one of the largest cable distribution network of various TV channels in India in 1994.

   Mr. Goel is a technocrat having around 49 years of diversified experience including in the Entertainment Industry. Mr. Goel is the Prime architect in establishing India's first and most modern and advanced technological infrastructure for the implementation of Direct to Home (DTH) services. He has been the leader in pioneering the DTH services in India and instrumental in establishing Dish TV as a prominent brand and established player. During Mr. Goel's tenure the Company has made commendable progress in all spheres of its business operations. The performance of the Company has been improving on year on year basis under the leadership of Mr. Goel.

   Mr. Goel has been instrumental in the continuous growth of the Company on all operating and financial parameters including turning the Company into profitable, which made the Company the first Direct to Home (DTH) operator of the Country to come into profits.

5. **Relationship between remuneration and performance**

   In FY – 19, Mr. Goel, the Promoter Director of your Company has drawn only the base remuneration, which too, has not changed for the past two fiscals.

6. **The principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company**

   Your Company has a strong performance management culture. Every employee undergoes evaluation of his/her performance against the goals and objectives for the year, and increase in compensation and reward by way of variable bonus is linked to the evaluation of individual's performance. All employees of the Company, including Managing Director and Whole-time Director are governed by the Company's Performance Management System, in addition to the Board-approved Remuneration Policy. Additionally, industry benchmarks are used to determine the appropriate level of remuneration, from time to time.

7. **Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference**

   Your Company has a clearly laid out Board-approved Remuneration Policy. This policy includes, *inter-alia*, remuneration parameters for Managing Director & Whole-time Directors, KMP and Senior Management and Other Employees. The perspective that governs remuneration of Directors goes beyond the Company and the Industry, especially in terms of benchmarks. The philosophy of reward for performance however, is applicable to all three domains.

8. **Securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year**

   Mr. Goel holds 176,800 fully paid equity shares in the Company as on March 31, 2020 constituting 0.01 % of the Share Capital. None of these shares are pledged. Mr. Goel is not entitled to any Stock Options.

The document setting out the terms of employment and payment of remuneration as prescribed under Section 190 of the Act is available for inspection by the Members online during the AGM through video conference. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Your Board recommends the Special resolution as set out in Item No. 4 and 5 for your approval.

A brief profile and other information as required under Regulation 36 of the Listing Regulations and Secretarial Standard-2 issued by ICSI is provided as Annexure A.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Jawahar Lal Goel (whose re-appointment is proposed in the resolution), are in any way concerned or interested in the resolution.

By order of the Board
For **Dish TV India Limited**

**Ranjit Singh**
Company Secretary & Compliance Officer
Membership No. A15442

Place: Noida
Date: September 2, 2020

**Registered Office:**
18th Floor, A Wing, Marathon Futurex,
N M Joshi Marg, Lower Parel, Mumbai – 400 013
CIN: L51909MH1988PLC287553
E-mail: investor@dishd2h.com
Web: www.dishd2h.com

**Annexure A**

The details of Directors seeking appointment/re-appointment/continuation of the appointment as per Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India:

| **Particulars** | **Mr. Jawahar Lal Goel (DIN-00076462)** | **Mr Anil Kumar Dua (DIN - 03640948)** |
|---|---|---|
| Age / Date of Birth | 65 years / December 17, 1954 | 54 years / December 8, 1965 |
| Date of first Appointment | January 06, 2007 | March 26, 2019 |
| Qualification | Entrepreneur | B Tech (IIT, Delhi) and MBA (IIM, Ahmedabad) |
| Brief Resume | Mr. Goel at the beginning of his career, ventured into a trade of Agro Commodities at a young age of 16 years in 1970 in which he made considerable progress. Thereafter, with the advent of Private Media Participation in India, he played one of the most vital role in conceptualizing and establishing Siti Cable Network Ltd. (a Multi System Operator) - one of the largest cable distribution network of various TV channels in India in 1994.<br><br>Mr. Goel is a technocrat having around 49 years of diversified experience including in the Entertainment Industry. Mr. Goel is the Prime architect in establishing India's first and most modern and advanced technological infrastructure for the implementation of Direct to Home (DTH) services. He has been the leader in pioneering the DTH services in India and instrumental in establishing Dish TV as a prominent brand and established player. During Mr. Goel's tenure the Company has made commendable progress in all spheres of its business operations. The performance of the Company has been improving on year on year basis under the leadership of Mr. Goel. | Mr. Dua has worked with Hindustan Unilever, Gillette and Hero MotoCorp. Prior to joining the Company, he was the Managing Director of OTE Group, which represents major franchises in automobiles, electronics, home appliances, tyre, batteries and lubricants with operations in Oman and UAE. Mr. Dua comes with rich experience in various facets of business management such as brand building, marketing, customer experience, supply chain and strategy. |
| Experience and expertise in specified functional area | Mr. Goel is a technocrat having around 49 years of diversified experience including in the Entertainment Industry. | Over 31 years rich experience in various facets of business management |
| Directorships held in other companies in India* | One (1) | Nil |
| Directorships held in Listed entities | Nil | Nil |
| Chairman / Member of Committee of the Board of other companies in which they are director** | One(1) | Nil |

| **Particulars** | **Mr. Jawahar Lal Goel (DIN-00076462)** | **Mr Anil Kumar Dua (DIN - 03640948)** |
|---|---|---|
| Shareholding in Dish TV India Limited | Mr. Goel holds 1,76,800 fully paid equity shares in the Company as on March 31, 2020 constituting 0.01% of the Share Capital | None |
| *Inter-se* Relationship between Directors / Managers / Key Managerial Personnel | Holding the Position of Chairman & Managing Director of the Company | Holding the position of Group Chief Executive Officer of the Company |
| Terms and Conditions of Appointment/ Re-appointment and Remuneration | As given in the explanatory statement of item number 4 & 5 of this AGM Notice. | There is no change in terms & conditions of appointment including remuneration, as approved by shareholders' at 31st AGM held on September 19, 2019. |
| Remuneration Last Drawn | ₹ 390.01 Lakhs per annum | ₹ 413.30 Lakhs per annum |
| Number of Board Meetings Attended during the Financial Year 2019-20 (Total seven (7) Board Meetings were held during the Financial Year) | Seven (7) | Seven (7) |

* *Directorships in Other Companies does not include alternate directorships, directorship in foreign bodies corporate and directorship in Dish TV India Limited.*

** *Chairmanships/Memberships of only Audit Committees and Stakeholders Relationship Committee in all Public Limited Companies (Listed and Unlisted) except Foreign Companies, Private Companies, companies registered under section 8 of the Act and Chairmanships/Memberships in Committees of Dish TV India Limited, have been considered.*

**Information at a glance**

| Sr. | Particulars | Details |
|---|---|---|
| 1 | Day, Date and Time of AGM | Tuesday, September 29, 2020 at 11:00 A.M (IST) |
| 2 | Mode | Video Conferencing and Other Audio Visual Mode |
| 3 | Participation through Video-Conferencing | Members can login on the date of AGM at www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM |
| 4 | Help-Line Number for VC Participation | NSDL on evoting@nsdl.co.in / 1800-222-990 or Mr. Amit Vishal, Sr. Manager – NSDL (022-24994360 /amitv@nsdl.co.in) or Ms. Pallavi Mhatre, Manager – NSDL (022-24994545/pallavid@nsdl.co.in) |
| 5 | Speaker Registration Before AGM | Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and client ID/Folio no, No. of shares, PAN, mobile number at investors@dishd2h.com from September 21, 2020 to September 25, 2020. Those Members who have registered themselves as a speaker will be allowed to express their views, ask questions during the AGM. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM |
| 6 | Cut-off Date for e-voting | September 22, 2020 |
| 7 | Remote E-voting start time and date | Friday, September 25, 2020 at 9.00 A.M. (IST) |
| 8 | Remote E-voting end time and date | Monday, September 28, 2020 at 5.00 P.M. (IST) |
| 9 | Remote E-voting website | www.evoting.nsdl.com |
| 10 | Name, address and contact details of Registrar and Transfer Agent | Link Intime India Private Ltd.<br>C -101, 247 Park, LBS Marg, Vikhroli West,<br>Mumbai - 400 083.<br>E Mail - rnt.helpdesk@linkintime.co.in |
| 11 | E-mail Registration & Contact Updation process | • Demat Shareholders:<br>Contact respective Depository Participant<br>• Physical Shareholders:<br>Contact Company's Registrar and Transfer Agents, Link Intime India Pvt. Ltd. By sending an email request at rnt.helpdesk.co.in along with signed scanned copy of the request letter providing the email address, mobile number, self attested copy of the PAN card and copy of the Share Certificate.<br>Alternatively, shareholders can get their e-mail address register with Company's Registrar and Transfer Agent by clicking the link https://linkintime.co.in/emailreg/email_register.html |

# BOARD'S REPORT

To the Members

Your Directors are pleased to present the 32nd (Thirty Second) Board Report of your Company providing an overview of the business and operations of the Company together with Annual Audited Financial Statements for the Financial Year ('FY') ended March 31, 2020, prepared as per Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act').

## 1. FINANCIAL RESULTS

The financial performance of your Company for the FY ended March 31, 2020 is summarized below:

(₹ *In Lacs*)

| Particulars | Standalone – Year Ended | | Consolidated – Year Ended | |
|---|---|---|---|---|
| | **Year ended March 31, 2020** | **Year ended March 31, 2019** | **Year ended March 31, 2020** | **Year ended March 31, 2019** |
| Sales & Services | 151,800 | 393,788 | 355,634 | 616,613 |
| Other Income | 16,048 | 11,219 | 1,361 | 5,215 |
| **Total Income** | **167,848** | **405,007** | **356,995** | **621,828** |
| Total Expenses | 159,759 | 403,104 | 344,180 | 619,143 |
| Profit/(Loss) before Tax &Exceptional Item | 8,089 | 1,903 | 12,815 | 2,685 |
| Exceptional Item | 191,916 | 170,453 | 191,550 | 156,254 |
| **Profit/(Loss) before Tax** | **(183,827)** | **(168,550)** | **(178,735)** | **(153,569)** |
| Profit from continuing operations before tax | (183,827) | (168,550) | (178,735) | (153,569) |
| - Current tax | | 1,519 | - | 2,844 |
| - Income tax -prior years | - | 540 | - | 921 |
| - Deferred tax-Continued operation | (44,418) | (41,667) | (13,251) | (40,993) |
| Profit from continuing operations after tax | (139,409) | (128,942) | (165,484) | (116,341) |
| **Profit/(Loss) after Tax** | **(139,409)** | **(128,942)** | **(165,484)** | **(116,341)** |
| Profit/(Loss) for the Year | (139,409) | (128,942) | (165,484) | (116,341) |
| Add: Balance brought forward | (121,418) | 18,427 | (106,767) | 20,233 |
| Adjustment for Non-controlling interest | - | - | 1,602 | 1,851 |
| Restatement of prior period items | | | - | (1,943) |
| Add: Re-measurement of post-employment benefits | 60 | 195 | 71 | 531 |
| Less: Dividend paid during the year | - | (9,206) | - | (9,206) |
| Less: Dividend distribution tax on dividend | - | (1,892) | - | (1,892) |
| Amount available for appropriations | (260,767) | (121,418) | (270,578) | (106,767) |
| Balance Carried Forward | (260,767) | (121,418) | (270,578) | (106,767) |

There have been no material changes and commitments that have occurred after close of the FY till the date of this report which affect the financial position of the Company. There has been no material change in the nature of business of the Company. Based on the internal financial control framework and compliance system established in the Company and verified by the statutory and internal auditors and reviews performed by the management and/or the Audit Committee of the Board, your Board is of the opinion that Company's internal financial controls were adequate and effective during the FY 2019-20.

## 2. OUTBREAK OF COVID-19

Dish TV has continued to operate and provide DTH services to its customer without any disruptions subsequent to the outbreak of Coronavirus (COVID-19) and consequential lock down across the Country. To keep the accounts of subscribers active, the Company extended services by 3 to 5 days without any additional service charges to ensure uninterrupted TV viewing experience even when the due date has passed. The Company also launched 'Friends and Family Recharge', 'Special online recharge' offers and educated subscribers on the different alternate modes of recharges available. Three platform services, Kids Active, Ayushman Active and Fitness Active, which would meet the needs of the entire family were offered on free preview basis for the subscribers. The Company also launched D2H Stay Home Stay safe Stay entertained campaign and exciting contests like d2h Funtertainemnt and d2h Alag Hi Tasveer etc. which saw widespread participation.

The COVID-19 pandemic has had a high impact on Indian businesses and has already caused adverse impact on the economic activities. However, the television consumption spiked to reach high numbers. Though the future course of the pandemic is unpredictable, TV as a medium has a significant scope for further penetration in India. Though this will not have impact on television distribution, but if it continues for a longer period of time then it may impact the disposable income due to changes in lifestyle and expenses on healthcare. Average subscription ticket size and average revenue per user could remain on the lower side as consumers may want to be conservative due to the uncertain environment. However, with consumer sentiment remaining cautious to spend, it could cause migration of subscribers from costlier mediums like IPTV to more pocket-friendly options like DTH and cable TV. Dish TV sees opportunity in this adversity and looks forward to leverage its pan-India reach, strong rural connect, brand strength, OTT platform - Watcho to build resilience and closer connect with consumers. The Company's post-COVID operational plan incorporates the touchless way of getting new acquisitions, installations and service.

## 3. DIVIDEND

With a view to conserve the resources for future business requirements and expansion plans, your Board have not recommended any dividend on the equity shares of the Company for the year under review. The Board of Directors of the Company had approved and adopted a Policy on Distribution of Dividend, as amended from time to time, to comply with Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The said Policy of the Company sets out the parameters and circumstances that will be taken into account by the Board in determining whether or not to distribute dividend to its shareholders, the quantum of profits and/ or retained profits earned by the Company to be distributed as dividend. The policy is available on the website of the Company *viz.* https://www.dishd2h.com/.

## 4. BUSINESS OVERVIEW

Dish TV India is India's First and amongst Asia's largest Direct-to-Home (DTH) Digital Entertainment Service provider. Your Company has taken television viewing to the next level through the latest digital technology. Dish TV with its multiple brands and platforms of delivering content at an extremely competitive cost is one of the preferred choice for subscribers, when the decision is based on convenience, availability and cost.

Your Company have always worked on offering innovative entertainment solutions and superlative experience to customers. Dish TV's connected android boxes fulfil the need of customers seeking new age media entertainment. Your Company has now gone beyond the realm of devices with the introduction of its OTT entertainment app 'Watcho', which will help us keep the existing customers enthusiastic and also on-boarding of new subscribers in its network. Dish TV has launched a content streaming solution 'd2h Magic' allowing customers to access digital video streaming and OTT apps on their existing d2h set top box. The partnering with leading technology platforms like Amazon, Fire TV Stick and Huawei App Store and being embedded in our very own Dish Smrt Stick, Smrt Kit, Magic Stick, Smrt Hub and Stream, will provide further opportunities to grow business.

Entertainment is a fundamental need of our lives and we look at multiple modes to suit our needs. Covid-19 has fuelled demand for at-home entertainment and consequently television and streaming platforms have seen significant growth, which is likely to persist in future as well. With the home entertainment left as only choice during lockdowns subsequent to COVID-19 pandemic, the Company witnessed significant jump in recharges with digital mediums. Unified Payments Interface (UPI) and e-wallets became the preferred online, real-time payment modes over cash and physical outlets for subscribers recharging their DTH accounts. Increasing proportion of renewals through digital mediums should be the new normal in the post-COVID-19 world. During this tough time, Dish TV is adding fun and entertaining moments to the lives of its customers through innovative new products, services, special programmes and exciting offers. Further, the return of fresh content on GEC and sporting action can be expected to be a strong stimulus for recharges going forward.

During the year under review, your Company, on the basis of consolidated financial statements of FY 2019-20, made profit before tax and exceptional items to the tune of ₹ 1,282 million versus ₹ 269 million in FY 2018-19. Post the end of the Financial Year 2019-20, and upto the date of this report, the Company has on a consolidated basis made a loan repayment to the tune of ₹ 520 Crores. This was achieved with sustained focus on the customer satisfaction, good offering of bundled channels and value added services to the subscribers. Your Company will continue to focus on customer services and satisfaction.

With consumer sentiment remaining cautious and slowdown in economy, all businesses including the television distribution industry would have to find new ways to attract and retain customer loyalty. Though, subscription-based revenues could improve over a period of time, as people get more and more accustomed to consume content at home and seek a greater variety of content. However, availability of new content could prove to be a key factor in retaining and increasing the subscriber base for subscription-based platforms. Dish TV sees opportunity in this adversity and looks forward to leverage its pan-India reach, brand strength, OTT platform - Watcho and its execution by running a tight ship to build resilience and closer connect with consumers.

**SUBSIDIARIES AND ASSOCIATE COMPANIES**

As on March 31, 2020, your Company has 1 (One) Wholly Owned Subsidiary *viz.* Dish Infra Services Private Limited and 2 (Two) Subsidiary Companies *viz.* Dish T V Lanka (Private) Limited and C&S Medianet Private Limited, as mentioned in note number 39 to the standalone financial statements for the FY 2019-20. There has been no material change in the nature of business of the subsidiaries.

**Subsidiary in Sri Lanka:**

Your Company, upon the approval of Board of Directors, incorporated a Joint Venture ('JV') 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 one (1) million Sri Lankan Rupees. Your 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 had commenced the operations under the requisite licenses and permissions obtained from regulatory authorities. Owning to adverse market condition, un-favourable taxation regime, high competition and a very small market size, the operations of Dish T V Lanka (Private) Limited has not been in line with the desired projections and accordingly the operations of the Company has been suspended. The Company is evaluating the available options for reorganization / restructuring. The Company has also been registered as a Board of Investment ('BOI') approved Company in Sri Lanka. The registration with BOI grants various benefits to the Company.

**Subsidiary in India:**

**i. Dish Infra Services Private Limited**

Dish Infra Services Private Limited is a wholly owned subsidiary of Dish TV India Limited *i.e.* 100% shareholding is held by Dish TV India Limited.

Post the approval of members of the Company by way of a Special Resolution passed by Postal Ballot on February 3, 2015, 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(STB), dish antenna, Low Noise Boxes (LNB) and other customer related services including call centre services and repairs) has been transferred to Dish Infra with effect from April 1, 2015. The business of the Company is to plan, establish, develop, provide, operate, maintain and market various support services for cable or satellite based communications, networking services, broadcasting, broadcasting content services, direct-to-home services, direct-to-home related services, satellite based transmission services and provide advertising agency service, marketing service, distribution services and related support services to such companies as engaged in above activities.

Further, post the approval of members of the Company by way of a Special Resolution, passed with requisite majority on September 25, 2017, and with the completion of Amalgamation of Videocon D2H Limited with and into Company, which became effective on March 22, 2018, with the view to harmonize the existing business model of the Company, the Non-Core Business undertaking of Infra Support Services (including set top boxes, dish antenna etc., and related services) of Videocon D2H Limited together with respective assets and liabilities (including employees/contracts etc. pertaining to such business), were transferred to Dish Infra from the close of the business hours of March 31, 2018.

In compliance with the provision(s) of Regulation 24 of the Listing Regulations, your Board had, appointed Dr. (Mrs.) Rashmi Aggarwal as an Independent Director on the Board of Dish Infra (Company's material non-listed Indian Subsidiary).

ii. **C&S Medianet Private Limited**

C&S Medianet Private Limited is a subsidiary of Dish TV India Limited *i.e.* 51% shareholding is held by Dish TV India Limited.

The said Company acts as a knowledge center for the distribution industry by assisting them in various business facets including packaging, content acquisition, regulatory interaction etc. The said Company had commenced its operations during the FY 2017-18.

Your Company upon approval of the Board of Directors on October 25, 2018, purchased/ acquired additional 300 (Three Hundred) equity shares of C&S Medianet. Consequent to the said acquisition, the percentage stake of the Company in C&S Medianet increased from 48% to 51% and C&S Medianet became the subsidiary of the Company with effect from November 1, 2018.

Your Company funds its subsidiary (ies), from time to time, as per the fund requirements, through loans, guarantees and other means to meet the working capital and other business requirements.

Apart from the above, there is no other Subsidiary/ Joint-venture/Associate within the meaning of section 2(87) and section 2(6) of the Act, of the Company.

**Audited Accounts of Subsidiary Companies:**

Your Company has prepared the Audited Consolidated Financial Statements in accordance with Section 129(3) of the Act read with the applicable Indian Accounting Standards and Listing Regulations. As required under the Indian Accounting Standards, issued by the Institute of Chartered Accountants of India ('ICAI') and applicable provisions of the Listing Regulations, the Audited Consolidated Financial Statements of the Company reflecting the Consolidation of the Accounts of its subsidiaries are included in this Annual Report. Further, a statement containing the salient features of the financial statements of subsidiaries pursuant to sub-section 3 of Section 129 of the Companies Act, 2013 ('the Act') in the prescribed form AOC-1 is appended to this Board Report.

In accordance with Section 136 of the Act, the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of the subsidiaries are available on the website of the Company *viz.* https://www.dishd2h.com/. Your Company also has a policy for determining Material Subsidiaries in terms of the applicable regulations. As on March 31, 2020, the Company has only one Material Subsidiary *viz.* Dish Infra Services Private Limited. The Policy for determining Material

Subsidiaries is available on the Company's website *viz.* https://www.dishd2h.com/.

## 5. CAPITAL STRUCTURE

During the year under review, there was no change in the Capital Structure of the Company. Accordingly, as at March 31, 2020 the Capital structure stand as follows:

- The Authorised Share Capital of the Company is ₹ 6,500,000,000/- (Rupees Six hundred and Fifty Crore Only) divided into 6,500,000,000 (Six hundred and Fifty Crore) Equity shares of ₹1/- (Rupee One Only) each.
- The Paid-up Share Capital of the Company is ₹ 1,841,274,345/- (Rupees One Eighty Four Crore Twelve Lakh Seventy Four Thousand Three Hundred and Forty Five Only) *comprising of 1,841,253,953 fully paid up equity shares of ₹1/- (Rupee one Only) each, 14,446 (Fourteen Thousand Four Hundred and Forty-Six) equity shares of ₹1/- (Rupee one Only) each, paid up ₹0.75 per equity share and 19,115 (Nineteen Thousand One Hundred and Fifteen) equity shares of ₹1/- (Rupee one Only) each, paid up ₹0.50 (Paisa Fifty Only) per equity share.*

**Listing of Company's Securities**

Your Company's fully paid up equity shares continue to be listed and traded on National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE'). Both these Stock Exchanges have nation-wide trading terminals and hence facilitates the shareholders/investors of the Company in trading the shares. The Company has paid the annual listing fee for the FY 2020-21 to the said Stock Exchanges.

Further, consequent to amalgamation of Videocon d2h Limited into and with the Company, your Company had issued new Global Depositary Receipts (the "GDRs") to the holders of American Depositary Shares ("ADSs") of Videocon d2h Limited which are listed on the Professional Securities Market ("PSM") of the London Stock Exchange. Necessary fees in relation to the GDR's of the Company listed on London Stock Exchange have also been paid.

**Depositories**

Your Company has arrangements with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'), the Depositories, for facilitating the members to trade in the fully paid up equity shares of the Company in Dematerialized form. The Annual Custody fees for the FY 2020-21 has been paid to both the Depositories.

## 6. EMPLOYEE STOCK OPTION SCHEME

Your Company had instituted an Employees Stock Option Scheme (ESOP - 2007) to motivate, incentivize and reward employees. In compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time, your Board had authorized the Nomination and Remuneration Committee ["NRC"] (formerly 'Remuneration Committee') to administer and implement the Company's Employees Stock Option Scheme (ESOP – 2007) including deciding and reviewing the eligibility criteria for grant and /or issuance of stock options under the Scheme. With a view to launch a new ESOP Scheme, the NRC at its meeting held on August 17, 2017, decided not to make any fresh grant of options under Employee Stock Option Scheme (ESOP – 2007) of the Company, and withdrew the Scheme by cancelling the stock options which were yet to be granted under the scheme.

Further, the Company with an objective to attract, retain, motivate, incentivize and to attract and retain the best talent recommended a new ESOP Scheme - "ESOP 2018" for the employees. The said scheme was approved by the shareholders of the Company at its thirtieth (30th) Annual General Meeting held on September 28, 2018. Further, extension of benefits of the scheme to the employee(s) of subsidiary companies and to any future holding company was also approved by Shareholders *vide* Postal Ballot Notice dated October 25, 2018.

During the year under review, the Nomination and Remuneration Committee ("NRC") of your Company at its meeting held on May 24, 2019 granted 860,000 (Eight Lakh Sixty Thousand) stock options to eligible Employees as per the ESOP – 2018 Scheme of the Company. The ESOP Allotment Committee of the Board or the Board considers reviews and allots equity shares to the eligible Employees exercising the stock options under the Employee Stock Option Scheme of the Company.

Applicable disclosures relating to Employees Stock Options as at March 31, 2020, pursuant to

Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time, is annexed to this report and is also available on the website of the Company *viz.* https://www.dishd2h.com/. The ESOP Schemes of the Company are in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The Statutory Auditors of the Company M/s. Walker Chandiok & Co. LLP, Chartered Accountants, have certified that the Company's Employee Stock Option Scheme has been implemented in accordance with Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the resolution passed by the shareholders.

**7. RIGHT ISSUE OF SHARES & UTILISATION OF PROCEEDS THEREOF**

The Company had come with a Right Issue in FY 2008-09 for 518,149,592 (Fifty One Crore Eighty One Lakh Forty Nine Thousand Five Hundred and Ninety Two) equity shares of ₹ 1/- (Rupees One Only) each, issued at ₹ 22/- (Rupees Twenty Two Only) per share (including premium of ₹ 21/- (Rupees Twenty One Only) per share), payable in three (3) installments. Out of the total Right Issue size of ₹ 113,992.91 Lakh, the Company has received a sum of ₹ 113,988.69 Lakh towards the share application and call money(s) as at March 31, 2020.

The details of utilization of Rights Issue proceeds are placed before the Audit Committee and the Board on a quarterly basis. The status of utilization of rights issue proceeds as on March 31, 2020, is as under:

| Particulars | Amount (₹ In Lakhs) |
|---|---|
| Repayment of loans | 28,421.44 |
| Repayment of loans received after launch of the Rights Issue | 24,300.00 |
| General Corporate Purpose | 34,722.73 |
| Acquisition of Consumer Premises Equipment (CPE) | 26,000.00 |
| Right Issue Expenses | 544.52 |
| **Total** | **113,988.69** |

**8. GLOBAL DEPOSITORY RECEIPT**

The Board of your Company at its meeting held on November 11, 2016 had approved the Scheme of Arrangement amongst Videocon D2H Limited and Dish TV India Limited and their respective Shareholders and Creditors ('Scheme').

In terms of the Scheme, the ADS holders of Videocon D2H Limited had an option to elect and to either receive the shares of Dish TV India Limited or the GDR to be issued by Dish TV India Limited. Accordingly, the ADS holders of Videocon D2H Limited were issued Global Depositary Receipts (the "GDRs") of Company. The effective date of issuance of GDRs was April 12, 2018, and the same were listed on the Professional Securities Market ("PSM") of the London Stock Exchange on April 13, 2018.

Post receipt of all necessary approval(s) and in compliance of order Passed by Hon'ble National Company Law Tribunal ("NCLT") dated July 27, 2017 for Amalgamation of Videocon D2H Limited into and with the Company, the Board at its meeting held on March 26, 2018, approved the issuance of 277,095,615 (Twenty Seven Crore Seventy Lakh Ninety Five Thousand Six hundred and Fifteen) Global Depositary Receipts (the "GDRs") to the holders of ADSs of Videocon D2H Limited (each GDR representing one equity share of the Company, exchanged at a rate of approximately 8.07331699 new GDRs for every one Videocon D2H Limited ADS (rounded off up to eight decimal places).The underlying equity shares against each of the GDR's were issued in the name of the Depository *viz.* Deutsche Bank Trust Company Americas.

Out of the total 277,095,615 (Twenty Seven Crore Seventy Lakh Ninety Five Thousand Six hundred and Fifteen) GDRs issued by the Company upon completion of merger, the Investors have cancelled 162,357,687 (Sixteen Crore Twenty Three Lakh Fifty Seven Thousand Six Hundred and Eighty Seven) GDRs, in exchange for underlying equity shares of the Company. Accordingly, as on March 31, 2020 the outstanding GDRs of the Company are 114,737,928 (Eleven Crore Forty Seven Lakh Thirty Seven Thousand Nine Hundred and Twenty Eight) GDRs.

**9. REGISTERED OFFICE**

The Registered Office of the Company is presently situated at 18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai - 400013, Maharashtra.

**10. REGISTRAR & SHARE TRANSFER AGENT**

The Registrar & Share Transfer Agent ('RTA') of the Company is Link Intime India Private Limited. The Registered office of Link Intime India Private Limited is situated at C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra.

**11. CORPORATE GOVERNANCE AND POLICIES**

The Company's principles of Corporate Governance are based on transparency, accountability and focus on the sustainable long-term growth of the Company. Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. Our understanding to an effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last.

In order to maximize shareholder value on a sustained basis, your Company constantly assesses and benchmarks itself with well-established Corporate Governance practices besides strictly complying with the requirements of Listing Regulations, applicable provisions of the Act.

In terms to the requirement of Regulation 34 read with Schedule V of the Listing Regulations, a detailed report on Corporate Governance along with Compliance Certificate issued by M/s. Jayant Gupta and Associates, Practicing Company Secretary is attached and forms an integral part of this Annual Report. Management Discussion and Analysis Report and Business Responsibility Report as per Listing Regulations are presented in separate sections forming part of this Annual Report. The said Business Responsibility Report will also be available on the Company's website https://www.dishd2h.com/ as part of the Annual Report.

In compliance with the requirements of the Act and the Listing Regulations, your Board has approved various Policies including Code of Conduct for Board of Directors and Senior Management, Policy for determining material subsidiaries, Policy for preservation of documents & archival of records on website, Policy for determining material event, Policy for fair disclosure of unpublished price sensitive information, Corporate Social Responsibility Policy, Whistle blower & Vigil mechanism, Related Party Transaction Policy, Dividend distribution policy and Nomination and Remuneration Policy. These policies and codes are reviewed by the Committees / Board from time to time. These policies and codes along with the Directors familiarisation programme and terms and conditions for appointment of independent directors are available on Company's website *viz.* https://www.dishd2h.com/

In compliance with the requirements of Section 178 of the Act, the Nomination and Remuneration Committee (NRC) of your Board has fixed the criteria for nominating a person on the Board which *inter alia* include desired size and composition of the Board, age limits, qualification / experience, areas of expertise, requisite skill set and independence of individual.

Further, in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'), as amended from time to time, on prevention of insider trading, your Company has a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders. The said Code lays down guidelines, which advise Insiders on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances. Your Company has further put in place a Code of practices and procedures of fair disclosures of unpublished price sensitive information. The said codes are applicable to all Directors, KMPs and other Designated Persons, as identified in the Code, who may have access to unpublished price sensitive information of the Company. The codes are available on Company's website *viz.* https://www.dishd2h.com/

The Audit Committee of the Board has been vested with powers and functions relating to Risk Management which *inter alia* includes (a) review of risk management policies and business processes to ensure that the business processes adopted and transactions entered into by the Company are designed to identify and mitigate potential risk; (b) laying down procedures relating to Risk assessment and minimization; and (c) formulation, implementation and monitoring of the risk management plan.

Your Company has a Risk Management Committee, which assess the Company's risk profile, acceptable level of risk, assess cyber security, develop and maintain risk management framework. The said Committee also performs such other functions as may be entrusted to it by the board, from time to time.

## 12. DIRECTORS' & KEY MANAGERIAL PERSONNEL

As on March 31, 2020, your Board comprised of Six (6) Directors including Three (3) Independent Directors, Two (2) Executive Directors and One (1) Non-Executive Non-Independent Director, including one Independent Woman Director. During the year under review, there was no change in the Directors or Key Managerial Personnel of the Company.

Your Company has obtained a Certificate from M/s. Jayant Gupta and Associates, Practicing Company Secretary pursuant to Regulation 34(3) read with Schedule V para C clause 10(i) of the SEBI Listing Regulations that none of the Directors on the Board of the Company were debarred or disqualified from or continuing as Director on the Board by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority. The said Certificate is attached and forms an integral part of this Annual Report.

In accordance with the provisions of Section 152(6) of the Act, Mr. Anil Kumar Dua (DIN-03640948), retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment. Your Board recommends his re-appointment. As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking re-appointment at this AGM are given in the Annexure to the AGM Notice.

During the year under review, there was no change in the Key Managerial Personnel of the Company. In compliance with the requirements of Section 2 (51) and 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as on date of this report, Mr. Jawahar Lal Goel, Chairman & Managing Director, Mr. Anil Kumar Dua, Group Chief Executive Officer and Executive Director, Mr. Rajeev Kumar Dalmia, Chief Financial Officer and Mr. Ranjit Singh, Company Secretary and Compliance Officer of the Company, are the Key Managerial Personnel's of the Company.

**Chairman & Managing Director**

Mr. Jawahar Lal Goel, continues to be the Chairman and Managing Director of the Company. Mr. Goel was initially appointed as the Managing Director of the Company on January 6, 2007 and thereafter re-appointed as the Managing Director of the Company from time to time.

At the 30th Annual General Meeting of the Company held on September 28, 2018, Mr. Goel was re-appointed as the Managing Director of the Company for a period from January 6, 2019 to December 16, 2019 (both days inclusive).

In terms of amended Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified *vide* Notification dated May 9, 2018, top 500 listed entities had to ensure that with effect from April 1, 2020 the Chairperson of the Board shall be a non-executive Director.

While the Board was inclined for re-appointing Mr. Goel for a longer term, however, in order to comply with the above regulatory provisions, the Board of Directors of the Company at their Meeting held on December 12, 2019, approved the re-appointment of Mr. Goel as the Managing Director of the Company for a period from December 17, 2019 to March 31, 2020 (both days inclusive). The said re-appointment was subject to the approval of shareholders of the Company, in terms of applicable provisions.

Subsequent to the above referred Board Meeting, SEBI *vide* its Notification dated January 10, 2020, extended the timeline for implementation of the said regulation to April 1, 2022, in place of April 1, 2020.

In view of the aforesaid amendment in the regulatory provisions, the Board of Directors of the Company at their Meeting held on February 12, 2020, approved the re-appointment of Mr. Goel as the Managing Director of the Company, on the same terms as applicable hitherto, for the period from April 1, 2020, to March 31, 2022 (both days inclusive). The said re-appointment was also subject to the approval of shareholders of the Company, in terms of applicable provisions.

Mr. Goel is the Prime architect in establishing India's first and most modern and advanced technological infrastructure for the implementation of Direct to

Home (DTH) services. He has been the leader in pioneering the DTH services in India and instrumental in establishing Dish TV as a prominent brand and established player. During Mr. Goel's tenure the Company has made commendable progress in all spheres of its business operations. The performance of the Company has been improving on year on year basis under the leadership of Mr. Goel.

Mr. Goel has led your Company in a highly competitive and volatile market to not just consolidate its market leadership but also in shaping the future of your Company into a modern, technology & innovation-driven organisation.

Requisite proposal seeking your approval for his re-appointment as Managing Director and also terms thereof forms part of the Notice of ensuing Annual General Meeting. Your Board recommend the proposal for approval of Shareholders.

**Board Diversity**

Adequate diversity on the Board is essential to meet the challenges of business globalisation, rapid deployment of technology, greater social responsibility, increasing emphasis on corporate governance and enhanced need for risk management. The Board enables efficient functioning through differences in perspective and skill, and fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical backgrounds. The Board recognises the importance of a diverse composition and has adopted a Board Diversity Policy which sets out its approach to diversity.

The Company recognizes and embraces the importance of a diverse Board in its success.

**Board Meetings**

The meetings of the Board are scheduled at regular intervals to discuss and decide on matters of business performance, policies, strategies and other matters of significance. The schedule of the meetings is circulated in advance, to ensure proper planning and effective participation. In certain exigencies, decisions of the Board are also accorded through circulation.

The Board met Seven (7) times during the FY 2019-20, the details of which are given in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between any two (2) meetings was within the period prescribed by the Act and the Listing Regulations.

**Declaration by Directors/Independent Directors**

All Directors of the Company have confirmed that they are not debarred from holding the office of Director by virtue of any SEBI Order or order of any other such authority. The Directors, Key Managerial Personnel and Senior Management have affirmed compliance with the Code of Conduct laid down by the Company.

In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

A declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, along with a declaration as provided in the Notification dated October 22, 2019, issued by the Ministry of Corporate Affairs (MCA), regarding the requirement relating to enrollment in the Data Bank for Independent Directors, has been received from all the Independent Directors, along with declaration made under Section 149(6) of the Act.

**Separate Meeting of the Independent Directors**

In accordance with the provisions of Schedule IV to the Act and Regulation 25(3) of the Listing Regulations, separate meeting of the Independent Directors of the Company was held on March 27, 2020 without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman & Managing Director of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**Board Evaluation**

In line with the Corporate Governance Guidelines of your Company, a formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out during the Financial Year 2019-20. The Board evaluation framework has been designed in compliance with the requirements specified under the Act, the Listing Regulations, and in accordance with the Guidance Note on Board Evaluation issued by SEBI on January 5, 2017.

The Independent Directors of your Company, in a separate meeting held without presence of other Directors and management, evaluated the performance of the Chairman & Managing Director and other Non-Independent Directors along with the performance of the Board/Board Committees based on various criteria recommended by the NRC and 'Guidance Note on Board Evaluation' dated January 5, 2017 issued by the Securities and Exchange Board of India. A report on such evaluation done by the Independent Directors was taken on record by the Board and further your Board, in compliance with requirements of the Act, evaluated performance of all the Directors, Board/ Board Committees based on various parameters including attendance, contribution etc. The details of the evaluation process are set out in the Corporate Governance Report which forms part of this Report.

**Policy on Directors' appointment and remuneration**

In compliance with the requirements of Section 178 of the Act, the Nomination & Remuneration Committee (NRC) of your Board 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. Your Company has also adopted a Remuneration Policy, salient features whereof is annexed to this report.

Further, pursuant to provisions of the Act, the NRC Committee of your Board has formulated the Nomination and Remuneration Policy for the appointment and determination of remuneration of the Directors, Key Management Personnel, Senior Management and other Employees of your Company. 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 the Company.

The NRC Committee takes into consideration the best remuneration practices in the industry while fixing appropriate remuneration packages and for administering the long-term incentive plans, such as ESOPs. Further, the compensation package of the Director, Key Management Personnel, Senior Management and other employees are designed based on the set of principles enumerated in the said policy. Your Directors affirm that the remuneration paid to the Directors, Key Management Personnel, Senior Management and other employees is as per the Nomination and Remuneration Policy of your Company.

The remuneration details of the Executive Director, Chief Executive Officer, Chief Financial Officer and Company Secretary, along with details of ratio of remuneration of Director to the median remuneration of employees of the Company for the FY under review are provided as Annexure to this Report.

**Familiarisation Programme for Independent Directors**

The Board Familiarisation Programme comprises of the following: -

- Induction Programme for new Independent Directors;
- Immersion sessions on business, functional issues and paradigm of the Industry; and
- Strategy session.

All new Independent Directors are taken through an induction and Familiarisation Programme when they join the Board of your Company. The induction programme covers the Company's history, background of the Company and its growth over the last few years, various milestones in the Company's existence, the present structure and an overview of the business and functions.

Independent Directors of the Company have also 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 and also through familiarization programs. To familiarize the Directors with strategy, operations and functions of the Company, the senior managerial personnel make presentations about Company's strategy, operations, product offering, market, technology, facilities, regulatory changes 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. The Board including all Independent Directors on March 27, 2020 were briefed and apprised on Prohibition of Insider Trading Regulations and updates on Companies Act, 2013.

The said details of the Familiarization Programme(s) imparted to independent directors is also available on the Company's website *viz.* https://www.dishd2h.com/.

**Committees of the Board**

In compliance with the requirements of the Act, Listing Regulations and smooth functioning of the Company, your Board has constituted various Board Committees including Audit Committee, NRC, Stakeholder's Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, Corporate Management Committee, Cost Evaluation and Rationalization Committee, ESOP Allotment Committee and Disciplinary Committee.

As on March 31, 2020 the Audit Committee of the Board comprises of Mr. Bhagwan Das Narang, an Independent Director as the Chairman of the Committee, and Mr. Ashok Mathai Kurien (Non-Executive Director), Dr. (Mrs.) Rashmi Aggarwal (Independent Director) and Mr. Shankar Aggarwal (Independent Director), as its members.

Details of the constitution of the Board Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company *viz.* https://www.dishd2h.com/. Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein form part of the Corporate Governance Report annexed to this report.

**Vigil Mechanism/Whistle Blower Policy**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Vigil Mechanism/Whistle Blower policy which provides a robust framework for dealing with genuine concerns & grievances. The policy provides access to Directors/Employees/Stakeholders of the Company to report concerns about unethical behavior, actual or suspected fraud of any Director and/or Employee of the Company or any violation of the code of conduct. The policy safeguards whistleblowers from reprisals or victimization, in line with the Regulations and to make the policy much more robust necessary changes were carried to the Whistle Blower policy. Further during the year under review, no case was reported under the Vigil Mechanism. In terms of the said policy, no personnel have been denied access to the Audit Committee of the Board. The said policy is accessible on the website of the Company *viz.* https://www.dishd2h.com/.

**Cost Records**

Your Company is required to maintain the Cost Records as specified by the Central Government under sub-section (1) of Section 148 of the Act read with Notification No. GSR. 695(E) dated July 14, 2016 of the Ministry of Corporate Affairs.

Your board at its meeting held on May 24, 2019 had re-appointed M/s Chandra Wadhwa & Co., (Firm Registration No. 000239), Cost Accountants, to carry out Audit of Cost Records of the Company for the Financial Year 2019-20. The Cost Auditors have issued their report for the Financial Year 2019-20, which has been taken on record by the Audit / Board of the Company at its meeting held on September 2, 2020.

## 13. CORPORATE SOCIAL RESPONSIBILITY

In compliance with requirements of Section 135 of the Act, your Company has a duly constituted Corporate Social Responsibility (CSR) Committee. As at March 31, 2020, the CSR Committee of Board consists of Mr. Bhagwan Das Narang (Independent Director), as its Chairman and Mr. Jawahar Lal Goel (Managing Director), Mr. Ashok Mathai Kurien (Non-Executive Director), Dr. (Mrs.) Rashmi Aggarwal (Independent Director) and Mr. Shankar 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 Act and rules made thereto. During the period under review, the Meeting of Corporate Social Responsibility Committee was scheduled to be held in the Month of March 2020, to monitor the performance of ongoing CSR projects, however, due to COVID-19 Pandemic the meeting was postponed and it will be held in the Financial Year 2019-20. In terms of applicable regulatory provisions, the Company was not required to spend on CSR activities during the Financial Year 2019-20.

**14. AUDITORS**

**Statutory Auditors**

At the 26th Annual General Meeting of the Company held on September 29, 2014, M/s. Walker Chandiok & Co. LLP, Chartered Accountants, having Registration No 001076N/N-500013 were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the 29th Annual General Meeting. Further, at the 29th Annual General Meeting held on September 28, 2017 the members had re-appointed M/s. Walker Chandiok & Co. LLP, Chartered Accountants, as the Statutory Auditors' of the Company, for second term of Five (5) consecutive years *i.e.* to hold office from the date of 29th Annual General Meeting until the conclusion of the 34th Annual General Meeting of the Company to be held in the calendar year 2022.

**Qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report:**

The Report given by the Statutory Auditors on the Financial Statements of the Company for the financial year ended on March 31, 2020 forms part of this Annual Report. The auditors of the Company have qualified their report to the extent and as mentioned in the Auditors' Report. The qualification in auditors' report and Management response to such qualification are as under:

Details of Audit Qualification 1, as per Auditors' Report dated July 23, 2020 on the Standalone Financial Results of the Company for the Financial Year 2019-20:

*As stated in note 40 to the accompanying standalone financial statements, the Company has non-current investments in and other non-current loans given to its wholly owned subsidiary company amounting to ₹ 515,340 lacs and ₹ 64,951 lacs respectively. This wholly owned subsidiary company has negative net current assets and has incurred losses in the current year, although it has positive net worth as at 31 March 2020. As described in the aforementioned note, the management, basis its internal assessment, has considered such balances as fully recoverable as at 31 March 2020. However, the management has not carried out a detailed and comprehensive impairment testing in accordance with the principles of Indian Accounting Standard – 36, "Impairment of Assets" and Indian Accounting Standard – 109, "Financial Instruments". In the absence of sufficient appropriate audit evidence to support the management's aforesaid assessment, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these non-current investments and non-current loans as at 31 March 2020 and its consequential impact on the accompanying standalone financial statements.*

**Management Response:**

The Company as at 31 March 2020, has non-current investment (including equity component of long-term loans and guarantees) in and non-current loans to its wholly owned subsidiary, Dish Infra Services Private Limited ("Dish Infra") amounting to ₹ 515,340 lacs and ₹ 64,951 lacs respectively. Dish Infra's net worth is positive although it has incurred losses in current year. Based on internal assessment, Management believes that the realisable amount from Dish Infra will be higher than the carrying value of the non-current investments and other non-current financial assets. Hence, no impairment is considered. The internal assessment is based on the ability of Dish Infra to monetize on its assets, investments in new age technologies, which will generate sufficient cash flows in the future.

Details of Audit Qualification 2, as per Auditors' Report dated July 23, 2020 on the Consolidated Financial Results of the Company for the Financial Year 2019-20:

*As stated in note 9 to the accompanying financial statements, the Company has invested in new technologies, recorded as, intangible assets under development and related capital advances amounting to ₹ 52,500 lacs and ₹ 69,300 lacs respectively. In accordance with Indian Accounting*

*Standard – 36, "Impairment of Assets", the management is required to carry out impairment test of intangible assets under development annually. The management has not carried out a detailed impairment testing for intangible assets under development and related advances, inter alia, involving independent valuation experts, evaluating impact of competition on related business plans and performing sensitivity analysis of future cash flows expected from these assets. In the absence of such aforementioned impairment assessment, we are unable to comment upon adjustments, if any, that may be required to the carrying values of such intangible assets under development and the related advances.*

**Management Response:**

During the year, in line with the business plan of investing in new technologies, *inter alia*, Watcho, the OTT platform of the wholly owned subsidiary company, networking equipment, customer premises equipments (CPE), Dish Infra Services Private Limited, a wholly owned subsidiary company has made significant progress in augmenting these new age technologies. The subsidiary company has contracted the aggregators for content and related infrastructure and recorded ₹ 52,500 lacs as intangible assets under development and ₹ 69,300 lacs as related capital advances as of 31 March 2020. The management is confident of concluding all the planned investments by the first half of FY 2020-21. As further described in note 13, the management is confident of the view that COVID-19 will not have any significant negative impact on the ability of the company to implement the business plans related to these new investments and therefore has concluded that no material adjustments is required in the carrying value of intangible assets under development and the related capital advances.

**Secretarial Auditor**

During the year, the Board had re-appointed Mr. Jayant Gupta, Practicing Company Secretary, (holding ICSI Certificate of Practice No. 9738), proprietor of M/s Jayant Gupta & Associates, Company Secretaries as the Secretarial Auditor of the Company for conducting the Secretarial Audit for the FY 2019-20 in accordance with Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made thereunder.

Copy of the Secretarial Audit report (MR-3) *inter alia* confirming compliance with applicable regulatory requirements by the Company during FY 19-20 is annexed to this report.

Dish Infra Services Private Limited, the unlisted material subsidiary of your company, had appointed Ms. Anjali Yadav & Associates, Practicing Company Secretary (holding ICSI Certificate of Practice No. 7257), as its Secretarial Auditor to conduct the Secretarial Audit for the FY 2019-20. The said Audit has been conducted in accordance with Section 204 of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made thereunder and in compliance to Regulation 24A of the Listing Regulations.

Additionally, in compliance with the requirements of Regulation 24A of Listing Regulations, the Annual Secretarial Compliance Report duly signed by Mr. Jayant Gupta, Practicing Company Secretary (holding ICSI Certificate of Practice No. 9738) has been submitted to the Stock Exchanges within the prescribed timelines. The remarks provided in the report are self-explanatory.

The reports of Statutory Auditor and Secretarial Auditor forms part of this Annual report.

**Cost Auditor**

In compliance with the requirements of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, M/s Chandra Wadhwa & Co., (Firm Registration No. 000239), Cost Accountants, were appointed to carry out Audit of Cost Records of the Company for the FY 2019-20. The Board of your Company on the basis of the recommendation of the Audit Committee, had approved the re-appointment of M/s Chandra Wadhwa & Co., (Firm Registration No. 000239), Cost Accountants, as the Cost Auditors for the FY ending March 31, 2020.

Requisite proposal seeking ratification of remuneration payable to the Cost Auditor for the FY 2020-21 by the Members as per Section 148 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, forms part of the Notice of ensuing Annual General Meeting.

**Internal Auditor**

Protiviti Advisory India Member LLP was the internal auditor of the Company for the FY 2019-20. The Audit Committee at its meeting held on July 23, 2020 recommended to the Board for re-appointment of Protiviti Advisory India Member LLP as the Internal Auditor of the Company for the FY 2020-21. On the basis of the recommendation of the Audit Committee, the Board, at its meeting held on July 23, 2020 has re-appointed Protiviti Advisory India Member LLP as the Internal Auditor of the Company for the FY 2020-21.

**Reporting of frauds by Auditors**

During the year under review, the Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act.

**15. DISCLOSURES:**

i. **Particulars of Loans, guarantees and investments:** Particulars of Loans, guarantees and investments made by the Company required under Section 186(4) of the Act and the Listing Regulations are contained in Note no. 65 & 66 to the Standalone Financial Statement.

ii. **Transactions with Related Parties:** In terms of the applicable statutory provisions, the related party transactions are placed before the Audit Committee for its approval and statements of all related party transactions are placed before the Audit Committee for its review on a quarterly and yearly basis, specifying the nature, value and terms and conditions of the transactions along with arms-length justification. All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. During the year under review, there have been no materially significant related party transactions as defined under Section 188 of the Act and Regulations 23 of the Listing Regulations and accordingly no transactions are required to be reported in Form AOC-2 as per Section 188 of the Act.

iii. **Disclosure under Section 197(14) of the Act:** Neither Mr. Jawahar Lal Goel, Managing Director & Chairman of the Company nor Mr. Anil Kumar Dua, Executive Director & Group Chief Executive Officer of the Company receive any remuneration or commission from company's subsidiary company.

iv. **Secretarial Standards:** Pursuant to the provisions of Section 118 of the Act, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

v. **Risk Management:** Your Company follows a comprehensive system of Risk Management. It has adopted a policy and procedure for rapid identification, definition of risk mitigation plans and execution. Actions include adjustments in prices, dispatch plan, inventory build-up, and active participation in regulatory mechanisms. Many of these risks can be foreseen through systematic tracking. Your Company has also defined operational processes to ensure that risks are identified and the operating management are responsible for identifying and implementing mitigation plans for operational and process risk. Key strategic and business risks are identified and managed by senior management team. The Risks and their mitigation plans are updated and reviewed periodically by the Audit Committee and integrated in the Business plan for each year. In line with the amendments to the Listing Regulations, the Company has constituted the Risk Management Committee. The details of Constitution, scope and meetings of the Risk Management Committee forms part of the Corporate Governance Report. In the opinion of the Board there are no risks that may threaten the existence of the Company.

vi. **Internal Financial Controls and their adequacy:** Your company has an effective internal control and risk mitigation system, which is constantly assessed and strengthened with standard operating procedures and which ensures that all the assets of the Company are safeguarded & protected against any loss, prevention and detection of frauds and errors, ensuring accuracy and completeness of the accounting records, timely preparation of reliable financial information and that all transactions are properly authorized and recorded. The Company has laid down procedures to inform audit committee and board about the risk assessment and mitigation procedures, to ensure that the management controls risk through means of a properly defined framework. The Audit Committee evaluates the internal financial control system periodically and deals with accounting matters, financial reporting and periodically reviews the Risk Management Process.

Based on internal financial control framework and compliance systems established in the Company, the work performed by statutory, internal and secretarial auditors and reviews performed by the management and/or relevant Audit and other Committees of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and effective during the FY 2019-20. During the year, no reportable material weakness in the design or operation was observed.

**vii. Deposits:** Your Company has not accepted any public deposit under Chapter V of the Act.

**viii. Transfer to Investor Education and Protection Fund:** During the year under review, the Company was not required to transfer any amount to Investor Education and Protection Fund.

**ix. Unclaimed Dividend/Shares:** As on March 31, 2020, your Company had an outstanding balance of 61,897 (Sixty one Thousand Eight hundred and Ninety Seven) unclaimed shares lying in the Suspense Account of the Company. Necessary steps were taken in Compliance with the Listing Regulations, for sending the necessary reminders to the claimant of the said shares, at the address available in the data base of the Depository/Company.

Further, the Interim Dividend declared by the Company which remains unpaid or unclaimed, has been transferred by the Company to "Dish TV India Limited – unpaid Interim Dividend FY 2018-19" account and will be due for transfer to the Investor Education and Protection Fund on completion of seven (7) years.

**x. Transfer to General Reserve:** During the FY under review, no amount has been transferred to the General Reserve of the Company.

**xi. Extract of Annual Return:** The extract of Annual return in form MGT-9 as required under Section 92(3) of the Act read with Companies (Management & Administration) Rules, 2014 provided on the website of the Company at https://www.dishd2h.com/

**xii. Sexual Harassment:** The Company has zero tolerance for Sexual Harassment at workplace. The company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted Internal Complaint(s) Committee functioning at various locations to redress complaints regarding sexual harassment and has adopted a Policy on prevention of Sexual Harassment in line with the provisions of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013'. During the year under review, no complaint was received by the Company.

xiii. **Regulatory Orders:** No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

**16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

Your Company is in the business of providing Direct-to-Home ('DTH') services. Since the said activity does not involve any manufacturing activity, most of the Information required to be provided under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, are not applicable.

However, the information, as applicable is given hereunder:

**Conservation of Energy:**

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

**Technology Absorption:**

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

**Foreign Exchange Earnings and Outgo:**

During the year under review, your Company had foreign exchange earnings of ₹ 2,036 Lakhs and outgo of ₹ 5,633 Lakhs.

## 17. CREDIT RATINGS

During the Financial Year under review, CARE (Credit Analysis and Research Limited), a Credit rating agency had assigned CARE D (Single D) for Short Term Bank Facilities of the Company. CARE had revised the said rating from CARE A4+ (CARE A four plus) for Short Term Bank Facilities of the Company, in the month of December 2019. CARE has revised the rating, on the basis of the recent developments including operational and financial performance of the Company for FY20 (Abridged) and the observation of the credit rating agency regarding removal of support of Essel group built into the ratings due to the weakened financial flexibility at the Essel group level. Instruments with this rating are considered to be in default or are expected to be in default.

Further, CARE (Credit Analysis and Research Limited), *vide* its letter dated August 24, 2020, has upgraded the rating from CARE D (CARE Single D) to CARE A4 (A four) for Short Term Bank Facilities of the Company. CARE has enhanced the rating, basis the recent developments including operational and financial performance of the Company for FY20 (Abridged). Instruments with this rating are considered to have minimal degree of safety regarding timely repayment of financial obligation.

## 18. HUMAN RESOURCE MANAGEMENT

Human Resource Management has been one of the key priorities for your company. While harmonizing people practices, the strategic approach had been to adopt best aspects, align to the market-best practices and build a future ready organization.

The Company believes that the key to excellent business results is a committed talent pool. Human resources are the most critical element responsible for growth and the Company acknowledges their contribution and works towards their satisfaction as a top priority. The HR policies continually strive towards attracting, retaining, and developing the best talent required for the business to grow. Regular trainings are conducted for the employees to ensure skill upgradation and personal development throughout the various organizational levels.

Dish TV values its talent pool and works hard to retain its best talent by providing ample opportunities to grow. The Company focuses to provide opportunity for the development and enhancing the skill sets of its employees at all levels of the business. Several workshops have been conducted for employees across the country so they understand and exhibit the values of the Company in their work and behaviour. Continuous training program for upgradation of skill and behavioural maturity has been imparted which helped in keeping the optimization and moral of the Organisation at a higher level despite Pandemic situation prevailing all across. Town hall sessions were conducted for better interactivity, understanding issues faced by the employees and providing solutions. Work from Home facility continues seamlessly across the hierarchy of employees and acting as enabler to lessen the adverse impact of pandemic.

Your Directors place on record their appreciation for the significant contribution made by all employees, who through their competence, dedication, hard work, co-operation and support have enabled the Company to cross milestones on a continual basis.

**Particulars of Employees**

As on March 31, 2020, the total numbers of permanent employees on the records of the Company were 407 (Four hundred and Seven).The information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, along with statement showing names and other particulars of the employees drawing remuneration in excess of the limits prescribed under the said rules is annexed to this report.

## 19. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of and pursuant to Section 134 of the Act, in relation to the Annual Financial Statements for the FY 2019-20, your Directors state and confirm that:

a) The Financial Statements of the Company comprising of the Balance Sheet as at March 31, 2020 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis;

b) In the preparation of these Financial Statements, the applicable accounting standards had been followed and there are no material departures;

c) Accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020, and, of the profit of the Company for the year ended on that date;

d) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act, to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities;

e) Requisite internal financial controls were laid down and that such financial controls are adequate and operating effectively; and

f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

**20. BUSINESS RESPONSIBILITY REPORT & MANAGEMENT DISCUSSION AND ANALYSIS**

Regulation 34 of SEBI Listing Regulations, as amended from time to time, requires top 1,000 listed entities based on market capitalization (calculated as on March 31 of every financial year), a Business Responsibility Report describing the initiatives taken by them from an environmental, social and governance perspective, in the format as specified by the Board from time to time.

The Business Responsibility Report ('BRR') has been prepared and forms part of the Annual Report as an Annexure.

The Management Discussion and Analysis report is separately attached hereto and forms an integral part of this Annual Report. The said report gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's business and other material developments during the FY under review.

**21. INDUSTRIAL OPERATIONS**

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across the organization.

**22. CAUTIONARY STATEMENT**

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations and actual results might differ.

**23. ACKNOWLEDGEMENT**

It is our strong belief that caring for our business constituents has ensured our success in the past and will do so in future. Your Directors value the professionalism and commitment of all employees of the Company and place on record their appreciation of the contribution made by employees of the Company and its subsidiaries at all levels that has contributed to your Company's success. Your Directors acknowledge with sincere gratitude the co-operation and support extended by the Central and State Governments, the Ministry of Information and Broadcasting ('MIB'), the Department of Telecommunication ('DOT'), Ministry of Finance, the Telecom Regulatory Authority of India ('TRAI'), the Stock Exchanges and other stakeholders including employees, subscribers, vendors, bankers, investors, service providers as well as other regulatory and government authorities.

Your Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued stakeholders.

For and on behalf of the Board

| | |
|---|---|
| **Jawahar Lal Goel** | **B. D. Narang** |
| Chairman & Managing Director | Independent Director |
| DIN: 00076462 | DIN: 00826573 |

Place: Noida
Date: September 2, 2020

# ANNEXURE TO BOARD'S REPORT

**Statement containing salient features of the financial statement of Subsidiaries or Associate Companies or Joint Ventures as on March 31, 2020 in Form AOC – 1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part A: Subsidiaries**

**(₹ in Lakhs)**

| Name of the subsidiary | Dish Infra Services Private Limited | Dish T V Lanka (Private) Limited* | C&S Medianet Private Limited |
|---|---|---|---|
| Date since when subsidiary was acquired | March 24, 2014 | April 25, 2012 | November 1, 2018 |
| Reporting period for the subsidiary/JV concerned, if different from the holding company's reporting period | March 31, 2020 | March 31, 2020 | March 31, 2020 |
| Reporting currency and Exchange rate as on March 31, 2020, in case of Foreign Subsidiaries | INR | Sri Lankan Rupees (LKR) 1 Sri Lankan Rupee = ₹ 0.395120 | INR |
| Share Capital | 311,801 | 4 | 1 |
| Reserves & surplus | (50,590) | (22,982) | (19) |
| Total Assets | 746,626 | 1,650 | 131 |
| Total Liabilities | 746,626 | 1,650 | 131 |
| Investments | NIL | NIL | NIL |
| Turnover | 216,527 | 491 | 301 |
| Profit before taxation | 16,559 | (5,333) | (5) |
| Provision for taxation | 77,287 | NIL | NIL |
| Profit after taxation | (60,728) | (5,333) | (5) |
| Proposed Dividend | NIL | NIL | NIL |
| Extent of Shareholding (In Percentage) | 100% | 70% | 51% |

** Dish T V Lanka (Private) Limited is a Company Incorporated in Sri Lanka.*

**Notes:**

- The Company does not have any subsidiary(s) which are yet to commence operations.
- The Company does not have any subsidiary(s) which is liquidated or sold during the financial year 2019-20
- The Company does not have any Associate / Joint Venture as on March 31, 2020, accordingly, Part- B *i.e.* Information pertaining to Associates and Joint Ventures is not applicable and does not form part of the Annexure.

For and on behalf of the Board

**Jawahar Lal Goel**
Chairman & Managing Director
DIN: 00076462

**B. D. Narang**
Independent Director
DIN: 00826573

Place: Noida
Dated: September 2, 2020

# ANNEXURE TO BOARD'S REPORT

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

| | | |
|---|---|---|
| 1. | A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs | Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility ('CSR') Committee of the Board had approved a CSR Policy with the primary focus on Education, Healthcare, Women Empowerment, Sports etc. Besides these focus areas, the Company may also undertake any other CSR activities listed in Schedule VII of the Companies Act, 2013. The CSR policy is available on the website of the Company at the following link: http://dishd2h.com/media/1099/dish-csr-policy.pdf |
| 2. | The Composition of the CSR Committee | As on March 31, 2020, the CSR Committee of the Board of Directors comprises of 5 Directors with Mr. B. D. Narang, Independent Director as the Chairman of the Committee, Mr. Jawahar Lal Goel, Managing Director, Dr. (Mrs.) Rashmi Aggarwal, Independent Director, Mr. Ashok Mathai Kurien, Non-Executive Director and Mr. Shankar Aggarwal, Independent Director as its Members. |
| 3. | Average net profit of the Company for last three financial years | ₹ (926.81) Lacs |
| 4. | Prescribed CSR expenditure (two percent of the amount as in item 3 above) | In terms of applicable regulatory provisions, on account of absence of average Net Profits for last three financial years, the Company was not required to do any spend under CSR. |
| 5. | Details of CSR spent during Financial Year | |
| | a) Total amount to be spent for the Financial Year | NA |
| | b) Amount unspent, If any | NA |
| | c) Manner in which the amount is spent during the financial Year | NA |

**Responsibility Statement**

The CSR Committee certifies that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**Jawahar Lal Goel**
Managing Director
DIN: 00076462

**B. D. Narang**
Independent Director (Chairman-CSR Committee)
DIN: 00826573

Place: Noida
Dated: September 2, 2020

# ANNEXURE TO BOARD'S REPORT

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

(For the Financial Year ended March 31, 2020)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
**The Members**
**Dish TV India Limited**
**18thFloor, A-Wing, Marathon Futurex,**
**N M Joshi Marg, Lower Parel,**
**Mumbai - 400 013, Maharashtra**

I have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Dish TV India Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on March 31, 2020 according to the provisions of:

i. The Companies Act, 2013 ("the Act"), Companies Act, 1956 (to the extent applicable) and the Rules made thereunder including any re-enactment thereof;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

   d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(Not Applicable to the Company during the Audit period)*;

g) The Securities and Exchange Bozard of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client *(Not Applicable to the Company during the Audit period)*;

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *(Not Applicable to the Company during the Audit period)*; and

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *(Not Applicable to the Company during the Audit period).*

**I further report that**, having regard to the compliance system prevailing in the Company and based on the representation made by the management of the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

(a) The Cable Television Networks (Regulation) Act, 1995 and the Rules made thereunder;

(b) The Telecom Regulatory Authority of India Act, 1997; and *inter alia*, the following regulation thereunder;

I. The Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) Regulations, 2017 along with Amendments;

II. The Telecommunication (Broadcasting And Cable) Services Standards of Quality of Service And Consumer Protection (Addressable Systems) Regulations, 2017 along with Amendments;

III. The Telecommunication (Broadcasting and Cable) Services (Addressable Systems) Tariff Order, along with Amendments;

IV. The Telecommunication (Broadcasting and Cable) Services Register of Interconnection Agreements and all such other matters Regulations, 2019.

I have also examined compliance with Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2), issued by The Institute of Company Secretaries of India (ICSI).

During the audit period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit as same are subject to review by the Statutory Auditors and other designated professionals.

**I further report that:**

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

b) The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

c) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

d) As per the minutes of meetings duly recorded and signed by the Chairman, the decisions of the Board and committees were carried through with unanimous consent and no dissenting views have been recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year 2017-18, the Hon'ble National Company Law Tribunal, Mumbai Bench *vide* order dated July 27, 2017 had approved the amalgamation of Videocon D2H Limited into and with the Company and the Company had issued fully paid up equity Shares of the Company of ₹ 1/- (one each), on March 26, 2018, to the eligible equity shareholders of Videocon D2H Limited in exchange. However, out of the total issue of 857,785,642 fully paid equity shares, the Board of the Company allotted 775,256,159 fully paid Equity Shares of ₹1/- each and allotment of 82,529,483 equity shares was kept in abeyance owing to counter claims lodged with the Company. Subsequently, the Hon'ble National Company Law Tribunal, Mumbai Bench vide Order dated April 26, 2018 and Hon'ble Delhi High Court vide order dated August 2, 2018 directed the Company to keep the allotment of 82,529,483 fully paid Equity Shares of ₹ 1/- each in abeyance and to maintain a status quo in the matter till further orders in this regard. During the audit period under review, no further directions / orders were received for any change in status quo or carrying out the allotment of shares.

This report is to be read with my letter of even date which is annexed as Annexure and forms integral part of this report.

For **Jayant Gupta and Associates**

**(Jayant Gupta)**
**Practicing Company Secretary**
**FCS : 7288**
**CP : 9738**
**PR : 759/2020**
**UDIN: F007288B000648566**

Place : New Delhi
Date : September 2, 2020

## Annexure to the Secretarial Audit Report of Dish TV India Limited for Financial Year ended March 31, 2020

To,
**The Members**
**Dish TV India Limited**

**Management Responsibility for Compliances**

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. The review of some original registers, records and documents of the Company and certain audit procedures were hampered due to government restrictions in view of COVID 19 Global pandemic and reliance has been placed on books, records and documents made available through electronic means and in digital format by the Company.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Jayant Gupta and Associates**

**(Jayant Gupta)**
**Practicing Company Secretary**
**FCS : 7288**
**CP : 9738**
**PR : 759/2020**

Place : New Delhi
Date : September 2, 2020

# ANNEXURE TO BOARD'S REPORT

**DISCLOSURES PURSUANT TO REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014, READ WITH SEBI CIRCULAR DATED JUNE 16, 2015 ON ESOP DISCLOSURES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

| S. No. | Particulars | ESOP Scheme 2007 | ESOP Scheme 2018 |
|---|---|---|---|
| A) | Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time. | Please refer to Notes No. 47 and 48 of Standalone Financial Statements for the Financial Year ended on March 31, 2020 | |
| B) | Diluted EPS on issue of shares pursuant to ESOP Scheme covered under the regulations in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time. | ₹ (7.25)<br>*(Please refer Note 59 read with note 47 and 48 to the Standalone Financial Statements of the Company for the Financial Year ended on March 31, 2020)* | |
| C) | **Details Related to ESOS** | | |
| | **(i)** A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP including: | The Company has two ESOP Schemes namely, ESOP 2007 and ESOP 2018 | |
| | a) Date of shareholders' approval | August 3, 2007 | September 28, 2018 and November 30, 2018 (For the employee(s) of Subsidiary Companies and any future Holding Company) |
| | b) Total number of options approved under ESOP | 42,82,228 | 1,80,00,000 |
| | c) Vesting requirements | Options granted under ESOP 2007 scheme would vest not less than one year and not more than six years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and thus the options would vest on passage of time. In addition to this, the Nomination and Remuneration Committee (NRC) may also specify certain performance parameters subject to which the options would vest.<br>The specific vesting schedule and conditions, if any, subject to which vesting would take place are outlined in the Letter of Grant given to the Grantee at the time of the Grant of Options. | Options granted under ESOP 2018 would vest not earlier than one year and not later than four years from the date of Grant. The vesting shall happen every year equally i.e. 25% of the number of options granted, for 4 years from the date of grant of the option and would be subject to continued employment with the Company. Vesting of options would be subject to passage of time over the vesting schedule and fulfillment of the performance criteria as may be specified by the Compensation Committee i.e. Nomination and Remuneration Committee (NRC).<br>However, NRC may also specify certain performance parameters subject to which the Options would vest. The specific Vesting schedule and Vesting Conditions subject to which Options would vest are detailed in writing and provided to the Option Grantee at the time of the Grant of Options. |

| S. No. | Particulars | ESOP Scheme 2007 | ESOP Scheme 2018 |
|---|---|---|---|
| | d) Exercise price or pricing formula | The pricing formula as approved by the Shareholders of the Company, shall be the 'market price' as per the applicable regulations. Pursuant to the 'Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014' the 'market price' shall mean the latest available closing price on a recognized stock exchange on which the shares of the Company are listed on the date immediately prior to the relevant date. In case of the Company, the shares are listed on National Stock Exchange of India Limited and BSE Limited, the 'market price' shall be the closing price on the Stock Exchange having higher trading volume. | The pricing formula as approved by the Shareholders of the Company, shall be the 'market price' as per the applicable regulations. Pursuant to the 'Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014' Market Price shall mean latest available closing price on the Recognized Stock Exchange on the date immediately prior to the date of the meeting of the NRC, in which options are granted. If the shares of the Company are listed on more than one stock exchange, then the closing price on the stock exchange having the higher trading volume shall be considered as the market price. |
| | e) Maximum term of options granted | Options granted under ESOP 2007 scheme shall be capable of being exercised within a period of four years from the date of each Vesting of the respective Stock Options | Options granted under ESOP 2018 scheme shall be capable of being exercised within a period being not more than four years from the date of Vesting of the respective Employee Stock Options |
| | f) Source of shares (primary, secondary or combination) | Primary | Primary |
| | g) Variation in terms of options | Pursuant to Shareholders approval dated August 28, 2008, the options granted on August 21, 2007 and April 24, 2008 were re-priced at ₹ 37.55 per option.<br><br>During the year, no amendment/ modification/ variation has been introduced in terms of options granted by the Company. | None |
| | **(ii)** Method used to account for ESOS - Intrinsic or fair value | Fair Value method | Fair Value method |
| | **(iii)** Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options. The impact of this difference on profits and on EPS of the Company shall also be disclosed. | Not Applicable as the Company has accounted for the Stock Option at Fair Value using the Black-Scholes-Merton Model as detailed in Note No. 48 to the Notes to standalone financial statements for FY 2019-20. | Not Applicable as the Company has accounted for the Stock Option at Fair Value using the Black-Scholes-Merton Model as detailed in Note 47 to the Notes to standalone financial statements for FY 2019-20. |
| | **(iv)** Option Movement during the year | | |
| | Number of options outstanding at the beginning of the period i.e., April 1, 2019 | 258,690 | 3,298,000 |

| S. No. | Particulars | ESOP Scheme 2007 | ESOP Scheme 2018 |
|---|---|---|---|
| | Number of options granted during FY 2019-20 | 0 | 860,000 |
| | Number of options forfeited / lapsed during FY 2019-20 | 0 | 973,000 |
| | Number of options vested during FY 2019-20 | 46,080 | 608,250 |
| | Number of options exercised during FY 2019-20 | 0 | 0 |
| | Number of shares arising as a result of exercise of options FY 2019-20 | 0 | 0 |
| | Money realized by exercise of options (INR), if scheme is implemented directly by the company, during FY 2019-20 | 0 | 0 |
| | Loan repaid by the Trust during the year from exercise price received | Not Applicable | Not Applicable |
| | Number of options outstanding at the end of the year i.e., March 31, 2020 | 258,690 | 3,185,000 |
| | Number of options exercisable at the end of the year i.e., March 31, 2020 | 146,240 | 608,250 |
| | **(v)** Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock. | | *Refer below* |

**ESOP -2007**

| Date of Grant | Weighted–average exercise price (Pre re-pricing) (₹) | Weighted– average exercise price (Post re-pricing) (₹) | Weighted –average Fair Value (Pre re-pricing) (₹) | Weighted –average Fair Value (Post re-pricing) (₹) |
|---|---|---|---|---|
| 21-Aug-07 | 75.20 | 37.55 | 40.45 | 21.49 |
| 24-Apr-08 | 63.25 | 37.55 | - | - |
| 28-Aug-08 | 37.55 | 37.55 | 23.87 | 23.87 |
| 28-May-09 | 47.65 | 47.65 | 30.61 | 30.61 |
| 27-Oct-09 | 41.45 | 41.45 | 26.64 | 26.64 |
| 26-Oct-10 | 57.90 | 57.90 | 36.57 | 36.57 |
| 21-Jan-11 | 58.95 | 58.95 | 37.54 | 37.54 |
| 20-Jul-11 | 93.20 | 93.20 | 55.32 | 55.32 |
| 19-Jul-12 | 68.10 | 68.10 | 37.92 | 37.92 |
| 23-May-13 | 68.00 | 68.00 | 35.12 | 35.12 |
| 26-Jul-13 | 57.10 | 57.10 | 30.12 | 30.12 |
| 27-May-14 | 52.90 | 52.90 | 26.71 | 26.71 |
| 29-Oct-14 | 55.80 | 55.80 | 27.54 | 27.54 |
| 20-Mar-15 | 79.35 | 79.35 | 37.27 | 37.27 |
| 26-May-15 | 84.90 | 84.90 | 39.97 | 39.97 |
| 28-Jul-15 | 117.75 | 117.75 | 55.14 | 55.14 |
| 23-May-16 | 93.90 | 93.90 | 42.97 | 42.97 |
| 24-March-17 | 108.15 | 108.15 | 48.03 | 48.03 |
| 24-May-17 | 95.40 | 95.40 | 42.32 | 42.32 |

**ESOP - 2018**

| Date of Grant | Weighted – average exercise price (₹) | Weighted – average Fair Value (₹) |
|---|---|---|
| 25-Oct-18 | 44.85 | 13.87 |
| 24-May-19 | 30.45 | 15.20 |

| | |
|---|---|
| **(vi)** Employee wise details of options granted during the year: | *Refer below* |

**(a) Senior Managerial Personnel:**

- **ESOP-2007:** During the financial year under review, no stock options were granted under the ESOP -2007 Scheme of the Company. With a view to launch a new ESOP Scheme, the NRC at its meeting held on August 17, 2017, decided not to make any fresh grant of options under Employee Stock Option Scheme (ESOP – 2007) of the Company, and proposed to withdraw the Scheme by canceling the remaining stock options which are yet to be granted under the scheme. Accordingly, no fresh grant of options was made during the year under review under the ESOP-2007 scheme of the Company.
- **ESOP-2018 :**

| Name of Employee | Designation | Options granted during FY 2019-20 | Exercise Price |
|---|---|---|---|
| Rajesh Sahni | Corporate Head - Service Excellence & CC Operations | 136,000 | ₹ 30.45 per option |
| Himanshu Dhoreliya | Business Head - Content & Alt. Revenue | 240,000 | ₹ 30.45 per option |

**(b) Any other employee who received a grant during the year, of options amounting to 5% or more of option granted during that year:**

- **ESOP -2007:** During the financial year under review, no stock options were granted under the ESOP -2007 Scheme of the Company.
- **ESOP -2018:** During the financial year under review, below employees were granted stock options, which amounted to 5% or more of the total options granted during the financial year under review.

| Name of Employee | Designation* | Options granted | Year of Grant | Exercise Price |
|---|---|---|---|---|
| Rajesh Sahni | Corporate Head - Service Excellence & CC Operations | 1,36,000 | 2019-20 | ₹ 30.45 per option |
| Amit Bhasin | Circle Business Head | 50,000 | | |
| Kirti Mishra | Circle Business Head | 50,000 | | |
| Jitendera Pandey | Circle Business Head | 55,000 | | |
| Lakshman Subramaniam | Circle Business Head | 62,000 | | |
| Sudhin Kumar Bhartiya | Regional Sales Head | 68,000 | | |
| Sandeep Singh | Circle Business Head | 64,000 | | |
| Himanshu Dhoreliya | Business Head - Content & Alt. Revenue | 2,40,000 | | |
| Shruti Kumar | Head - Ad Sales, VAS & Carriage | 64,000 | | |

* *Designations are the designations of the employees who are currently with the Company and in case of the employees who are no longer in the employment with the Company, the designation as on the date of the grant has been mentioned.*

| | | |
|---|---|---|
| **(c)** | identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant | None |

**(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**

| | | |
|---|---|---|
| (a) | the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model | Refer below |

**ESOP-2007**

| Date of Grant | Weighted – average Value of Share price (₹) | Exercise price (₹) | Expected volatility | Expected Life (yrs) | Risk Free Interest rate |
|---|---|---|---|---|---|
| 21-Aug-07 | 75.20* | 75.20* | 68.23% | 5 | 8.45% |
| 24-Apr-08 | 63.25* | 63.25* | - | - | - |
| 28-Aug-08 | 37.55 | 37.55 | 68.23% | 5 | 8.48% |
| 28-May-09 | 47.65 | 47.65 | 73.47% | 5 | 6.36% |
| 27-Oct-09 | 41.45 | 41.45 | 71.72% | 5 | 7.35% |
| 26-Oct-10 | 57.90 | 57.90 | 64.89% | 5 | 7.89% |
| 21-Jan-11 | 58.95 | 58.95 | 63.65% | 5 | 8.01% |
| 20-Jul-11 | 93.20 | 93.20 | 60.68% | 5 | 8.23% |
| 19-Jul-12 | 68.10 | 68.10 | 54.32% | 5 | 8.06% |
| 23-May-13 | 68.00 | 68.00 | 48.94% | 5 | 7.32% |
| 26-Jul-13 | 57.10 | 57.10 | 47.93% | 5 | 8.57% |
| 27-May-14 | 52.90 | 52.90 | 43.76% | 5 | 8.63% |
| 29-Oct-14 | 55.80 | 55.80 | 42.44% | 5 | 8.57% |
| 20-Mar-15 | 79.35 | 79.35 | 47.93% | 5 | 8.57% |
| 26-May-15 | 84.90 | 84.90 | 39.92% | 5.01 | 7.84% |
| 28-Jul-15 | 117.75 | 117.75 | 39.49% | 5.01 | 7.84% |
| 23-May-16 | 93.90 | 93.90 | 39.14% | 5.00 | 7.36% |
| 24-March-17 | 108.15 | 108.15 | 38.49% | 5.01 | 6.79% |
| 24-May-17 | 95.40 | 95.40 | 38.42 | 5.00 | 6.80% |

** ESOP-2007 were re-priced at ₹ 37.55 on August 28, 2008*

**ESOP - 2018**

| Date of Grant | Weighted – average Value of Share price (₹) | Exercise price (₹) | Expected volatility | Expected Life (yrs) | Risk Free Interest rate |
|---|---|---|---|---|---|
| 25-Oct-18 | 36.95 | 44.85 | 39.75% | 4 | 7.74 |
| 24-May-19 | 31.20 | 30.45 | 47.98% | 4 | 6.91 |
| Expected Dividends | The shares issued under stock options shall rank pari-passu, including the right to receive dividend. Expected dividend payouts to be paid during the life of the option reduce the value of a call option by creating drop in market price of the stock. Adjustments for known dividend payouts over the life of the option are made to the formulae under Black Scholes method. However, in the present case, as the life of the option is greater than one year, there is considerable difficulty in estimating the amount and time of future dividend payouts with certainty. Hence, future dividend payouts have not been incorporated in the valuation analysis. | | | | |

| | | |
|---|---|---|
| (b) | the method used and the assumptions made to incorporate the effects of expected early exercise | Not Applicable |
| (c) | how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility | Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. Each vest has been considered as a separate grant. The volatility for periods corresponding to the respective expected lives of the different vests, prior to the grant date has been considered. The daily volatility of the Company's stock price on National Stock Exchange of India Limited over these years has been considered. |
| (d) | whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition | Not Applicable |

For and on behalf of the Board

**Jawahar Lal Goel**
Chairman & Managing Director
DIN: 00076462

**B. D. Narang**
Independent Director
DIN: 00826573

Place: Noida
Dated: September 2, 2020

# ANNEXURE TO BOARD'S REPORT

**Particulars of Remuneration of Employees**
{Pursuant to Section 197 of the Act read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**A. Particulars of increase in remuneration of each Director and Key Managerial Personnel (KMP) during Financial year 2019-20 along with Ratio of remuneration of Directors to the Median remuneration of employees**

| Name of Director/Key Managerial Personnel | % increase in Remuneration in FY 2019-20# | Ratio of Director's Remuneration to Median remuneration |
|---|---|---|
| **Non-Executive Directors** | | |
| Mr. Ashok Kurien | NA | NA |
| Mr. Bhagwan Das Narang | NA | NA |
| Dr. (Mrs.) Rashmi Aggarwal | NA | NA |
| Mr. Shankar Aggarwal | NA | NA |
| **Executive Director** | | |
| Mr. Jawahar Lal Goel | (0.19%) | 47:1 |
| Mr. Anil Kumar Dua | (2.1%) | 50:1 |
| **Key Managerial Personnel** | | |
| Mr. Jawahar Lal Goel | (0.19%) | 47:1 |
| Mr. Anil Kumar Dua | (2.1%) | 50:1 |
| Mr. Rajeev Kumar Dalmia | 13.1% | NA |
| Mr. Ranjit Singh | 24.1% | NA |

# *The % increase in remuneration refers to the % increase in remuneration from FY 2018-19. The remuneration of the Non-Executive Directors' excludes Sitting Fees.*

| S. No | Requirement | Disclosure |
|---|---|---|
| 1. | The Percentage increase in median remuneration of employees in FY 2019 - 20 | 10.27% |
| 2. | Number of permanent employees on the rolls of the Company | 407 |
| 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 4.4%, while there was a marginal decrease in the managerial remuneration during financial year 2019-20, as detailed above. |
| 4. | Affirmation that the remuneration is as per the remuneration policy of the Company | The Company affirms that the remuneration is as per the remuneration policy of the Company |

**B. Particulars of Employees**

**1. Particulars of top ten employees of the Company in terms of the remuneration drawn and particulars of employees employed throughout the year & in receipt of remuneration aggregating to ₹ 1.02 Crores or more per annum**

| S. No. | Name | Age | Designation | Remuneration Total (₹) | Qualification | Exp in Yrs. | Date of Joining | Last Employment |
|---|---|---|---|---|---|---|---|---|
| 1 | Anil Kumar Dua | 54 | Group CEO and Executive Director | 4,13,30,387 | BE, MBA | 31 | 17.05.2017 26.03.2019* | OTE Group |
| 2 | Jawahar Lal Goel | 65 | Chairman & Managing Director | 3,90,00,804 | Entrepreneur | 49 | 06.01.2007 | Siti Cable Network Ltd |
| 3 | Rajeev Kumar Dalmia | 55 | Chief Financial Officer | 2,34,30,169 | CA | 34 | 05.01.2007 | South Asian Petro Chemical Ltd |
| 4 | Veerender Gupta | 50 | Chief Technology Officer | 1,55,03,854 | B. Com, Certificate in Java Programming | 28 | 01.04.2009 | Rama Associates Ltd |
| 5 | Sukhpreet Singh | 48 | Corporate Head - Marketing, Dishtv | 1,11,02,749 | B. Tech, PGDBM | 23 | 03.05.2016 | Samsung Electronics India |
| 6 | Abhishek Gupta | 42 | Head - Information Technology | 92,54,964 | B.E, MBA | 19 | 02.02.2015 | Ericsson India Global Services Pvt. Ltd. |
| 7 | Ranjit Singh | 43 | Corporate Head - Secretarial, Legal & Regulatory | 91,86,056 | B.Com, L.LB, CS | 18 | 24.12.2004 | Parsec Technologies Limited |
| 8 | Virender Kumar Tagra | 60 | National Head - Commercial | 86,35,324 | B.Com | 39 | 01.05.2006 | Hotline CPT Limited |
| 9 | Ravindra Upadhyay | 48 | Head - Customer Engagement | 83,99,270 | CA | 24 | 22.03.2018 | Videocon d2h Ltd |
| 10 | Ashutosh Mishra | 48 | Head - Human Resources | 72,47,485 | BE, MBA | 26 | 10.10.2007 | E-City Bioscope Entertainment Pvt. Ltd |

** Mr. Anil Kumar Dua, Group Chief Executive Officer of the Company was also elevated as Executive Director with effect from March 26, 2019.*

**2. Employed for part of the year and in receipt of remuneration aggregating ₹ 8.50 lacs per month.**

| S. No. | Name | Age | Designation | Remuneration Total (₹) | Qualification | Exp in Yrs. | Date of Joining | Date of leaving | Last Employment |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Pushkar Singh Kataria | 46 | Chief Human Resources Officer | 1,17,54,167 | BE, MDHRM | 23 | 01.08.2017 | 03.09.2019 | Reliance Capital Ltd |
| 2 | Avanti Kanthaliya | 48 | Financial Controller | 76,13,185 | CA | 25 | 01.04.2018 | 21.08.2019 | Videocon d2h Ltd |
| 3 | Himanshu Dhoreliya | 45 | Business Head - Content & Alt. Revenue | 71,21,169 | MBA | 21 | 01.09.2019 | 31.05.2020 | C&S Medianet Pvt. Ltd |
| 4 | Narendra Kumar Kothari | 49 | Regional Commercial Head | 62,40,502 | CA | 23 | 01.04.2018 | 31.10.2019 | Videocon d2h Ltd |

**Notes:**

1. All appointments are contractual and terminable by notice on either side.
2. Remuneration includes Salary, Allowances, Performance Linked Incentive/ Variable pay, Company's contribution to Provident Fund, Leave Travel Allowance, Leave encashment & other perquisites and benefits as per Income Tax Act, 1961 and in case of employees resigned during the year the remuneration includes terminal benefits, if any.

3. Performance Linked Incentive: The Performance Linked Incentive of employees is based on clearly laid out criteria and measures, which are linked to the desired performance and business objectives of the organization. The criteria for variable pay, which is paid out annually, includes both financial and non-financial parameters like revenue, customer satisfaction and other strategic goals as decided from time to time.

4. None of the employee of the Company was in receipt of remuneration which in the aggregate is in excess of that drawn by Managing Director and also hold by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.

For and on behalf of the Board

**Jawahar Lal Goel**
Chairman & Managing Director
DIN: 00076462

**B. D. Narang**
Independent Director
DIN: 00038052

Place: Noida
Dated: September 2, 2020

# ANNEXURE TO BOARD'S REPORT

## Extract of Remuneration Policy

**1. OBJECTIVE**

This Policy aims to attract, retain and motivate the Members of the Board of Directors, Key Managerial Personnel and Senior Management of the Company. Further, the policy lays down the criteria / guiding principles for compensation package of Directors, Key Managerial Personnel, Senior Management and other employees of the Company.

The Policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

**2. GUIDING PRINCIPLES**

The guiding principle of this Policy 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 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.

While designing the remuneration package, efforts are to be made to ensure that the remuneration matches the level in comparable companies, whilst also taking into consideration requisite competencies, qualifications, industry experience, efforts required and the scope of the work.

Further, the compensation package for Directors, KMPs and other employees are designed based on the following principles:

a. Aligning KMP and board remuneration with the longer term interests of the company and its shareholders.

b. Link to long term strategy and annual business performance of the company on key business drivers

c. Develop a culture of meritocracy.

d. Minimise complexity and ensure transparency

e. Reflective of line expertise, market competitiveness so as to attract the best talent.

The Nomination and Remuneration Committee while considering a remuneration package shall ensure that it reflects short and long term performance objectives appropriate to the working of the company and its goals.

The Nomination and Remuneration Committee believes that a successful remuneration policy must ensure that a significant part of the remuneration package should be linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

**2.1 Remuneration of Executive Members on the Board:**

Subject to the recommendation of the Nomination and Remuneration Committee / Board of Directors and approval by the Members of the Company from time to time, any Executive Member(s) on the Board shall be paid remuneration which shall comprise of fixed monthly basic salary, perquisites such as House Rent Allowance or furnished / unfurnished housing accommodation in lieu thereof, car with or without chauffeur, telephone for office as well as personal use, reimbursement of medical expenses, leave travel allowance, statutory and non-statutory allowances such as education allowances, personal allowances, travel allowances, subscription allowances etc.

In respect of any financial year, the overall managerial remuneration payable by the Company including the remuneration payable to an Executive Director, if any, shall not exceed 11% of net profits of the Company for that financial year. However, the overall managerial remuneration, where there are more than one managerial personnel, shall not exceed 10% of the net profit calculated in the manner provided under the Companies Act, 2013 and Rules framed thereunder, and shall not exceed 5% in case there is only one. The overall remuneration shall be within the limits provided in the Act and subject to approval of the Central Government, if payment of remuneration is in excess of the limits provided in the Act.

In the event of loss or inadequacy of profit in any financial year during the tenure of services, the Company shall make payment of remuneration within the applicable limits prescribed under the Companies Act, 2013 and Rules framed thereunder, as amended from time to time. The remuneration shall be subject to necessary approvals including the approval of the Central Government, if payment of remuneration is in excess of the limits provided in the Act.

Executive Members of the Board, if any, other than the Managing Director, shall be employed under service contracts for a period not exceeding 3 (three) years at a time, on the terms & other conditions as recommended by the Nomination and Remuneration Committee and approved by the Members of the Company at the General Meeting(s). The term of appointment of Managing Director shall be fixed at 3 (three) years and may be re-appointed for such further terms. Executive members of the Board shall not be eligible to receive any sitting fees for attending any meeting of the Board of Directors or Committee thereof.

**2.2 Remuneration of Non-Executive Members of the Board:**

The Non-Executive member(s) of the Board shall be paid sitting fees for attending the meetings of the Board and / or Committees thereof and reimbursement of expenses for participation in the Board and other meetings. The Board shall decide the sitting fee payable to the Director which shall be subject to the limits prescribed under the applicable laws. Independent Director(s) of the Company shall not be entitled to any stock option of the Company. The performance of the non-executive members of the Board shall be reviewed by the Board on an annual basis.

**2.3 Remuneration of Executive Management comprising of Key Managerial Personnel, Senior Management and other employees:**

The compensation for the Key managerial personnel, senior management and other employees at Dish TV would be guided by the external competitiveness and internal parity through annual benchmarking.

The performance-linked incentive based on Company performance and performance of the employee concerned each year shall be considered and approved by the Nomination and Remuneration Committee. Additionally, The Nomination and Remuneration Committee of the Board of the company, *inter alia*, administers and monitors the ESOPs of the company in accordance with the applicable SEBI Guidelines.

Internally, performance ratings of all Employees would be spread across a normal distribution curve. The rating obtained by an employee will be used as an input to determine Merit Pay increases. Merit pay increases will be calculated using a combination of individual performance and organizational performance. Compensation can also be determined based on identified skill sets critical to success of the Company. It is determined as per management's review of market demand and supply.

Employees are assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization

The Nomination and Remuneration Committee will from time to time consider proposals concerning the appointment and remuneration of the Key Managerial Personnel and ensure that the proposed remuneration is in line with industry standards in comparable companies. Such proposals then shall be submitted to the Board for approval. The remuneration of the employees may consist of the following components:

- Basic salary and Allowances
- Performance linked incentive / bonus
- Stock options
- Perquisites as per rules of the Company including Company car, telephone etc.

Executive Management shall not be eligible to receive any remuneration, including sitting fees, for directorships held in any of the Essel Group of Companies, whether listed or otherwise.

**3. AMENDMENTS**

The Nomination and Remuneration Committee shall periodically review the Policy and carry out such changes as may be required, including changes mandated on account of change in governing regulations.

# REPORT ON CORPORATE GOVERNANCE

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company's principles of Corporate Governance are based on transparency, accountability and focus on the sustainable long-term growth of the Company. Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. Our understanding to an effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. We believe that a Company is a public entity of society and hence, we consider our stakeholders as partners in our journey forward. We are committed to ensure their well-being despite the challenges and economic volatilities, for sustained corporate growth.

We strongly believe in ensuring good conduct and governance by following transparency, fairness, integrity, equity and accountability in all dealings with customers, vendors, employees, regulatory bodies, investors and community at large. The management and the employees of the Company continuously work on their competence and capability levels to meet the expectations with the highest standards of ethics. Your Company is committed to conduct its business in compliance with the applicable laws, rules, regulations and statutes. The Company believes in building and retaining the trust of its stakeholders by placing special emphasis on formulation and compliance of principles of corporate governance.

The Company's Corporate Governance framework includes informing the Company's policies and actions to those towards whom it has responsibility. This also includes disclosure without hampering the interests and privacy of the Company and those of its stakeholders. The Company has constructed its vision and business strategy around these principles in such a way that it would help the organisation to continuously improve its position in a fast-changing world. The core of the Corporate Governance policy of the Company is aimed at working towards achieving the goal and enhancing shareholders' value without any conflict of interest or any bias.

We are in compliance with the mandatory requirements of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). This section, along with the section on 'Management Discussion and Analysis', 'Business Responsibility Report' and 'General Shareholders' Information', constitute the Company's compliance with Regulation 34 of the Listing Regulations.

We believe that an active, well-informed and independent Board is necessary to ensure the highest standard of Corporate Governance. Our Board also represents a confluence of experience and expertise across diverse areas, ranging from finance, general management, and administrative services and consulting, which helps us in designing well planned vision and policies for the Company.

Lastly, we will continue to focus our resources, strengths and strategies for creation and safeguarding of stakeholders' wealth and at the same time protect the interests of all our stakeholders while upholding the values of collaboration, speed & agility, solving big problems, respect, humility & integrity, big hairy audacious goals, customer first, innovation and being frugal, which are imperative to the Company.

**BOARD OF DIRECTORS**

Your Company believes that an active and well-informed Board is necessary to ensure high standards of corporate governance. All statutory and other significant and material information are placed before the Board to enable it to discharge its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's corporate governance philosophy.

Your Company has in place an integrated governance framework based on the principal of fairness, integrity, transparency and accountability which stimulate the roles and responsibilities of the Board of Directors ('the Board') and Senior Management. The Board of Directors have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole.

The Board is committed to achieve the highest standards of Corporate Governance and also oversee the short and long term interests of shareholders and other stakeholders while exercising independent judgment. The Company's strategic direction, management policies and their effectiveness is critically evaluated by the Board in light of the uncertain market environment. The day to day management of the Company is entrusted to the Key /

Senior Management personnel led by the Chairman & Managing Director who operates under the superintendence and direction of the Board.

**a) Composition and Category of Directors**

Your Company has an appropriate mix of Executive, Non-Executive Non-Independent and Independent Directors representing a blend of professionalism, knowledge and experience which ensures that the Board independently perform its governance and management functions. The Board comprises of six (6) Directors which includes Chairman and Managing Director, Executive Directors, Non-Executive Non-Independent Director and Independent Directors including Women Non-Executive Independent Director. The size and composition of the Board meet the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Companies Act, 2013 ('Act').

**Composition of the Board as on March 31, 2020:**

| Category of Directors | No. of Directors | % to total No. of Directors |
|---|---|---|
| Independent Directors | 3 | 50 |
| Executive Director | 2 | 33.33 |
| Non-Executive Non-Independent Director | 1 | 16.67 |
| **Total** | **6** | **100** |

In terms of amended Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified *vide* Notification dated May 9, 2018, top 500 listed entities had to ensure that with effect from April 1, 2020 the Chairperson of the Board shall be a non-executive Director.

In order to comply with the above regulatory provision, the Nomination & Remuneration Committee and the Board at their meeting held on December 12, 2019 approved the re-appointment of Mr. Goel (Chairman of the Board) as Managing Director for the period from December 17, 2019 to March 31, 2020 (both days inclusive), on account of his existing term expiring on December 16, 2019. While the Board and the Nomination & Remuneration Committee, was inclined for re-appointing Mr. Goel for a longer term, however, in view of the above referred Notification, the Board approved the re-appointment of Mr. Goel as Managing Director for the period from December 17, 2019 to March 31, 2020 (both days inclusive), *i.e.*, the date till which he can continue to assume the position of Chairman and Managing Director in terms of the applicable regulatory provisions. Further, the Board approved that Mr. Goel shall continue to act as Chairman of the Board post expiry of his term as Managing Director. The said re-appointment was subject to the approval of shareholders of the Company, in terms of applicable provisions.

Subsequent to the above said re-appointment, SEBI *vide* its Notification dated January 10, 2020, amended the Regulation 17(1B) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and extended the timeline for implementation of the said regulation to April 1, 2022, in place of April 1, 2020. In view of the said amendment, the Board and the Nomination & Remuneration Committee, at their Meeting(s) held on February 12, 2020, re-appointed Mr. Goel as the Managing Director of the Company, on the same terms, for the period from April 1, 2020 to March 31, 2022 (both days inclusive), subject to the approval of shareholders of the Company, in terms of applicable provisions. Mr. Goel has continued to be the Chairperson of the Board.

**b) Independent Directors**

Eminent people having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions forms part of the Board as Independent Directors. The Independent Directors contribute to the strategic direction, operational excellence and corporate governance of the Company. In accordance with the criteria set for selection of the Independent Directors and for determining their independence, the Nomination and Remuneration ('NR') Committee of the Board, *inter alia*, considers the qualifications, positive attributes, area(s) of expertise and Directorships/ Committee memberships held by these individuals in other companies. The Board considers the NR Committee's recommendation and takes appropriate decisions in the appointment of the Independent Directors.

Independent Directors of the Company provide appropriate certifications annually and/or at the time of their appointment to the Board, confirming satisfaction of the conditions of them being independent, as laid down under Section 149 (6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management. Further, the Independent Directors have also submitted their declaration under compliance with the provision of Rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of an Independent Director's name in the data bank of Indian Institute of Corporate Affairs ("IICA"). In compliance with the requirements of the Act, the Company has also issued formal appointment letters to all the Independent Directors.

During FY 2019-20, none of the Independent Directors have resigned from the Company before the expiry of his/her tenure.

**c) Board Meeting**

During the Financial Year under review, Seven (7) meetings of the Board were held *i.e.* on May 24, 2019, July 30, 2019, September 19, 2019, November 14, 2019, December 12, 2019, February 12, 2020, and March 31, 2020. The intervening period between any two Board Meetings was within the maximum time gap of 120 days prescribed under the Act and Listing Regulations. The annual calendar of meetings is broadly determined at the beginning of each financial year. The Board meets at least once a quarter to review the quarterly performance and financial results of the Company.

**d) Particulars of Directors and their attendance**

Particulars of Directors, their attendance at the last Annual General Meeting and Board Meetings held during the Financial Year 2019-20 along with their Directorships/Chairmanships held in other Companies, calculated as per the applicable regulatory provisions and membership of other Board Committees as at March 31, 2020 are as under:

| Name of Director and Director Identification Number | Attendance in Financial Year 2019-20 | | Number of Directorships in other Public Companies as on March 31, 2020 | | Number of Memberships of Board Committees in other Public Limited Companies** as on March 31, 2020 | |
|---|---|---|---|---|---|---|
| | Board Meetings (Total 7 Meetings) | 31st AGM held on September 19, 2019 | Member* | Chairman | As Member | As Chairman |
| ***Promoter Executive Director*** | | | | | | |
| Mr. Jawahar Lal Goel (DIN: 00076462) | 7/7 | Yes | 1 | - | 1 | - |
| ***Non-Executive Non-Independent Director*** | | | | | | |
| Mr. Ashok Mathai Kurien (DIN: 00034035) | 3/7 | Yes | 1 | - | 2 | 1 |
| ***Executive Director & Group Chief Executive Officer*** | | | | | | |
| Mr. Anil Kumar Dua (DIN: 03640948) | 7/7 | Yes | - | - | - | - |
| ***Independent Director*** | | | | | | |
| Mr. Bhagwan Das Narang (DIN: 00826573) | 7/7 | Yes | 3 | 1 | 5 | 2 |
| Dr. Rashmi Aggarwal (DIN: 07181938) | 7/7 | Yes | 5 | - | 5 | 2 |
| Mr. Shankar Aggarwal (DIN: 02116442) | 7/7 | Yes | 3 | - | 3 | 2 |

** Membership does not include Chairperson position*

** *In accordance with Regulation 26 of the Listing Regulations, Chairmanships/Memberships of only Audit Committees and Stakeholders Relationship Committee in all Public Limited Companies (Listed and Unlisted including Deemed Public Limited Companies) except Foreign Companies, Private Companies, companies registered under Section 8 of the Act and Chairmanships/Memberships in Committees of Dish TV India Limited, has been considered. Further, Chairpersonship has also been counted in membership.*

None of the Directors on the Board of the Company are members of more than ten Committees or Chairman of more than five Committees across all the Public Limited Companies in which they are Directors. None of the Directors hold directorship in more than 8 listed companies. Further, none of the Independent Directors of the Company served as an Independent Director in more than 7 listed Companies.

Details of other directorships of Directors held in the listed entities as at March 31, 2020 are as under:

| Name of the Director | Directorship in other Listed Companies | Category of Directorship |
|---|---|---|
| Mr. Jawahar Lal Goel | None | NA |
| Mr. Ashok Mathai Kurien | Zee Entertainment Enterprises Limited | Non-Executive Director |
| Mr. Anil Kumar Dua | None | NA |
| Mr. Bhagwan Das Narang | Shivam Autotech Limited<br>VA Tech Wabag Limited | Independent Director<br>Independent Director |
| Dr. (Mrs.) Rashmi Aggarwal | Zee Media Corporation Limited<br>Digispice Technologies Limited | Independent Director<br>Independent Director |
| Mr. Shankar Aggarwal | Multi Commodity Exchange of India Limited | Independent Director |

**e) Woman Director**

In Compliance with Regulation 17(1) of Listing Regulations and applicable provisions of the Act, Dr. (Mrs.) Rashmi Aggarwal, a Woman Director, in the category of Independent Director, is on the Board of your Company. Dr. (Mrs.) Rashmi Aggarwal was re-appointed as an Independent Director of the Company at the Thirtieth (30th) Annual General Meeting of the Company held on September 28, 2018, up to the date of the Thirty Fifth (35th) Annual General Meeting of the Company to be held in the calendar year 2023.

**f) Relationship between Directors *inter-se***

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

**g) Shares held by Non-Executive Directors**

As on March 31, 2020, the Non-Executive Directors of your Company held the following equity shares in the Company:

| Name of the Non – Executive / Independent Directors | No. of Shares held |
|---|---:|
| Mr. Bhagwan Das Narang | 7,500 |
| Mr. Ashok Mathai Kurien | 1,174,150 |
| Dr. (Mrs) Rashmi Aggarwal | - |
| Mr. Shankar Aggarwal | - |

**h) Familiarization Program for Independent Directors**

The Board familiarisation Programme comprises of the following:-

- Induction Programme for new Independent Directors;
- Immersion sessions on business, functional issues and paradigm of the Industry ; and
- Strategy session.

All new Independent Directors are taken through an induction and familiarisation Programme when they join the Board of your Company. The induction programme covers the Company's history, background of the

Company and its growth over the last few years, various milestones in the Company's existence, the present structure and an overview of the business and functions.

Independent Directors of the Company have also 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 and also through familiarization programs. To familiarize the Directors with strategy, operations and functions of the Company, the senior managerial personnel make presentations about Company's strategy, operations, product offering, market, technology, facilities, regulatory changes 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. The Board members including Independent Directors on March 27, 2020 were briefed and apprised on Prohibition of Insider Trading Regulations and updates on Companies Act, 2013.

The said details of the Familiarization Programme(s) imparted to independent directors is also available on the Company's website and is accessible at http://dishd2h.com/corporate-governance/

**i) Key Skills/Expertise/Competencies identified by the Board of Directors**

Your Board is a skills-based Board comprising of directors who collectively have the skills, knowledge and experience to effectively govern and direct the organisation. Further, your Company has identified the skill/expertise/competencies in the areas of Product Delivery, Technology Innovation, Client engagement, Community and Stakeholder engagement, Marketing & Communication which are required by your Company to function effectively.

In terms of requirement of Listing Regulations, the Board has identified the following skills / expertise / competencies of the Directors as given below:

**Key Skills**

| Areas of Core Skills/ Expertise/ Competence | Jawahar Lal Goel | B D Narang | Ashok Mathai Kurien | Rashmi Aggarwal | Shankar Aggarwal | Anil Kumar Dua |
|---|---|---|---|---|---|---|
| Strategy and strategic planning | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Policy development | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Financial Expertise | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Risk and compliance oversight | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Executive management | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Commercial experience | ✓ | ✓ | | | ✓ | ✓ |

**Industry Skills (Broadcasting)**

| Areas of Core Skills/ Expertise/ Competence | Jawahar Lal Goel | B D Narang | Ashok Mathai Kurien | Rashmi Aggarwal | Shankar Aggarwal | Anil Kumar Dua |
|---|---|---|---|---|---|---|
| Product Delivery | ✓ | | ✓ | | ✓ | ✓ |
| Technology Innovation | ✓ | ✓ | | ✓ | ✓ | ✓ |
| Client engagement | ✓ | ✓ | ✓ | ✓ | | ✓ |
| Community and stakeholder engagement | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Marketing & Communication | ✓ | | ✓ | | | ✓ |

**j) Board / Committee Meeting Procedure**

A well-defined system of convening at least four (4) Board meetings annually is currently in place in the Company. In addition to the said Board meetings, meetings are convened, from time to time, as per the specific requirements by giving appropriate notice. Wherever it is not possible to convene or mandatory to hold a physical Board Meeting, resolutions are passed by circulation in order to meet the business exigencies. The Directors of the Company are given the facility to attend the meetings through video conferencing, in case they so desire, subject to compliance with the specific requirements under the Act.

The Board critically evaluates Company's strategic direction, management policies and their effectiveness. The Board discusses and decides on business strategies/policy and reviews the financial performance of the Company. The Board is given presentations covering various aspects of business, subsidiaries operations, business environment, strategy and risk management practices. The Company Secretary, in consultation with the Chairman and Managing Director, plans the agenda of the Meetings well in advance and circulates the same along with the explanatory notes amongst the members of the Board, within the prescribed time limit, to enable them to take informed decisions and to facilitate meaningful and focused discussions at the meetings. Agenda for the Board includes strategic review from the respective Board Committees, analysis and review of annual strategic and operating plans and capital allocation and budgets. Copy of Minutes of the Board Meetings of subsidiaries, minutes of the various Committees constituted by these Boards, compliance reports filed with regulatory authorities and certificates confirming compliance with the applicable laws are tabled at Board meetings. The Board also reviews possible risks and risk mitigation measures, financial reports from the Chief Financial Officer, compliance reports from the Company Secretary and Compliance Officer and other business reports from the Management Team. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting. The quantum and quality of information supplied by the management to the Board goes well beyond the minimum requirements stipulated under the Act, Secretarial Standards on Meetings of the Board issued by the Institute of Company Secretaries of India and Listing Regulations. These detailed meetings provide the strategic roadmap for the Company.

Board meetings are generally held at the Corporate Office of the Company at Noida and any Board Member may, in consultation with the Chairman and majority of the Board, bring up any matter in addition to the matter provided in agenda for consideration by the Board.

Upon the advice of the Board, senior management personnel are invited to the Board / Committee meetings to apprise and make presentations on relevant issues or provide necessary insights into the operations / working of the Company and corporate strategies. Information required to be placed before the Board and Committees thereof, as per Regulation 17(7) of the Listing Regulations, are considered and taken on record / approved by the Board / Committee. The Board regularly reviews Compliance status in respect of laws and regulations relevant to the Company.

The Company Secretary records minutes of proceedings of meeting of Board and Committee thereof. Minutes of proceedings of each Board and Committee meeting are recorded and draft minutes are circulated to Board/ Committee members for their confirmation, in terms of the applicable provisions. The inputs, if any, of the Board and Committee Members are incorporated in the Minutes after which these are entered in the Minutes Book in compliance with the applicable provisions. Important decisions taken at Board/ Committee meetings are communicated promptly to the concerned departments/ officials.

**k) Code of Conduct**

The Company has adopted a Code of Conduct for the Members of the Board and Key / Senior Management Personnel. All the Directors and senior functionaries, as defined in the Code, provide annual confirmation of compliance with the Code. Copy of the Code is also available on the Company's website and is accessible at http://www.dishd2h.com/corporate-governance/

The role and responsibilities of Independent Directors (including Code of Conduct) as prescribed in Schedule IV of the Act and/or prescribed in the Listing Regulations forms part of the appointment letters issued to the Independent Directors.

A declaration affirming compliance with the Code of Conduct by the Members of the Board and Senior Management Personnel is given below:

| Declaration |
|---|
| I confirm that the Company has obtained from all Directors and Senior Management Personnel of the Company their affirmation of compliance with the 'Code of Conduct for Members of the Board and Senior Management' of the Company for the Financial Year ended March 31, 2020. |
| **Anil Kumar Dua**<br>**Executive Director & Group Chief Executive Officer** |
| Noida, September 2, 2020 |

**l) Board Support and Role of Company Secretary in the Overall Governance Process**

The Company Secretary is responsible for collation, review and distribution of all papers/documents submitted to the Board and Committees thereof for consideration. The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed, investor queries are handled promptly and reports to the Board about compliance with the applicable statutory requirements and laws. The Company Secretary attends the meetings of the Board and its Committees and ensures appropriate recording of minutes of the meetings.

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s) ensures adherence to all applicable laws and regulations, including the Act read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

The Company Secretary plays a key role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of the Company's affairs in compliance with applicable statutory requirements. He serves as an interface between the Board, Management and Regulatory Authorities for governance matters.

The process for the Board/Committee meetings provides an effective post meeting follow up, review and reporting mechanism for the action taken on the decisions/ instructions of the Board and its Committees. As per the Board's decision, the Company Secretary informs the concerned functional heads about matters arising out of the deliberations during a meeting. The functional heads in turn provide updates to the Board at the following meeting. Action Taken reports (ATRs) on decisions taken or recommendations made by the Board/ Committee members at the previous meeting(s) are circulated at the next meeting. The Company Secretary has also been designated as Compliance Officer. Mr. Ranjit Singh is the Company Secretary & Compliance Officer of the Company.

**m) Profile of the current Directors of the Company, including those to be appointed / re-appointed at the ensuing Annual General Meeting**

1. **Mr. Jawahar Lal Goel (DIN-00076462)** was appointed as the Managing Director of your Company on January 6, 2007. He was elevated as the Chairman of the Company with effect from October 27, 2015.

   He has been actively involved in the creation and expansion of the Company. Pioneer of the Direct-to-Home (DTH) services in India –Mr. Goel has been instrumental in establishing Dish TV as the leading 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 2006 to September 2010. He has also been on the Board of various committees and task forces set up by Ministry of Information & Broadcasting (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 Direct-to-Home (DTH) services which has revolutionized 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 March 31, 2020, Mr. Goel holds directorship in one (1) other Indian Public Limited Company *viz.*, Chiripal Industries Limited.

As on March 31, 2020, Mr. Goel holds 176,800 (One Lakh Seventy Six Thousand and Eight Hundred) equity shares comprising of 0.01% of the paid up share capital in the Company.

2. **Mr. Bhagwan Das Narang (DIN-00826573)** is an Independent Director of your Company. Mr. Narang is a Post Graduate in Agricultural Economics and brings with him over 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 March 31, 2020, Mr. Narang holds directorship in four (4) other Indian Public Limited Companies *viz.*, Shivam Autotech Limited, VA Tech Wabag Limited, Karvy Stock Broking Limited and Karvy Financial Services Limited.

   As on March 31, 2020, Mr. Narang holds 7,500 (Seven Thousand and Five Hundred) equity shares comprising of 0.00% of the paid up share capital in the Company.

3. **Mr. Ashok Mathai Kurien (DIN-00034035)**, is a non-executive director on the Board of your Company. Mr. Ashok Kurien has been in the business of building brands for over 35 years now, particularly in the fields of Media, Marketing and Communications. An early bird, he has a keen eye of driving start-ups in emerging businesses, helping in guiding them to size and scale. And now he is associated with Livinguard Technologies - Coronavirus destroying Face Masks, Water Filters (without electricity) and Menstrual Hygiene - he has co-invented 'Saafkins', the ideal solution for the billion women who can't afford sanitary napkins, making it affordable and reusable - all this for the poor and the marginalised.

   Mr. Kurien is founder and promoter of various business ventures including Ambience Advertising (now Publicis India), Hanmer & Partners - one of India's top-3 PR agencies. He is a Director of Ambience Business Services Pvt. Ltd. (Indian Company) and also a Director of Livinguard Technologies AG, Switzerland, the world's first self-disinfecting textiles.

   Apart from the Company, as on March 31, 2020, Mr. Kurien holds directorship in one (1) other Indian public limited company *viz.*, Zee Entertainment Enterprises Ltd.

   As on March 31, 2020, Mr. Kurien holds 1,174,150 (Eleven Lakh Seventy Four Thousand One Hundred and fifty) equity shares, comprising of 0.06% of paid up capital of the Company.

4. **Dr. (Mrs.) Rashmi Aggarwal (DIN No- 07181938)** is a non-executive Independent women director on the Board of the Company with effect from May 26, 2015. Dr. Aggarwal is Bachelor of Science, law graduate, masters' in law, and PhD (Patents Law) from law department, 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 a 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 research domains are predominately in the area of Corporate laws, 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 S.P 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 March 31, 2020, Dr. Aggarwal holds directorship (Independent) in five (5) other Indian Public Limited Companies *viz.*, Zee Media Corporation Limited, Digispice Technologies Limited, Essel Finance AMC Limited, Dish Infra Services Private Limited (deemed Public Company) and Today Merchandise Private Limited (deemed Public Company).

As on March 31, 2020, Dr. Aggarwal does not hold any shares in the Company.

5. **Mr. Shankar Aggarwal (DIN No - 02116442)** is a non-executive Independent Director appointed on the Board of the Company with effect from October 25, 2018. Mr. Aggarwal is an IAS Officer of 1980 batch from U.P. Cadre, Mr. Aggarwal holds a Bachelor of Engineering Degree in Electronics and Communications from the University of Roorkee (now IIT, Roorkee) and a Master's Degree in Computer Technology from IIT, Delhi. He has more than 16 years of experience at Joint secretary level and above in the field of Administration, Urban Development, Industrial Development, Defence, Information Technology, labour, in the respective Ministries of Government of India.

   Mr. Aggarwal held various positions in Government department and Ministries of Government and retired as the Secretary M/o Labour & Employment. In the Central Government, he held several important posts before being appointed the Secretary, Ministry of Women & Child Development, wherein he took many innovative measures such as, amendments in Juvenile Justice Act, establishment of Nirbhaya Centres etc. As the Secretary, Urban Development, Government of India, he was instrumental in launching four big initiatives of the Government - Smart Cities, Rejuvenation of Urban Infrastructure, Swachch Bharat and Heritage City Development Programme. He was also responsible for the improvement and implementation of Urban Transport Sector programmes in the country and was the Chairman of Metro Rail Corporations of Delhi, Bangalore, Kochi, Mumbai and Chennai.

   Apart from the Company, as on March 31, 2020, Mr. Aggarwal holds directorship in three (3) other Indian Public Limited Companies *viz.*, Multi Commodity Exchange of India Limited, Prudent ARC Limited and CSC E-Governance Services India Limited.

   As on March 31, 2020 Mr. Aggarwal does not hold any shares in the Company.

6. **Mr. Anil Kumar Dua (DIN No - 03640948)** Group Chief Executive Officer (CEO) of the Company was appointed as an Executive Director on the Board of the Company with effect from March 26, 2019. Mr. Dua is an engineer from IIT, Delhi and an MBA from IIM, Ahmedabad. Mr. Dua has worked in several well-known entities such as Hindustan Unilever, Gillette and Hero MotoCorp. Prior to joining the Company, he was the Managing Director of OTE Group; which represents major franchises in automobiles, electronics, home appliances, tyres, batteries and lubricants with operations in Oman and UAE. Mr. Dua has won several accolades in his career at company and industry level, including top CMO and CEO awards. He has also been an active participant in different forums like CII, SIAM, FADA & FICCI, and has also been the Chairman of the Retail Council of the Society of Indian Automobile Manufacturers (SIAM). He was also on the board of Audit Bureau of Circulation (ABC). Mr. Dua comes with rich experience in various facets of business management such as brand building, marketing, customer experience, supply chain and strategy.

Apart from the Company, as on March 31, 2020, Mr. Dua does not holds directorship in other Indian Public Limited Companies.

As on March 31, 2020 Mr. Dua does not hold any shares in the Company.

**BOARD COMMITTEES**

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulation; which concern the Company and need a closer review. Your Board has constituted Committees for smooth and efficient operation of day-to-day business of the Company. The Committees of the Board has been constituted as per the applicable provisions of the Act and the Listing Regulations. Each Committee of the Board is guided by and operates under the terms of reference, which has been framed in compliance with applicable laws defining the scope, powers and composition of the Committee. The minutes of the meetings of the Committees are placed before the Board. The Board Committees can request special invitees to join the meeting, as appropriate.

During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

Particulars of Meetings of Board Committees held during the year along with Directors attendance at such Committee Meeting(s) are detailed herein:

| Particulars | Audit Committee | Nomination & Remuneration Committee | Stakeholders Relationship Committee | Corporate Social Responsibility Committee* |
|---|---|---|---|---|
| **No of Meetings held** | **6** | **5** | **2** | **0** |
| **Directors attendance:** | | | | |
| Jawahar Lal Goel | NA | NA | 2 | NA |
| Bhagwan Das Narang | 6 | 5 | NA | NA |
| Rashmi Aggarwal | 5 | 5 | NA | NA |
| Ashok Mathai Kurien | 2 | 2 | 2 | NA |
| Shankar Aggarwal | 5 | 4 | 2 | NA |
| Anil Kumar Dua | NA | NA | NA | NA |

** During the year under review, the Company was not required to spend towards CSR activities, however, a Meeting of the Corporate Social Responsibility Committee which was scheduled to be held in the month of March 2020 to monitor the ongoing CSR projects was postponed due to COVID-19 pandemic and will be held in the Financial Year 2020-21.*

**a) Audit Committee**

Your Company has a duly constituted Audit Committee and its composition as well as charter are in line with the requirements of the Act and Listing Regulations.

**Composition**

In compliance with Section 177 of the Act read with rules made thereto and Regulation 18 of the Listing Regulations, the Audit Committee of the Board as on March 31, 2020 comprised of Four (4) members, with Mr. Bhagwan Das Narang, as its Chairman and Mr. Ashok Mathai Kurien, Dr. (Mrs.) Rashmi Aggarwal and Mr. Shankar Aggarwal as its members. The details of current composition of the Audit Committee, is as detailed under:

| Name of the Director | Designation in Committee | Category |
|---|---|---|
| Mr. Bhagwan Das Narang | Chairman | Independent |
| Dr. (Mrs.) Rashmi Aggarwal | Member | Independent |
| Mr. Ashok Mathai Kurien | Member | Non-Executive Non-Independent |
| Mr. Shankar Aggarwal | Member | Independent |

All members of the Committee are financially literate and have accounting or related financial management expertise as mandated by the Listing Regulations. Mr. Bhagwan Das Narang, Chairman of the Audit Committee was present at the Thirty First (31st) Annual General Meeting of the Company held on September 19, 2019 to answer the queries of the stakeholders'.

**Audit Committee Meetings**

The Audit Committee met six (6) times *viz.* on May 24, 2019, July 30, 2019, November 14, 2019, February 12, 2020, March 27, 2020 and March 31, 2020. The necessary quorum was present for all the meetings held during the year.

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.

In addition to the members of the Audit Committee, the meetings of the Audit Committee were attended by the Chairman and Managing Director, Group Chief Executive Officer, Chief Financial Officer, Company Secretary, Statutory Auditors and Internal Auditors of the Company. The Company Secretary acts as the Secretary of the Audit Committee. The minutes of each Audit Committee meeting are placed in the next meeting of the Board.

**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 Act read with rules made thereto. The brief terms of reference of the Audit Committee *inter alia* include:

a) Review Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient, accurate, timely and credible.

b) Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:

  - Matters required to be included in the Directors' Responsibility Statement forming part of the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgement by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in the draft audit report.

c) Review and recommend quarterly, half yearly and annual financial statements for approval of the Board.

d) Review and approve internal audit reports, related party transactions, company's financial and risk management policies and functioning of Whistle Blower & Vigil Mechanism Policy.

e) Approval of any subsequent modification of transactions of the Company with related parties.

f) Reviewing, with the management, performance of statutory and internal auditors.

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

h) Review the utilization of loans and/ or advances from/ investment by the Company in its subsidiary companies exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments.

i) 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 may also discuss any related issues with the internal and statutory auditors and the management of the company.

j) The Audit Committee shall have authority to investigate into 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.

k) Recommend to the Board the appointment, reappointment including terms of appointment and removal of the statutory auditor and cost auditors, fixation of audit fee and approval of payment of fees for any other services.

l) Review the adequacy of internal audit function including approving appointment and remuneration payable to Internal Auditor.

m) 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;
5. Appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee; and
6. To review statement of deviation(s), if any, in terms of SEBI Listing Regulations.

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.

**Internal Audit**

The role of Internal Audit is to provide an objective and independent review of the design and operation of risk management, control and governance processes followed across the Company. Internal Audit also adds value by providing areas of improvement.

Protiviti Advisory India Member LLP was the internal auditor of the Company for the Financial Year 2019-20. The Audit Committee at its meeting held on July 23, 2020 decided and recommended to the Board the re-appointment of Protiviti Advisory India Member LLP, as the Internal Auditor of the Company for the Financial Year 2020-21. Basis the recommendation of the Audit Committee, the Board, at its meeting held on July 23, 2020 has re-appointed Protiviti Advisory India Member LLP as the Internal Auditor of the Company for the Financial Year 2020-21.

The Company's system of internal controls covering CPE procurement & Commercial Review, RO Operations Review, Major Expenses Review, HR Audit, Revenue Performance, TRAI Compliances, Taxation 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 and findings of internal audits are reported directly to the Audit Committee.

The Audit Committee of the Board *inter alia*, reviews the adequacy of internal audit function, the internal auditor reports and reviews the internal financial 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 and findings of internal audits are reported directly to the Audit Committee.

**b) Nomination and Remuneration Committee**

The Company has a duly constituted Nomination and Remuneration Committee which, *inter alia*, identifies and recommends persons who are qualified to become directors or appointed as part of senior management and reviews and recommends their remuneration and other employment terms and conditions. The NRC takes into consideration the best practices being followed in the industry while fixing appropriate remuneration packages and also administers employee stock option scheme.

**Composition**

In compliance with Section 178 of the Act read with rules made thereto and Regulation 19 of the Listing Regulations, the 'Nomination and Remuneration Committee' of the Board as on March 31, 2020 comprised of Four (4) members, with Mr. Bhagwan Das Narang, an Independent Director as its Chairman and Dr. (Mrs.) Rashmi Aggarwal, Independent Director, Mr. Ashok Mathai Kurien, Non-Executive Non-Independent Director, and Mr. Shankar Aggarwal, Independent Director as its members.

Accordingly, the details of current composition of the Nomination and Remuneration Committee:

| Name of the Director | Designation in Committee | Category |
|---|---|---|
| Mr. Bhagwan Das Narang | Chairman | Independent |
| Mr. Ashok Mathai Kurien | Member | Non-Executive Non-Independent |
| Dr. (Mrs.) Rashmi Aggarwal | Member | Independent |
| Mr. Shankar Aggarwal | Member | Independent |

**Nomination and Remuneration Committee Meetings**

During the year under review, the Nomination& Remuneration Committee met Five (5) times *viz.* May 24, 2019, July 30, 2019, November 14, 2019, December 12, 2019, and February 12, 2020. The necessary quorum was present for all the meeting held during the year.

In addition to the Nomination & Remuneration Committee members, the Meetings of the Committee are attended by the Managing Director, Group Chief Executive Officer, Chief Financial Officer and Company Secretary. The Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

**Terms of Reference**

The brief terms of reference of the Nomination and Remuneration Committee *inter alia* include:

a) 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.

b) To identify persons who are qualified to be appointed as Key Managerial Personnel ('KMP') and in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment.

c) Formulation of the process for evaluation of functioning of the Board – individually and Collectively;

d) Recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel, Senior Management and other Employees;

e) Formulating policy with regard to remuneration to directors, key managerial personnel and senior management involving a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

f) To approve Remuneration of Directors, KMP, Senior Management and Senior Employees (employees one level below KMP) and to approve promotion / increments / rewards / incentives for the said employees;

g) To recommend to the board, all remuneration, in whatever form, payable to senior management;

h) To devise a policy on Board diversity;

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

j) To 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 such as personal traits which includes business understanding, communication skills, ability to exercise objective judgment 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 behavior and judgment, maintenance of confidentiality and contribute to corporate governance practice within the Company.

A formal evaluation of performance of the Board, its Committees, the Chairman and individual Directors was carried out during the Financial Year 2019-20, details of which are provided in the Board's Report.

**Remuneration Policy**

The Company's Remuneration Policy represents the approach of the Company to the remuneration of Directors and senior management. 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 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. Focus on productivity and pay-for-performance have been the cornerstones of the Company's reward philosophy with differentiated compensation growth to high-performing employees. With a view to bring performance based growth approach, the remuneration of employees of the Company have been moderated and structured as a mix of fixed and variable pay depending on the grade and level of employee.

The increments and variable pay structure for the employees including senior management of the Company is deliberated and approved by the Nomination & Remuneration Committee of the Board. The Nomination & Remuneration Committee considers and recommends for approval of the Board, the compensation package of Executive Directors in accordance with applicable laws, in line with the Company's objectives, shareholders interest and as per the Industry standards.

The Remuneration Policy of the Company can be accessed on Company's website *viz.* http://www.dishd2h.com/corporate-governance/. An extract of the Remuneration Policy approved by the Nomination and Remuneration Committee of the Board has been included as a part of this Annual Report.

**Remuneration paid to Executive Directors**

Your Board currently comprises of two (2) Executive Director(s) *viz.* Mr. Jawahar Lal Goel, Chairman & Managing Director and Mr. Anil Kumar Dua, Executive Director & Group Chief Executive Officer of the Company.

<u>Remuneration paid to Mr. Jawahar Lal Goel (Chairman and Managing Director)</u>

The details of remuneration paid to Mr. Jawahar Lal Goel, Chairman & Managing Director of the Company during the year ended March 31, 2020 is as below:

| Particulars of Remuneration | ₹ In Lakhs |
|---|---|
| Gross salary (As per Income tax act): | |
| Salary | 367.40 |
| Perquisites | 0.00 |
| Others (Contribution to Provident Fund) | 22.61 |
| **Total** | **390.01** |

The Nomination and Remuneration Committee at their meeting held on October 28, 2016, considering the Industry trend, area expertise and profitability of the Company, approved the revision in remuneration of Mr. Jawahar Lal Goel to upto ₹ Four (4) Cr. per annum with effect from November 1, 2016. Mr. Goel is not entitled to any stock options.

Upon the recommendation of the Nomination and Remuneration Committee and the Board, the members of the Company at the Thirtieth (30th) Annual General Meeting of the Company, approved his re-appointment as the Managing Director, for a further period from January 6, 2019 to December 16, 2019 (both days included).

Further, the Nomination and Remuneration Committee and Board of Directors at their respective Meetings held on December 12, 2019, and February 12, 2020, approved the re-appointment of Mr. Goel for further term(s) from December 17, 2019 to March 31, 2020 (both days inclusive), and April 1, 2020 to March 31, 2022 (both days inclusive), respectively, subject to the approval of the Shareholders of the Company, the details of which are given in the Explanatory Statement forming part of the Notice.

Remuneration paid to Mr. Anil Kumar Dua (Executive Director and Group Chief Executive Officer)

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on March 26, 2019 approved the induction of Mr. Anil Kumar Dua (DIN: 03640948), who was hitherto working as Group Chief Executive Officer (CEO) of the Company, on the Board as an Additional Director (in the capacity of Executive Director) of the Company with effect from March 26, 2019. His appointment was further approved by the Shareholders of the Company at the 31st Annual General Meeting of the Company held on September 19, 2019. Mr. Dua had been receiving remuneration from the Company in the capacity of Group Chief Executive Officer of the Company and on his appointment as the Executive Director with effect from March 26, 2019, the Board decided that the remuneration drawn by him hitherto as Group Chief Executive Officer, shall continue for the financial year under review.

The details of remuneration paid to Mr. Anil Kumar Dua, Executive Director and Group Chief Executive Officer of the Company during the year ended March 31, 2020 is as below:

| **Particulars of Remuneration** | **₹ In Lakhs** |
|---|---|
| Gross salary (As per Income tax act): | |
| Salary^ | 394.64 |
| Perquisites | 0.40 |
| Others (Contribution to Provident Fund) | 18.27 |
| **Total** | **413.30** |

*^ Includes ₹ 52.81 Lakhs paid during the year as performance based variable pay in terms of policy of the Company*

The notice period in terms of his appointment is three (3) months. Further, in terms of ESOP 2018 policy of the Company, Mr. Anil Kumar Dua has been granted 650,000 stock options on October 25, 2018 at market price on the date of grant *viz.* ₹ 44.85 per option. Options granted under ESOP 2018 vest every year equally *i.e.* 25% of the number of options granted, over a period of 4 years from the date of grant.

**Remuneration to Non-Executive Directors**

During the Financial Year 2019-20, the Non-Executive Directors were paid sitting fee of ₹ 75,000/- (Rupees Seventy Five Thousand) for attending each meeting of the Board and Committees thereof.

Particulars of Sitting Fee paid to Non-Executive Directors of the Company for Financial Year 2019-20 are as under:

(₹ in Lakhs)

| Name of Directors | Sitting Fees |
|---|---|
| **Independent Directors** | |
| Mr. Bhagwan Das Narang | 14.25 |
| Dr. (Mrs.) Rashmi Aggarwal | 12.75 |
| Mr. Shankar Aggarwal | 14.25 |
| **Total** | **41.25** |
| **Non-Executive Director:** | |
| Mr. Ashok Mathai Kurien | 6.75 |
| **Grand Total** | **48.00** |

During the year under review, no stock options have been granted to the Independent Directors under ESOP - 2007 or ESOP – 2018 Scheme of the Company. Also, no Director has exercised any Stock Options, in terms of the applicable provisions.

During the Financial Year 2019-20, the Company 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 and other than the sitting fees paid to Directors for attending the meetings of the Board and its Committees.

**c) Stakeholders Relationship Committee**

Stakeholders Relationship Committee looks into investors' grievances arising out of issues regarding share transfers, dividends, dematerialization and related matters, evaluating performance and service standards of the Registrar and Share Transfer Agent and takes requisite action(s) to redress the same.

**Composition**

In compliance with Section 178 of the Act read with rules made thereto and Regulation 20 of the Listing Regulations, the 'Stakeholders Relationship Committee' of the Company as on March 31, 2020 comprised of Mr. Ashok Mathai Kurien, Non-Executive Non-Independent Director as its Chairman and Mr. Jawahar Lal Goel, Managing Director and Mr. Shankar Aggarwal, Independent Director as its Member(s). Mr. Ranjit Singh, Company Secretary and Compliance officer of the Company, acts as the Secretary of the Committee.

The details of current composition of the Stakeholders Relationship Committee is as under:

| Name of the Director | Designation in Committee | Category |
|---|---|---|
| Mr. Ashok Mathai Kurien | Chairman | Non-Executive Non-Independent |
| Mr. Jawahar Lal Goel | Member | Executive |
| Mr. Shankar Aggarwal | Member | Independent |

**Stakeholders Relationship Committee Meeting**

During the year under review, Stakeholders Relationship Committee met (2) two times *viz.* May 24, 2019 and February 12, 2020. The necessary quorum was present for all the meeting held during the year.

In addition to the Stakeholders Relationship Committee members, the Meetings of the Committee are attended by the Chief Executive Officer, Chief Financial Officer and Company Secretary. The Company Secretary acts as the Secretary of the Stakeholders Relationship Committee.

**Terms of Reference**

The main function of the Stakeholders Relationship Committee is to strengthen investor relations, ensure efficient transfer/transmission etc., of shares, proper and timely attendance of investor's grievances, evaluating performance and service standards of the Registrar and Share Transfer Agent and taking requisite action(s) to redress the same. The Committee has delegated various powers including approving requests for transfer, transmission, re-materialisation & de-materialisation etc. of equity shares to the executives in secretarial department of the Company and representative of Registrar and Share Transfer Agent of the Company. The Company Secretary, being the compliance officer, is entrusted with the responsibility, to specifically look into the redressal of the shareholders and investors complaints and report the same to Stakeholders Relationship Committee.

Further, in line with amendment to the Listing regulations the terms of reference of Stakeholders Relationship Committee were revised effective from February 5, 2019 as follows:

(a) To approve transfer of Shares;

(b) To specifically look into the redressal of grievances and various aspect of interest of Shareholders, investors, debenture holders and other security holders;

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

(d) To consider and resolve the grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc;

(e) To review the measures taken for effective exercise of voting rights by shareholders;

(f) To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

(g) To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Details of number of Complaints received and resolved/replied during the year ended March 31, 2020, are as under:

| **Nature of Correspondence** | **Received** | **Replied/Resolved** | **Pending** |
|---|---|---|---|
| Non-receipt of Shares | 0 | 0 | - |
| Non-receipt of Annual report | 2 | 2 | - |
| Non-receipt of Dividend Payment | 3 | 3 | - |
| 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/Others | 0 | 0 | - |
| Complaint lodged with NSE/BSE | 0 | 0 | - |
| **Total** | **5** | **5** | **Nil** |

**d) Corporate Social Responsibility Committee**

The CSR Committee is responsible for formulation and recommendation of the CSR policy of the Company. It also recommends the amount of expenses to be incurred on CSR activities and closely and effectively monitors the implementation of the policy.

**Composition**

In compliance with Section 135 of the Act read with rules made thereto, the Corporate Social Responsibility Committee ('CSR Committee') of the Board as on March 31, 2020 comprised of Five (5) members, with Mr. Bhagwan Das Narang, as its Chairman and Mr. Jawahar Lal Goel, Mr. Ashok Mathai Kurien, Dr. (Mrs.) Rashmi Aggarwal and Mr. Shankar Aggarwal as its members.

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

| Name of the Director | Designation in Committee | Category |
|---|---|---|
| Mr. Bhagwan Das Narang | Chairman | Independent |
| Mr. Jawahar Lal Goel | Member | Executive |
| Mr. Ashok Mathai Kurien | Member | Non-Executive Non-Independent |
| Dr. (Mrs.) Rashmi Aggarwal | Member | Independent |
| Mr. Shankar Aggarwal | Member | Independent |

**CSR Committee Meeting**

During the period under review, the Meeting of Corporate Social Responsibility Committee was scheduled to be held in the Month of March 2020, to monitor the performance of ongoing CSR projects, however, due to COVID-19 Pandemic the meeting was postponed and it will be held in the Financial Year 2020-21. In terms of applicable regulatory provisions, the Company was not required to spend on CSR activities during the Financial Year 2019-20.

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 Act and rules made thereto.

**Terms of Reference**

Terms of reference and the scope of the CSR Committee *inter alia* include (a) consider and approve the proposals for CSR spends; and (b) review monitoring reports on the implementation of CSR projects funded by the Company.

**e) Meeting of Independent Directors**

Section 149 of the Act read with Schedule IV and rules made thereunder and Regulation 25 of the Listing Regulations mandates that the independent directors of the Company shall hold atleast one meeting in a year, without the attendance of the non-independent directors and members of the Management. The Independent Directors of the Company met on March 27, 2020 to review the performance of the Chairman & Managing Director and other Non-Independent Director, to evaluate performance of the Board and review flow of information between the management and the Board.

**f) Risk Management Committee**

The Company has a duly constituted Risk Management Committee which assists the Board in its oversight of the Company's management of key risks, as well as the guidelines, policies and procedures monitoring and integrating such risks within overall business risk management framework.

**Composition**

In compliance with Regulation 21 of the Listing Regulations, the Board at its Meeting held on February 5, 2019, constituted Risk Management Committee comprising of following members:

| S. No. | Name | Designation | Designation in Committee |
|---|---|---|---|
| 1 | Mr. Bhagwan Das Narang | Independent Director | Member (Chairman) |
| 2 | Mr. Jawahar Lal Goel | Managing Director | Member |
| 3 | Mr. Shankar Aggarwal | Independent Director | Member |
| 4 | Dr. (Mrs.) Rashmi Aggarwal | Independent Director | Member |
| 5 | Mr. Veerender Gupta | Chief Technology Officer | Member |
| 6 | Mr. Rajeev Kumar Dalmia | Chief Financial Officer | Member |

**Terms of reference**

Terms of reference and the scope of the Risk Management Committee *inter alia* include:

a) assisting the Board in fulfilling its Corporate Governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational and other risks;

b) approving, implementing and monitoring the risk management framework / plan, including cyber security and associated practices within the Company;

c) exercising oversight of the Company's risk tolerance;

d) reviewing and approving risk-related disclosures.

**Risk Management Committee Meeting**

In terms of the relaxation provided by the Securities and Exchange Board of India *vide* Notification dated March 26, 2020, allowing the Companies to hold the Committee meeting for the Financial Year 2019-20, by June 30, 2020, the Risk Management Committee met on June 29, 2020. The necessary quorum was present for the meeting. The Company Secretary acts as the Secretary of the Committee.

**OTHER BOARD COMMITTEES**

In addition to the above committees, your Board has voluntarily constituted the following Committees and delegated responsibilities to them for effective discharge of functions as per their scope:

1. **Corporate Management Committee:** The Board constituted a Corporate Management Committee comprising of Senior Executives of the Company to review, approve and/or grant authorities for managing day-to-day affairs of the Company within the powers delegated by the Board. As at March 31, 2020, the Corporate Management Committee comprises of Mr. Jawahar Lal Goel, Managing Director, Mr. Anil Kumar Dua, Executive Director and Group Chief Executive Officer, Mr. Rajeev Kumar Dalmia, Chief Financial Officer. The Company Secretary acts as Secretary to the Committee.

2. **Cost Evaluation and Rationalization Committee:** Upon reference from the Board**,** this Committee evaluates various options to rationalize cost and enhance the productivity. Cost Evaluation & Rationalization Committee comprises of senior executives including the Managing Director as its member.

3. **ESOP Allotment Committee:** To facilitate allotment of Equity Shares pursuant to exercise of Stock Options granted in accordance with the Company's ESOP Scheme, the Board constituted an ESOP Allotment Committee. As at March 31, 2020, the ESOP Allotment Committee comprised of Mr. Jawahar Lal Goel, Managing Director, Mr. Ashok Mathai Kurien, Non-Executive Non-Independent Director, and Dr. (Mrs.) Rashmi Aggarwal, Independent Director. The Company Secretary acts as Secretary to the Committee.

4. **Disciplinary Committee:** The Board of Directors of the Company on May 30, 2020 had constituted a 'Disciplinary Committee' comprising of Mr. Shankar Aggrawal, Independent Director as the Chairman, Chief Executive Officer, Chief Financial Officer and Company Secretary & Compliance Officer of the Company for considering and finalizing the action(s) to be taken by the Company in case of any violation of Company's Insider Trading Code read with SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Board has also *inter alia* approved the quorum requirement, the scope and charter of the said Committee, the process to be followed by the said Committee on dealing with the Violation under the Insider Trading Code of the Company and/or SEBI PIT Regulations and penalty chart in case of different types of Violation. The Committee met on June 2, 2020 and June 3, 2020. The said Meeting(s) were attended by all the members of the Committee.

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

DISCLOSURES REGARDING APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

The members at the ensuing Annual General Meeting, shall be considering the appointment of Mr. Anil Kumar Dua, the existing Group Chief Executive Officer (CEO) and Executive Director of the Company, who is retiring by rotation at the ensuing Annual General Meeting and shall be considered for re-appointment by the members as Executive Director, liable to retire by rotation. The members shall also be considering the re-appointment of Mr. Jawahar Lal Goel, Managing Director, for the period(s) from December 17, 2019 to March 31, 2020 (both days included) and April 1, 2020 to March 31, 2022 (both days included). The detailed profile of the Directors are provided in this report.

**SUBSIDIARY COMPANIES' MONITORING FRAMEWORK**

The Company's subsidiary companies *viz.*, Dish T V Lanka (Private) Limited, a Company incorporated in Sri Lanka, Dish Infra Services Private Limited and C&S Medianet Private Limited are managed by a well constituted Board, which provide direction and manages the Companies in the best interest of their stakeholders. The Company has one material unlisted Indian wholly owned subsidiary *viz.* Dish Infra Services Private Limited. The Company has nominated Dr. (Mrs.) Rashmi Aggarwal, an Independent Director of the Company on the Board of Dish Infra Services Private Limited. The Board of the Company monitors the performance of subsidiary companies, *inter alia*, by:

a) Reviewing the Financial Statements and operations, 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).

**GENERAL BODY MEETINGS**

The Thirty Second (32nd) Annual General Meeting of your Company for the Financial Year 2019-20 will be held at 11:00 AM on Tuesday, the 29th day of September, 2020 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

**Details of Annual General Meetings held during last 3 years are as follows:**

| Financial year Ended | Day, Date & Time | Venue | Special Resolution Passed |
|---|---|---|---|
| March 31, 2019 | Thursday, September 19, 2019, 11:00 AM | The Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400018 | - Appointment of Mr. Anil Kumar Dua (DIN - 03640948) as a Whole-Time Director of the Company.<br>- Continuation of directorship of Mr. Bhagwan Das Narang (DIN - 00826573) as an Non-Executive Independent Director of the Company |
| March 31, 2018 | Friday, September 28, 2018, 11:00 AM | The Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400018 | - Re-appointment of Dr. (Mrs.) Rashmi Aggarwal as an Independent Director of the Company<br>- Re-appointment of Mr. Jawahar Lal Goel as the Managing Director of the Company<br>- Approval of 'Employees Stock Option Scheme 2018' (ESOP 2018) of the Company |

| Financial year Ended | Day, Date & Time | Venue | Special Resolution Passed |
|---|---|---|---|
| March 31, 2017 | Thursday, September 28, 2017, 11:00 AM | The Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400018 | - Re-appointment of Mr. Bhagwan Das Narang as an Independent Director of the Company<br>- Re-appointment of Mr. Arun Duggal as an Independent Director of the Company |

None of the business proposed to be transacted at the ensuing Annual General Meeting require passing of any resolution through Postal Ballot, in terms of Section 110 of the Act, read with Rules made thereunder. No special resolution is proposed to be conducted through postal ballot by the Company.

**Details of Extra Ordinary General Meeting:** No EGM was held during the previous three (3) years.

**POSTAL BALLOT**

During the year under review no Special Resolution was passed through Postal Ballot by the Company. Hence, disclosure under this section is not applicable.

**MEANS OF COMMUNICATION**

**Quarterly and Annual Financial Results:** Pursuant to Regulation 33 of the Listing Regulations, the Company furnishes the quarterly un-audited as well as annual audited Financial Results, through online filings to the Stock exchanges where the equity shares of the Company are listed *i.e.* BSE & NSE and also to the London Stock Exchange, where the GDR's of the Company are listed. Such information has also been simultaneously displayed in the 'Investor Information' section on the Company's corporate website *i.e.* http://www.dishd2h.com

Quarterly and Annual financial results including other statutory information are also published in an English daily *viz.* 'Business Standard' and in a vernacular language newspaper *viz.* 'Navshakti'/'Lakshadeep'.

**Presentations to Institutional Investors/Analysts:** Official press releases and presentations made to institutional investors or to the analysts are displayed on Company's corporate website *i.e.* http://www.dishd2h.com

**Website:** Pursuant to Regulation 46 of the Listing Regulations, the Company's website *i.e.* http://www.dishd2h.com contains a dedicated functional segment called 'Investor information' where all the information needed by shareholders is available including information on Directors, Shareholding Pattern, Quarterly Reports, Financial Results, Annual Reports, Credit Rating, Press Releases and various policies of the Company.

**Annual Report:** Annual Report of the Company is also available on the website of the Company for download. Further, the Management Discussion and Analysis (MDA) Report, highlighting operations, business performance, financial and other important aspects of the Company's functioning, forms an integral part of the Annual Report.

**Chairman's Speech:** The Chairman's Speech forms part of the Annual Report and is also placed on the Company's website *i.e.* https://www.dishd2h.com/chairmans-message/

**Investor Conference Calls:** Every quarter, post the announcement of financial results, conference calls are held with Institutional Investors and Analysts. These calls are addressed by the Chairman & Managing Director, CEO, CFO and Head Investor Relations. Transcripts of the calls are also posted on the website of the Company.

**NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre:** Your Company regularly uploads all the information related to its financial results, periodical filings like shareholding pattern, corporate governance report and other communications on the online portal NEAPS (National Electronic Application Processing System), a web based filing system designed by the National Stock Exchange (NSE) and BSE's Listing Centre, a web based application designated for corporate by BSE Limited.

**London Stock Exchange:** Listing of Company's GDRs on London Stock Exchange was made, consequent to issue of GDR's pursuant to the Scheme of Arrangement for Amalgamation of Videocon D2H Limited ("VDL") into and with

Dish TV India Limited ("Company"). Your Company uploads all the necessary information required to be disclosed to the holders of GDRs, through online filing system on London Stock Exchange.

**GENERAL SHAREHOLDER INFORMATION**

This section *inter alia* provides information pertaining to the Company, its shareholding pattern, means of dissemination of information, share price movements and such other information in terms of Listing Regulations relating to Corporate Governance.

**A. Annual General Meeting**

| | | |
|---|---|---|
| Date & Day | : | Tuesday, the 29th day of September, 2020 |
| Venue | : | AGM will be held through video conferencing (VC) or other audio-visual means (OAVM). |
| Time | : | 11.00 A.M. (IST) |
| Last date of receipt of Proxy Form | : | NA |
| Dividend Payment Date | : | NA |

**B. Financial Year : 2019-20**

**C. Financial Calendar**

| For the Financial Year 2019 – 20 | Results were announced on: |
|---|---|
| First quarter ended June 30, 2019 | Tuesday, July 30, 2019 |
| Second quarter and half year ended September 30, 2019 | Thursday, November 14, 2019 |
| Third quarter and nine months ended December 31, 2019 | Wednesday, February 12, 2020 |
| Fourth quarter and year ended March 31, 2020 | Thursday, July 23, 2020 |

**D. Registered Office:**

18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai - 400 013
Tel: 022 - 71061234, Fax: 0120- 4357078, Website: http://www.dishd2h.com
Email: investor@dishd2h.com

**E. Address for Correspondence (Corporate Office):**

FC – 19, Sector 16A, Noida – 201 301 U.P., India
Tel: 0120-5047000, Fax: 0120-4357078
Email: investor@dishd2h.com

**Investor Relation Officer:** Mr. Ranjit Singh
Dish TV India Limited, FC-19, Sector 16A, Noida - 201 301, U.P., India
Tel: 0120-5047000, Fax: 0120-4357078
Email: investor@dishd2h.com

**Exclusive E-Mail ID for Investor Grievances:** The Company has a designated e-mail id for communicating investors' grievances *viz.* investor@dishd2h.com

**F. Listing details of Equity Shares:**

The Equity Shares are at present listed at the following Stock Exchanges in India:

| Name and address of the Stock Exchanges | Stock Code / Symbol (Fully Paid Shares) |
|---|---|
| National Stock Exchange of India Limited (NSE)<br>*Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051* | DISHTV |
| BSE Limited (BSE)<br>*Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001* | 532839 |

**International Securities Identification Number (ISIN) with Depositories** *viz.* **NSDL / CDSL for the Company's equity shares: INE836F01026** (Equity shares of ₹ 1 each, fully paid up)

## G. GDRs Details

Pursuant to the Scheme of Arrangement for amalgamation of Videocon D2H Limited and Dish TV India Limited, the Board at its meeting held on March 26, 2018, approved the issuance of 277,095,615 Global Depositary Receipts (the "GDRs") to the holders of American Depositary Shares ("ADSs") of Videocon d2h Limited (each GDR representing one equity share of the Company, exchanged at a rate of approximately 8.07331699 new GDRs for every one Videocon d2h Limited ADS (rounded off up to eight decimal places).

The effective date of issuance of GDRs was April 12, 2018, and the said GDRs were listed on the Professional Securities Market ("PSM") of the London Stock Exchange on April 13, 2018. The underlying shares against each of the GDRs were issued in the name of the Depository *viz.* Deutsche Bank Trust Company Americas.

The detail of the GDR's as on date is as under:

| | |
|---|---|
| **Listed at** | London Stock Exchange plc.<br>10 Paternoster Square, London, EC4M 7LS |
| **Overseas Depository** | Deutsche Bank Trust Company Americas<br>Trust & Securities Services<br>Global Equity Services - Depositary Receipts<br>60 Wall Street, MS NYC60-2727, New York, NY 10005 |
| **Domestic Custodian** | ICICI Bank Ltd.<br>Securities Markets Services<br>Empire Complex, 1st Floor, 414, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, India |
| **ISIN Code / Trading Code** | US25471A4013 |
| **SEDOL** | BFNNC15 |

**Market Data relating to GDRs Listed on London Stock Exchange:**

| London Stock Exchange (figures in USD) | | | | |
|---|---|---|---|---|
| **Month** | **Monthly (High)** | **Monthly (Low)** | **Monthly (Average)** | **Monthly (Closing)** |
| Apr-2019 | $0.53 | $0.47 | $0.48 | $0.49 |
| May-2019 | $0.48 | $0.36 | $0.36 | $0.40 |
| Jun-2019 | $0.40 | $0.33 | $0.36 | $0.37 |
| Jul-2019 | $0.45 | $0.35 | $0.43 | $0.43 |
| Aug-2019 | $0.33 | $0.25 | $0.28 | $0.28 |
| Sep-2019 | $0.29 | $0.23 | $0.23 | $0.23 |
| Oct-2019 | $0.21 | $0.11 | $0.13 | $0.13 |
| Nov-2019 | $0.20 | $0.14 | $0.17 | $0.17 |
| Dec-2019 | $0.19 | $0.10 | $0.10 | $0.10 |
| Jan-2020 | $0.16 | $0.12 | $0.13 | $0.13 |
| Feb-2020 | $0.16 | $0.12 | $0.13 | $0.13 |
| Mar-2020 | $0.13 | $0.13 | $0.13 | $0.13 |

**H. Listing Fee:**

Company has paid the Annual Listing fees for the Financial Year 2020-21 to the stock exchanges in India where the Equity shares of the Company are listed (*viz.* NSE & BSE). The Company has also paid necessary fees in relation to the GDR's of the Company listed on London Stock Exchange.

**I. Custodial Fees to Depositories:**

The Company has paid custodial fees for the Financial Year 2020-21 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories of the Company.

**J. Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:**

In terms of the Scheme of arrangement, the Board at its meeting held on March 26, 2018, approved the issuance of 277,095,615 Global Depositary Receipts (the "GDRs") to the holders of American Depositary Shares ("ADSs") of Videocon d2h Limited (each GDR representing one equity share of the Company). The effective date of issuance of GDRs was April 12, 2018, and the said GDR's are listed on the Professional Securities Market ("PSM") of the London Stock Exchange on April 13, 2018. The underlying shares against each of the GDR's have been issued in the name of the Depository *viz.* Deutsche Bank Trust Company Americas. Accordingly, out of the total 277,095,615 GDRs issued by the Company upon completion of merger, the Investors have cancelled 162,357,687 GDRs in exchange for underlying equity shares of the Company. Accordingly as on March 31, 2020 the outstanding GDRs of the Company are 114,737,928. However, there shall be no impact on the equity share capital of the Company upon cancellation of the GDRs, since the underlying shares have been issued to the Depository.

**K. Corporate Identity Number (CIN) of the Company : L51909MH1988PLC287553**

**L. Registrar & Share Transfer Agent:**

Shareholders may correspond with the Registrar & Share Transfer Agent at the following address for all matters related to transfer/dematerialization of shares and any other query relating to Equity shares of your Company:

**Link Intime India Private Limited**
Unit: Dish TV India Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli West, Mumbai - 400 083
Tel: 022 49186270 Fax : 022 49186060
E-mail: rnt.helpdesk@linkintime.co.in

**M. PAN & Change of Address**

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding equity shares in physical form are requested to submit their PAN, notify the change of address, if any, including e-mail address/dividend mandate, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above. Members holding equity shares in dematerialized form can submit their PAN, notify the change of address including e-mail address/dividend mandate, if any, to their respective Depository Participant (DP).

**N. Service of Documents through E-mail**

Your Company will be sending the Notice and Annual Report for the Financial Year 2019-20 in electronic form to the members whose e-mail address have been made available to the Company/Depository Participant(s). For members who have not registered their email addresses, Members holding shares in electronic form but who have not registered their e-mail address (including those who wish to change their already registered e-mail id) with their DP and members holding shares in physical form are requested to register their e-mail address with their DP/Company, as the case may be, by following the process as provided in the Notes forming part of the Notice.

**O. E-Voting Facility**

In compliance with Section 108 of the Act and Regulation 44 of the Listing Regulations, your Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice of Annual General Meeting, using the e-voting platform of NSDL. The instructions for E-Voting have been provided in the Notice of Annual General Meeting.

**P. Shareholders' Correspondence/Complaint Resolution**

We promptly reply to all communications received from the shareholders. All correspondence may be addressed to the Registrar & Share Transfer Agent at the address given above or the Company. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Investor Relation Officer at the address given above.

**SCORES (SEBI Complaints Redress System):** The Investors' complaints are also being resolved by your Company through the Centralized Web Base Complaint Redressal System 'SCORES' (SEBI Complaints Redress System) initiated by Securities and Exchange Board of India (SEBI). The salient features of SCORES are availability of centralized data base of the complaints, uploading online Action Taken Reports (ATRs) by the Company. Through SCORES the investors can view online, the actions taken and current status of the complaints.

**Q. Share Transfer System**

Requests for physical transfer and/or for dematerialization of Equity Shares received by the Company and/or its Registrar are generally registered and returned within a period of 15 days from the date of receipt of completed and validly executed documents.

Effective April 1, 2019, SEBI has amended Regulation 40 of the Listing regulations, which deals with Transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form. However, the transfer deed(s) lodged prior to the 1st April deadline and returned due to deficiency in the document, may be re-lodged for transfer even after the deadline of April 1, 2019 with the Registrar and Share transfer Agent of the Company.

As per the requirement in Regulation 7(3) of the Listing Regulations, certificate on half yearly basis confirming due compliance of share transfer formalities by the Company, as received from the Practicing Company Secretary was submitted to the Stock Exchanges within stipulated time.

Pursuant to Regulation 13(2) of the Listing Regulations, a statement on the pending investor complaints is filed with the stock exchanges and placed before the Board on a quarterly basis.

Reconciliation of Share Capital Audits were also carried out by the practicing Company Secretary to reconcile the total admitted capital with NSDL and CDSL. The reports for the same were submitted to BSE and NSE. The audit confirms that the total issued / paid up and listed capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

Pursuant to Regulation 40(9) of the Listing Regulations, a Company Secretary-in-Practice certificate is filed with the stock exchanges within one month from the end of each half of the financial year, certifying that all certificates are issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies.

**R. Unclaimed Shares/Dividend**

Details in respect of the physical shares, which were issued by the Company from time to time, and lying in the unclaimed suspense account as on March 31, 2020, is as under:

| Description | No. of shareholders | No. of Equity Shares |
|---|---|---|
| Aggregate number of shareholders and the outstanding shares in the suspense account as at April 1, 2019 | 121 | 63,622 |
| Fresh undelivered cases during the financial year 2019-20 | - | - |
| Number of shareholders who approached the Company for transfer of shares from suspense account till March 31, 2020 | 2 | 1,725 |
| Number of shareholders to whom shares were transferred from the Suspense account till March 31, 2020 | 2 | 1,725 |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2020 | 119 | 61,897 |

The voting rights on the shares outstanding in the unclaimed suspense account as on March 31, 2020 shall remain frozen till the rightful owner of such shares claims the shares.

Further, the Interim Dividend declared by the Company which remains unpaid or unclaimed, has been transferred by the Company to "Dish TV India Limited – unpaid Interim Dividend FY 2018-19" account and will be due for transfer to the Investor Education and Protection Fund on completion of seven years.

**S. Transfer to Investor Education and Protection Fund**

As per Section 125(2) of the Act, the Companies are required to credit to the IEPF Fund any amount provided under clauses (a) to (n), within a period of thirty days of such amount becoming due to be credited to the fund. During the Financial Year 2019-20 Company was not required to deposit any amount to the Investor Education and Protection Fund.

**T. Credit Rating**

During the Financial Year under review, CARE (Credit Analysis and Research Limited), a Credit rating agency had assigned CARE D (Single D) for Short Term Bank Facilities of the Company. CARE had revised the said rating from CARE A4+ (CARE A four plus) for Short Term Bank Facilities of the Company, in the month of December 2019. CARE has revised the rating, basis the recent developments including operational and financial performance of the Company for FY20 (Abridged) and the observation of the credit rating agency regarding removal of support of Essel group built into the ratings due to the weakened financial flexibility at the Essel group level. Instruments with this rating are considered to be in default or are expected to be in default.

Further, CARE (Credit Analysis and Research Limited), *vide* its letter dated August 24, 2020, has upgraded the rating from CARE D (CARE Single D) to CARE A4 (A four) for Short Term Bank Facilities of the Company. CARE has enhanced the rating, basis the recent developments including operational and financial performance of the Company for FY20 (Abridged). Instruments with this rating are considered to have minimal degree of safety regarding timely repayment of financial obligation.

**U. Foreign Exchange Risk and Hedging Activities**

There is no Commodity Risk and hedging activities. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2018/0000000141 dated November 15, 2018.

Details relating to Foreign Exchange Risk / Exposure are given in Note No. 51B(e) to the Financial Statements.

Some of the Company's transactions 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 optimization and risk mitigation.

**V. Compliance with Secretarial Standards**

The Company has complied with all the provisions of Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government.

**W. Investor Safeguards:**

In order to serve you better and enable you to avoid risks while dealing in securities, you are requested to follow the general safeguards as detailed hereunder:

- **Dematerialize your Shares**

  Members are requested to convert their physical holding to demat/electronic form through any of the nearest Depository Participants (DPs) to avoid the hassles involved in the physical shares such as possibility of loss, mutilation etc., and also to ensure safe and speedy transaction in securities.

- **Consolidate your multiple folios**

  Members are requested to consolidate their shareholding held under multiple folios to save them from the burden of receiving multiple communications.

- **Register Nomination**

  To help your successors get the share transmitted in their favor, please register your nomination. Member(s) desirous of availing this facility may submit nomination in Form SH-13. Member(s) holding shares in dematerialized form are requested to register their nominations directly with their respective DPs.

- **Prevention of frauds**

  We urge you to exercise due diligence and notify us of any change in address/stay in abroad or demise of any shareholder as soon as possible. Do not leave your demat account dormant for long. Periodic statement of holding should be obtained from the concerned DP and holding should be verified.

- **Confidentiality of Security Details**

  Do not disclose your Folio No./DP ID/Client ID to an unknown person. Do not hand-over signed blank transfer deeds/delivery instruction slip to any unknown person.

**X. Dematerialization of Equity Shares & Liquidity**

To facilitate trading in demat form, there are two Depositories *i.e.* National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreements with both these Depositories. The Shareholders can open account with any of the Depository Participant registered with any of these two Depositories.

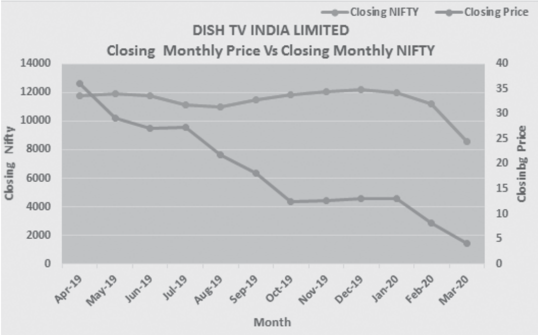
As on March 31, 2020, 99.98% of the equity shares of the Company are in the dematerialized form. Entire Shareholding of the Promoter's in the Company are held in dematerialized form. The equity shares of the Company are frequently traded at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

## Y. Stock Market Data Relating to Shares Listed in India

**a)** The monthly high and low prices and volumes of Company's fully paid up equity shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the period April 2019 to March 2020 are as under:

| Month | NSE | | | BSE | | |
|---|---|---|---|---|---|---|
| | High (In ₹) | Low (In ₹) | Volume of Shares Traded | High (In ₹) | Low (In ₹) | Volume of Shares Traded |
| April 2019 | 41.45 | 34.40 | 35,50,83,859 | 41.40 | 34.45 | 2,61,14,390 |
| May 2019 | 37.05 | 26.90 | 46,92,54,778 | 37.05 | 26.80 | 5,61,83,260 |
| June 2019 | 31.65 | 24.35 | 42,25,50,710 | 31.55 | 24.40 | 3,25,80,597 |
| July 2019 | 34.80 | 25.60 | 84,71,43,991 | 34.80 | 25.60 | 6,85,35,352 |
| August 2019 | 27.40 | 21.15 | 56,91,70,351 | 27.40 | 21.20 | 3,91,24,397 |
| September 2019 | 24.40 | 16.05 | 64,40,26,287 | 24.30 | 16.05 | 4,32,33,864 |
| October2019 | 18.80 | 10.40 | 73,68,40,284 | 18.70 | 10.35 | 4,04,32,227 |
| November 2019 | 19.50 | 11.45 | 1,48,40,89,185 | 19.38 | 11.35 | 10,65,46,992 |
| December 2019 | 15.00 | 11.40 | 1,42,82,71,666 | 15.00 | 11.36 | 11,63,60,159 |
| January 2020 | 15.20 | 11.45 | 89,44,30,238 | 15.18 | 11.44 | 8,70,17,714 |
| February 2020 | 13.20 | 8.10 | 15,54,21,412 | 13.19 | 8.1 | 1,74,18,188 |
| March 2020 | 8.85 | 4.05 | 13,87,50,371 | 8.87 | 4.03 | 2,52,82,017 |

**b) Relative performance of Dish TV India Limited Shares (fully paid) v/s BSE Sensex & Nifty Index**


**c) Distribution of Shareholding as on March 31, 2020 (Consolidated)**

| No. of Equity Shares | Share holders | | No. of Shares | |
|---|---|---|---|---|
| | Numbers | % of Holders | Number | % of Shares |
| Upto 5000 | 190,736 | 97.62 | 67,764,272 | 3.68 |
| 5001 – 10000 | 2,446 | 1.25 | 18,355,501 | 1.00 |
| 10001 - 20000 | 1,102 | 0.56 | 15,979,121 | 0.88 |
| 20001 – 30000 | 347 | 0.19 | 8,683,148 | 0.47 |
| 30001 – 40000 | 163 | 0.08 | 5,794,488 | 0.31 |
| 40001 - 50000 | 117 | 0.06 | 5,413,680 | 0.29 |
| 50001 – 100000 | 181 | 0.09 | 13,138,326 | 0.71 |
| 100001 and above | 294 | 0.15 | 1,706,158,978 | 92.66 |
| **Total** | **195,386** | **100.00** | **1,841,287,514** | **100.00** |

d) **Top 10 Public Equity Shareholders as on March 31, 2020**

| S. No. | Name of Shareholder | No. of Shares held | % of shareholding |
|---|---|---|---|
| 1. | Deutsche Bank Trust Company Americas | 114,737,928 | 6.23 |
| 2. | East Bridge Capital Master Fund I Ltd | 50,682,025 | 2.75 |
| 3. | Direct Media Solutions LLP | 44,690,000 | 2.43 |
| 4. | Sunil Kant Munjal | 32,000,000 | 1.74 |
| 5. | Blue Diamond Properties Pvt Ltd | 30,352,176 | 1.65 |
| 6. | Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Fund | 29,343,636 | 1.59 |
| 7. | Ashish Dhawan | 28,957,491 | 1.57 |
| 8. | BNP Paribas Arbitrage | 28,475,310 | 1.55 |
| 9. | Ellipsis Partners LLC | 18,000,000 | 0.98 |
| 10. | Jay Properties Private Ltd. | 16,061,278 | 0.87 |
| **Total** | | **393,299,844** | **21.36** |

*Note: Shares held in multiple accounts having same PAN are consolidated for the purpose of this disclosure*

e) **Promoter Shareholding as on March 31, 2020**

| S No. | Name of Shareholder | No. of Shares held | % of shareholding |
|---|---|---|---|
| 1 | Agrani Holdings (Mauritius) Ltd | 35,172,125 | 1.91 |
| 2 | Direct Media Distribution Ventures Private Limited | 360,858,748 | 19.60 |
| 3 | Jawahar Lal Goel | 176,800 | 0.01 |
| 4 | Jai Goel | 5,100 | 0.00 |
| 5 | JSGG Infra Developers LLP | 27,009,675 | 1.47 |
| 6 | Nishi Goel | 11,000 | 0.00 |
| 7 | Priti Goel | 11,000 | 0.00 |
| 8 | Suryansh Goel | 5,100 | 0.00 |
| 9 | Sushila Devi | 585,750 | 0.03 |
| 10 | Veena Investments Pvt. Ltd. | 78,113,721 | 4.24 |
| 11 | World Crest Advisors LLP | 502,605,389 | 27.30 |
| **Total** | | **1,004,554,408** | **54.56** |

f) **Categories of Shareholders as on March 31, 2020**

| Category | No. of shares held | % of shareholding |
|---|---|---|
| Promoters | 1,004,554,408 | 54.56 |
| Individuals/HUF | 233,522,667 | 12.68 |
| Domestic/Central Government Companies | 198,484,456 | 10.78 |
| FIs, Mutual funds, Trust, Banks, Insurance Companies, Employee Trust & NBFCs | 45,339,899 | 2.46 |
| FIIs, OCBs,Trusts, NRI & other foreign entities | 343,232,642 | 18.64 |
| Clearing Members | 16,153,442 | 0.88 |
| **Total** | **1,841,287,514** | **100.00** |

**DISCLOSURES:**

**(a) Related Party Transactions**

All transactions entered into by the Company with related parties during the financial year 2019-20 were in ordinary course of business and on arms-length basis. During the Financial year 2019-20 there were no materially significant related party transactions *i.e.* transactions material in nature, between the Company and the Related Parties including its Promoters, Directors or Key Managerial Personnel or their relatives etc. having any potential conflict with interests of the Company at large.

The related party transactions undertaken by the Company during the year under review were in compliance with the applicable provisions of the Act and Listing Regulations. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of the Annual Report. Pursuant to the applicable provisions and the provision of the Related Party Transaction Policy of the Company, all the relevant details of the Related Party Transactions are placed before the Audit Committee and the Board on Quarterly and Annual Basis. All ongoing related party transactions along with the estimated transaction value and terms thereof are approved by the Audit Committee and there after reviewed on quarterly basis by the Audit Committee.

In compliance with the requirements of Regulation 23 of the Listing Regulations, the Board of the Company has approved a Related Party Transaction Policy, to facilitate management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company, which is in compliance with all the applicable provisions of law including the provisions of the Act. The Board of the Company at its meeting held on February 12, 2020 revised the policy on Related Party Transactions which is effective from April 1, 2019, the said Policy is also available on the Company's website and is accessible at http://dishd2h.com/corporate-governance/

**(b) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority**

There has not been any non-compliance by the Company and no penalties or strictures have been imposed / passed by SEBI or Stock Exchanges or any other statutory authority on any matter relating to capital markets, during the last three years.

The securities of the Company have not been suspended for trading at any point of time during the year and the Company has duly complied with corporate governance requirements as specified under Regulations 17 to 27 and clause (b) to (i) of Regulation 46 (2) of the Listing Regulations.

Quarterly reports on compliance with Corporate Governance as per Regulation 27 of the Listing Regulations were duly filed with the stock exchanges within the stipulated time and same are also available on website of the Company at http://www.dishd2h.com/regulatory-filings/

**(c) Whistle Blower and Vigil Mechanism Policy**

The Company promotes ethical behavior in all its business activities and accordingly in terms of Section 177 of the Act and Regulation 22 of the Listing Regulations, Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the Employees and Directors to raise and report concerns about unethical behavior, actual or suspected fraud of any Director and/or Employee of the Company or any violation of the Code of Conduct. This Policy safeguards whistleblowers from reprisals or victimization. Further during the year under review, no case was reported under the Vigil Mechanism. In terms of the said policy, no personnel has been denied access to the Audit Committee of the Board.

The policy was revised by the Board at its meeting held on March 26, 2019 and is effective from April 1, 2019. The Policy is also available on the Company's website and is accessible at http://dishd2h.com/corporate-governance/

**(d) Policy 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) Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations – which regulates and monitors trading by Insiders and reporting thereof; and (ii) Policy for Fair Disclosure of Unpublished Price Sensitive Information – which lays down guidelines which provide for the procedure to be followed and disclosures whilst dealing with shares of the Company.

Further, the Company has complied with the standardised reporting of violations related to code of conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also put in place the institutional mechanism for prevention of insider trading along with policy for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information.

In line with the amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company's code for prevention of Insider Trading and the Policy on Fair Disclosure of Unpublished Price Sensitive Information was revised by the Board at its meeting held on March 26, 2019 and thereafter further revised vide resolution dated April 3, 2019.

Mr. Ranjit Singh, Company Secretary and Compliance Officer of the Company is Compliance officer for the purposes of Insider Trading Code, while Mr. Rajeev Kumar Dalmia, Chief Financial Officer of the Company has been appointed as Chief Investor Relations Officer for the purpose of the Policy on Fair Disclosure of Unpublished Price Sensitive Information. The said code and Policy is also available on the Company's website and is accessible at http://dishd2h.com/corporate-governance/

**(e) Policy for determining Material Subsidiaries**

In compliance with the requirements of Regulation 16 (1)(c)of the Listing Regulations, the Board 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 Audit Committee reviews the financial statements including investments by the subsidiaries. The said Policy was revised by the Board at its meeting held on February 12, 2020 which is effective from April 1, 2019, and is also available on the Company's website and is accessible at http://dishd2h.com/corporate-governance/

**(f) Risk Management**

Your Company has put in place procedures and guidelines to inform the Board members about the risk assessment and minimization procedures. Such procedures are periodically reviewed in light of industry dynamics to ensure that executive management controls risk through means of a properly defined framework.

The Company has in place a risk management policy and the same is periodically reviewed by the Board. The Risk Management and Internal Control is discussed in detail in the Management Discussion and Analysis that forms part of this Annual Report.

**(g) Proceeds from public issues, rights issues, preferential issues etc.**

As per the disclosure requirements under Regulation 32 of Listing Regulations, the utilization of Rights Issue proceeds is placed before the Board and Audit Committee on quarterly and annual basis. The utilization of Right issue proceeds is duly certified by the Statutory Auditors on Annual basis.

**(h) Dividend Distribution Policy**

In line with the requirements of the Listing Regulations, the Board has approved and adopted a Dividend Distribution Policy. The Dividend Distribution Policy is available on the website of the Company and can be accessed at http://www.dishd2h.com/corporate-governance/

**(i) Other Policies**

Apart from the above policies, the Board has in accordance with the requirements of Act and the Listing Regulations, approved and adopted policy for Determining Material Events, Policy for Preservation of

Documents & Archival of Records, Corporate Social Responsibility Policy etc. The required policies can be viewed on Company's Website at http://www.dishd2h.com/corporate-governance/

**(j) Certificate from Company Secretary in Practice**

Your Board has obtained a certificate from a Company Secretary in practice Mr. Jayant Gupta (CP:9738), proprietor of M/s Jayant Gupta and Associates, Company Secretaries, that none of the Directors have been debarred or disqualified from being appointed or continuing as Directors by SEBI/ Ministry of Corporate Affairs or Ministry of Information & Broadcasting or any such statutory authority. The same is annexed to this report.

**(k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part**

During the year under review, the Statutory Auditors of the Company M/s. Walker Chandiok & Co LLP, Chartered Accountants were paid an aggregate remuneration of ₹ 140 Lakhs (including Statutory Audit and Limited Review Fees of ₹ 105 Lakhs).

The Statutory Auditors and its network firms provided no other services to the Company and its subsidiaries during the year. Particulars of payments made to the Statutory Auditors (excluding taxes) are given below.

| Particulars | Amount (In ₹ Lakhs) |
|---|---:|
| Statutory Audit and Limited Review of Quarterly Results | 105.00 |
| Other Services including Certifications | 35.00 |
| **Total** | **140.00** |

**(l) Sexual Harassment**

The Company has zero tolerance for Sexual Harassment at workplace. The company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted Internal Complaint(s) Committee functioning at various locations to redress complaints regarding sexual harassment and has adopted a Policy on prevention of Sexual Harassment in line with the provisions of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013'. During the year under review, no complaint was received by the Company.

## COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and applicable requirements of Regulation 46 of the Listing Regulations, as amended. The status of compliance with non-mandatory requirements of the Listing Regulations are as detailed hereunder:

- **Internal Auditor –** The Internal Auditor reports directly to the Audit Committee and make comprehensive presentations at the Audit Committee meeting on the Internal Audit Report.

## MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on Management discussion and analysis is provided separately as a part of this Annual Report.

## CERTIFICATION ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Certificate from Practicing Company Secretary confirming compliance with conditions of Corporate Governance as stipulated in Listing Regulations is annexed to this Annual Report.

## CEO/ CFO CERTIFICATION

In terms of the provisions of Regulation 17 (8) of the Listing Regulations, the certification on the financial statements of the Company, as certified by the Chief Executive Officer and Chief Financial Officer of your Company is annexed to this Annual Report.

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**
**(Pursuant to Clause 10 of Part C of Schedule V of LODR)**

Pursuant to sub clause (i) of Clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Directors of DISH TV INDIA LIMITED, I hereby certify that:

To the best of my information and according to the explanations given to me by the management, and the written representations/declarations made by the Directors and taken on record by the Board of Directors, as on 31st March, 2020, none of the directors on the Board of Directors of DISH TV INDIA LIMITED has been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI /Ministry of Corporate Affairs or any such statutory authority.

For **Jayant Gupta and Associates**
**Company Secretaries**

**Jayant Gupta**
**Practicing Company Secretary**
**FCS : 7288**
**CP : 9738**
**PR : 759/2020**
**UDIN : F007288B000378901**

Place : Ghaziabad, Uttar Pradesh
Date : June 25, 2020

**CERTIFICATION PURSUANT TO REGULATION 17(8) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We, Anil Kumar Dua, Executive Director and Group Chief Executive Officer and Rajeev Kumar Dalmia, Chief Financial Officer of Dish TV India Limited ('the Company') do hereby certify to the board that:-

a. We have reviewed Financial Statements and the Cash Flow Statement of the company for the year ended March 31, 2020 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affair and are in compliance with existing Accounting Standards, applicable laws and regulations.

b. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2020 are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which that are aware and the steps they have taken or propose to take to rectify these deficiencies.

d. During the year:-

   - there have not been any significant changes in internal control over financial reporting;
   - there have not been any significant changes in accounting policies; and
   - there have been no instances of significant fraud of which we are aware that involve management or other employees have significant role in the Company's internal control system over financial reporting.

**Anil Kumar Dua**
Executive Director &
Group Chief Executive Officer

**Rajeev K Dalmia**
Chief Financial Officer

Place: Noida
Date: July 23, 2020

## PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members
Dish TV India Limited
18th Floor, A-Wing, Marathon Futurex,
N M Joshi Marg, Lower Parel,
Mumbai – 400013, Maharashtra

**1.** This report contains details of compliance of conditions of corporate governance by Dish TV India Limited ('the Company') for the year ended March 31, 2020, as stipulated in Regulations 17 to 27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('Listing Regulations').

**Management's Responsibility for compliance with the conditions of Listing Regulations**

**2.** The compliance with the terms and conditions contained in the Corporate Governance, including the preparation and maintenance of all relevant supporting records and documents, is the responsibility of the management of the Company.

**Practicing Company Secretary's Responsibility**

**3.** The examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

**4.** Pursuant to the requirements of the Listing Regulations, it is my responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended March 31, 2020.

**Opinion**

**5.** In my opinion, and to the best of my information and according to explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

**6.** I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use**

**7.** The certificate is addressed and provided to the Members of the Company solely for the purpose to enable the Company to comply with the requirements of the Listing Regulations, and the same shall not be used by any other person or for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without my prior consent in writing.

For **Jayant Gupta and Associates**

**(Jayant Gupta)**
**Practicing Company Secretary**
**FCS : 7288**
**CP : 9738**
**PR : 759/2020**
**UDIN : F007288B000648588**

Place : New Delhi
Date : September 2, 2020

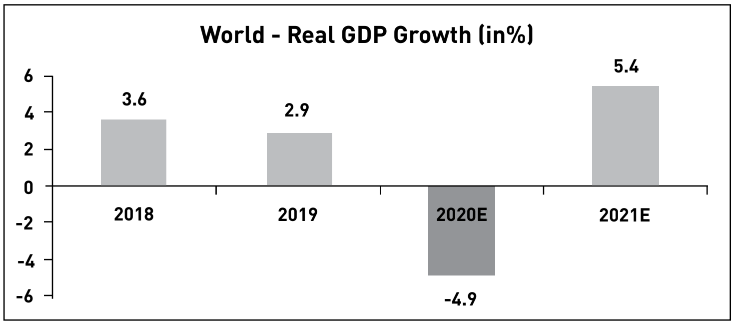
# MANAGEMENT DISCUSSION AND ANALYSIS

## ECONOMY OVERVIEW

### Global Economy

The global economy growth was weak but stabilizing until the coronavirus (COVID-19) pandemic hit the world. The outbreak of COVID-19 pandemic in early 2020 has spread with alarming pace, infecting millions and has crippled the economic activity across the world due to continued lockdowns by all the countries. The International Monetary Fund (IMF) has projected global growth to decline to 4.9% in 2020 that will mark the steepest downturn since global financial crisis in 2009.

To combat the economic disruption caused by COVID-19, Central banks and monetary authorities in developed and emerging market economies have engaged in an ongoing series of interventions in financial markets and national governments have adopted an array of fiscal policy initiatives to stimulate their economies. Major economies of the world are also engaged in mitigating the adverse impact of the Pandemic and have taken various initiatives to ease the impact of the Pandemic and strengthen the economies. As per IMF, the global economy is expected to witness a rebound in 2021. However, the economy is still exposed to re-escalation of US-China frictions and a global credit crunch. Further the growth prospects would depend on many factors, including containment period for COVID-19, the duration of any shutdowns, the impact on business activities, and the implementation of fiscal and monetary policy support.




*Source: IMF Report – June 2020*

### Indian Economy

The Indian economy had been facing tough situation over the past year due to cyclical factors. Investment and consumption demand had been languishing however a number of stimulus measures have been taken by the Government to bring back the economy on a growth path. COVID-19 outbreak has raised fresh challenges for the Indian economy, causing severe disruptive impact on both demand and supply side elements. As per the provisional estimates of Central Statistics Organisation (CSO), the growth of India's real GDP during FY20 is estimated at 4.2%, as compared to 6.1% in FY19.

Despite near-term volatility, the Indian economy is expected to recover faster and resume its growth trajectory on the back of digitization, globalization, favourable demographics, the Government's structural reforms and fiscal stimulus packages. To support the economy, the Reserve Bank of India (RBI) has eased monetary policy by cutting policy rates and providing liquidity through long-term repo operations. On the fiscal front, the government had implemented economic stimulus package named as 'the Atmanirbhar Bharat Abhiyan' of 20 trillion, which represents roughly 10% of the Indian GDP. This was aimed at infusing credit flow into the severely impacted sectors and to create a multiplier effect on the economy. The package includes a series of relief measures, guarantees, relaxations and liquidity infusions primarily focusing on four themes – MSMEs, rural economy, liquidity support and long-lasting policy reforms. The package included wider section of the community specially farmers, youths, MSME and vulnerable section of the society. However, in a rapidly evolving environment, the shape of economic recovery could differ depending on the intensity and duration of the pandemic, the extent of global slump and further domestic policy support.

## INDUSTRY OVERVIEW

### Indian Media and Entertainment (M&E) Sector

The Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand, increasing digitalisation and improving advertising revenues. According to FICCI EY report - 'The era of consumer A.R.T. – Acquisition Retention and Transaction', the Indian M&E sector grew 9% over 2018 to reach ₹ 1.82 trillion (US$25.7 billion) in 2019. The growth was mainly driven by increase in quantum of content produced, rise in content consumption on improving digital infrastructure and increase in per capita income. Backed by exponential progress expected due to digital accessibility and adoption, the M&E industry is expected to grow at a CAGR of 10% over 2019-2022 to reach ₹ 2.42 trillion (US$34 billion) by 2022.

The growing subscription-based business models and India's attractiveness as a content and post production destination are driving the growth of M&E sector in India. While television and print still rules their positions as the two largest segments, digital media overtook filmed entertainment in 2019 to become the third largest segment of the M&E sector in 2019. It is further expected to overtake print by 2021, to become the second largest segment. However the growth of M&E is also a function of growth of GDP and any adverse impact on the economy may affect this sector also.

The M&E industry in India continues to undergo substantial change. The rapid proliferation of mobile access is enabling on-demand, anytime-anywhere content consumption nationwide. The sector firmly turned towards a B2C operating model driven by the ability to create direct-to-customer (D2C) relationships.

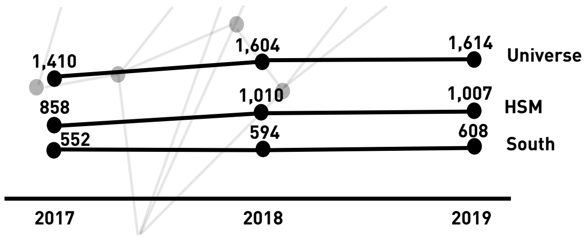
India is among the fastest growing entertainment and media market globally and is expected to keep that momentum. Digitization of the M&E industry has, in many ways, transformed the industry structure. Digital Media increased by 31% in 2019 driven by significant increase in digital subscription by more than two times from 2018 level, as a large section consumed online quality content. Digital advertising revenues grew to command 24% of total advertising spend. Digital video has seen significant rise in terms of consumption. Television industry grew by 6.4% in 2019 led by increase in both advertising and subscription revenues.

### Indian Television (TV) Industry

In 2019, the Indian TV industry grew by 6.4% over 2018 to reach ₹ 788 billion from ₹ 740 billion in 2018. This growth has been aided by continued rise in viewership, which was indeed helped by significant increase in the number of channels, deeper market penetration through regional channels and new genres. The growth was also helped by large-scale events such as IPLs, reality shows, etc.

Overall viewership on TV remained stable in 2019. Regional channels benefited from the New Tariff Order as their consumption increased by over 20% in certain cases. General entertainment and movie channels led with 74% of viewership.

**Viewership on TV (in billion)**




*HSM: Hindi Speaking Markets*
*Source: EY*

Total distribution income or the subscription paid for television in India by viewers increased 7.5% in 2019 to ₹ 468 billion, despite a fall in active paid subscriptions on account of higher ARPUs. The subscription base for traditional unidirectional television services such as Cable, Direct-to-home (DTH), Headend-in-the-Sky (HITS) are expected to keep growing over the next few years owing to higher penetration.

**Connected Devices to drive the growth**

The television sector in India is undergoing a deep restructuring. The connected devices especially have gained traction over the past few years. Connected TV's allows the consumer to access all forms of non-linear web content through a form of remote control. Apart from this, connected TV's supports Ethernet, USB, Wi-Fi, Bluetooth, and flash memory cards from digital cameras and HDMI and other video-audio connections. Total TV subscriptions are expected to increase at a 4% CAGR over 2019-2025 to reach more than 220 million subscribers across 70% of Indian households by 2025. The growth will be majorly driven by increasing subscriptions from connected TVs. The growth in Pay TV such as DTH, HITS etc. will be driven by content innovation and product offerings.

**Emergence of OTT**

Over-the-streaming (OTT) platforms is emerging as a relevant media platform from a niche media platform with a rise in user base on the back of new content. It will act like a snacking and will compliment with the DTH sector. Both taken together will provide comprehensive and variety of program suited to the entire family including youth and old alike.

**Key Regulations**

Television industry in India is regulated by Ministry of Information and Broadcasting ('MIB') and Telecom Regulatory Authority of India ('TRAI'). Licenses and approval are required to be obtained from Ministries to operationalize a channel to be broadcasted in and from India.

In 2019, the TRAI notified New Interconnection Regulations and Tariff Order which holistically aimed at changing the way the entire Broadcast and Distribution Industry operated. Among other changes prescribed in the said notification, the TRAI laid down rules to ensure effective choice to be given to the consumers. Accordingly, from April 2019 the industry has been operating under the new regime.

The new tariff order implementation was a paradigm shift for the industry. The Regulator had modified the ceiling price of a channel for inclusion in a bouquet, number of channels in initial network carriage fees etc.

Recently, TRAI has amended its regulations and notified the Tariff (Second Amendment) Order, 2020, commonly referred to as NTO 2.0, which was to come into force on March 1, 2020. The Order, however, has been challenged in courts and is yet to be implemented completely.

**INDUSTRY OUTLOOK**

The slowdown in the economy owing to the Coronavirus pandemic is expected to impact the overall growth of the M&E industry. During the lockdown period, TV, gaming, digital and OTT platforms are seeing consumption growth as individuals spent higher time at home. On the other hand, outdoor consumption models such as films, events, theme parks, are witnessing a dramatic fall with social distancing norms in place. It also impacted the advertisement revenue but increased consumption of content due to various stages of lockdown resulted in temporary higher revenue for distribution industry.

Since the implementation of the new regulatory framework, the broadcasters and distribution platforms have faced several challenges in past one year. With digital consumption on rise, the TV distribution industry is increasingly realising the importance of focusing on customer needs and are now looking at the digital distribution landscape to ensure relevance in the years to come. Further, the growth in entertainment industry with growing demand for international TV channels and shows is also propelling the growth of Indian broadcasting revenues. Direct-to-home (DTH) subscriptions are growing rapidly with increasing per capita disposable income of the country.

Connected TVs could prove fortuitous for growing long-form video consumption. Although there is much uncertainty in terms of what the future holds there are three factors driving M&E industry dynamics *viz.* competitive landscape, technological change, and shifting customer expectations. With a series of regulatory changes along with disruptions caused by digital technology, massive opportunities are being unleashed in the segment. The price difference between the major OTT content provider and the Television distribution player will always go in favour of Television in mass markets and vulnerable section of the society.

**COMPANY OVERVIEW**

Dish TV India Limited is a leading direct-to-home (DTH) Company with a subscriber base of more than 23 million. The Company owns recognised and powerful brands like "Dish TV", "d2h" and "Zing" under its umbrella. Dish TV, under its three brands, offers a large number of SD and HD Channels to cater to the requirements of the customers spread all across the country in addition to providing various Value Added Services. The Company benefits from multiple satellite platforms including NSS-6, SES-8, GSAT-15 and ST-2. The Company also provides wide range of packages that caters to all segment keeping in mind the needs of various customers such as Dish Maxi Plus, Dish Maxi, Dish Welcome, Dish Freedom Plus, Dish Freedom, Silver Pack, Child Pack, Dish Mini, Dish A La Carte etc.

The Company has a huge distribution network of over 3,800 distributors & around 3,50,000 dealers / recharge outlets that span across 9,400 towns in the country. The Company is also engaging with major digital Fintech Companies for ease of recharge availability and widespread acceptance of such platforms.

**Diverse Product Offerings**

Dish TV offers a wide range of channels to choose from, DTH service network and highly potential OTT platform. The Company has widened its portfolio of offering for its subscribers by launching the range of new age connected devices which would meet the needs of the entire spectrum of subscribers with an unmatched experience.

**Orbit**

During the year, the Company has launched 'Orbit', a new user interface (UI) for the recently launched SMRT & Magic range of connected products for both Dish TV & d2h. 'Orbit' is packed with an array of exciting features which enable a seamless user experience across the plethora of both traditional and online platform. The Company has collaborated with Tata Elxsi for carrying out the enhancements for its connected devices. The new interface will enhance content discovery, presentation, recommendation and navigation.

**Connected Devices**

With an aim to further strengthen the product portfolio, the Company has launched new Android TV 9.0 powered hybrid HD set-top boxes called Dish SMRT Hub and d2h Stream for DishTV and d2h brands respectively. The set-top-box can convert an ordinary TV into an Android powered smart-TV to enable online content, games and smart services through the Google Play store. Built-in Chromecast, it allows users to stream content from any device directly on the big screen without any lag. Available with native support for video content OTT platforms, the integrated Google Assistant converts this box into a smart home hub, enabling users to control their connected devices with a single remote and do a lot more with their TV.

Alexa-enabled smart dongles called Dish SMRT Kit and d2h Magic were also launched. These devices are the first ever Alexa enabled devices for a DTH platform in India and can transform an existing Dish TV set-top-box into an Alexa enabled connected box to access popular OTT apps, 30,000 plus Alexa Skills and smart home functionalities. So, high end functionalities like surfing a wide range of content, getting up-to-date information of their account, setting reminders for their favourite programs, getting recommendations on trending programs, basic trouble shooting and a lot more features are possible with this device. Through these devices, Dish TV has associated with leading players in the OTT and entertainment space like Amazon Prime, Zee5, Sony Liv, You Tube, Eros Now, MX Player, Hungama and Watcho to bring best in class entertainment to its customers. This service will act as enabler for OTT content consumption without the hassle of separate connectivity and will also save cost in the long run.

**Watcho**

Watcho, in-house OTT platform of Dish TV, has displayed exponential growth with regular content updates and partnerships with leading technology platforms like Amazon Fire TV Stick, Huawei App Store, Dish SMRT Hub and Dish SMRT Stick. The platform has received a good response since launch as the users are delighted with the seamless experience of watching new-age and bite-sized video content. We have already seen download of more than 10 million and it is ever increasing due to veracity of content and short films suited for on-go entertainment.

**Value Added Services**

The Company also offers value added service 'Shorts TV Active' in partnership with ShortsTV, the world's only TV channel dedicated to short movies. The Company has also introduced regional value added services in the form of 'Punjabi Active' and 'Telugu Active' for its Punjabi and Telugu speaking viewers. Both services offer unique and engaging content including chat shows of top celebrities, behind-the-scenes of new movies, action and comedy scenes, chat shows and songs on both Dish TV and d2h platform.

The Company also launched 'Rangmanch Active', a theatre service dedicated on showcasing plays across genres – from musicals and classics to drama, mystery, comedy and satire, featuring some of the most acclaimed actors from theatre and small screen. 'Ayushmaan Active' was also launched during the year to meet the content needs of senior citizen viewers on both of its brands, Dish TV and d2h. The Company intends to leverage these value added services to drive incremental growth in revenues and boasts of a diverse portfolio catering to varied genres.

**BUSINESS STRENGTH**

- **Leading player:** Dish TV is amongst leading distribution platform in India. The Company has a strong leadership position in the pay TV market and will benefit from ongoing digitization as more viewers likely to opt for the digital viewing experience. The satellite capacity, widespread network of trade partners, comprehensive digital offerings and first mover advantage continue to add feathers in the wings of the Company.

- **Consistent business based on Annuity plans:** The Company's business model is largely based on annual subscriptions, which helps consistent business operations with significant free cash flow potential.

- **Strong foothold in semi-urban and rural areas:** Customer First is one of the core values at Dish TV. The Company is committed to delivering the best TV viewing experience while offering unique content options to its customers. The Company offers customised packages and services as per the customers' requirements, which has led to establish strong market position especially in semi urban and rural areas. The recent upsurge in rural economy will help in increased penetration and improvement in revenue going forward.

- **Large dealer / distributor network:** With a robust sales and distribution network, Dish TV India ensured strong foothold in retail outlets combined with an All India Service Network. The Company continues to expand its distribution footprint and now reaches over 3,800 distributors & around 350,000 dealers / recharge outlets that span across 9,400 towns in the country

- **Multi brand leverage:** The three brands - Dish TV, d2h and Zing have their own geographical strengths. Dish TV has always had a high top of- the-mind consumer brand recall while d2h is having high brand loyalty in trade circles. Zing on the other hand has been the undisputed leader when it comes to having tailor-made packages for regional audiences. The Company leverages its legacy of multi brand portfolio coupled with the legacy, lead in technology and innovation.

- **Watcho – Company's OTT Offering:** Watcho is going from strength to strength in all major genre of youth, social awareness and contemporary thought process. It is aiming to compete with major OTT platforms in India specially in regional language and semi urban areas. The Company is planning to further enrich the content involving stories around nationalism, sports, religion and social mellow drama.

**BUSINESS STRATEGIES**

- **Strong Customer Connect:** Subscriber centricity is at the heart of the Company's business operations The Company is rightly focusing on HD subscribers and will continue to maintain its dominance in the DTH market. Dish TV has established strong customer connect by improving on digitalisation. The Dish TV subscribers can purchase new connections, manage their accounts, recharge, browse for content, use our app to control their set top boxes, schedule services, provide feedback at their own time, place and convenience without any human intervention. The Company is making strategic investments in understanding customer needs and expectations in various phases of digitalisation to further improve services to the customers.
- **Technological Innovation:** Technology being vital to the customer proposition, the Company will continue to invest in new and advanced technologies to enable subscribers to watch content anywhere, anytime. The Company had recently expanded the footprint of Watcho on leading technology platforms like Amazon Fire TV Stick, Dish SMRT Hub and the Dish SMRT stick. The Company is in the process of releasing content in different Indian local languages in OTT platform to reach out to more subscribers.
- **Strategic Partnership and collaboration:** To address the aspirational demand of customers, the Company has tied up with Amazon Prime Video, Amazon Alexa, ShortsTV, Zee5, Hungama Play, Voot, Sony Liv, Alt Balaji and many more.

**OUTLOOK AND OPPORTUNITIES**

Even as the economy and entertainment sector face a slowdown in growth, the DTH category can be expected to perform well during the year. Options of entertainment for subscribers will, by and large, be restricted to those which can be enjoyed from the homes. This provides a tremendous strength and growth opportunities for the Television industry. In addition, increasing TV households, urbanization, growing multi-TV households, rural electrification and an improving consumer sentiment should continue to be primary drivers of DTH growth. A fast growing interest in streamed content should give a major boost to the market for hybrid and connected devises. Dish TV is well on its way to making the most of this opportunity and this will be one of the key focus areas going forward.

Considering the strong subscriber base and the fact that television in its traditional form is not going anywhere, Dish TV and d2h will continue to be the preferred choice of pay –TV subscribers in their respective markets. Watcho, which is Dish TV India's entrant into the OTT ecosystem has the ability to reach both our current subscribers as well as the larger target audience who may not be a Dish TV/ d2h users. It is well poised to reap the growing demand of streamed content. With this offering, the Company expects to gain higher wallet and screen share of not only the present subscribers but also new users across demographics.

**OPERATIONAL PERFORMANCE**

FY20 was a mixed year for Dish TV with both challenges and opportunities due to weak macro-economic situation, an over active monsoon and the novel Coronavirus pandemic. The year began on a solid note with the market having stabilized after the implementation of NTO. The Company continued to add subscribers in the DTH market. In the first half of FY20, subscription revenues were strengthened due to a fantastic cricket season. TV viewership went up significantly due to the general elections, which positively impacted the subscriber additions and revenues. In the last month of the financial year, as the country slipped into a COVID-19 induced lockdown, television became the default fallback option and Dish TV witnessed a surge in renewals and recharges.

## FINANCIAL REVIEW

### Key Consolidated financial highlights

| Particulars (₹ Million) | FY19 | FY20 | % Chg (YoY) |
|---|---|---|---|
| Subscription revenues* | 56,638 | 31,929 | (44%) |
| Marketing, Promotional Fee and Bandwidth Charges | 1,446 | 1,922 | 33% |
| Advertisement income | 1,113 | 552 | (50%) |
| Other Operational income | 2,464 | 1,161 | (53%) |
| Total Revenue from Operations* | 61,661 | 35,563 | (42%) |
| EBIDTA | 20,443 | 21,060 | 3% |
| PBT Before Exceptional Item | 268 | 1,282 | 377% |
| Net Profit | (11,634) | (16,548) | - |

** Net of Content cost*

- Dish TV India recorded revenue of ₹ 35,563 million in FY20 as compared to ₹ 61,661 million in FY19. Due to programming cost being considered a pass-through item in the new tariff regime, subscription Revenue and Total Revenue from Operations for FY20 are not comparable with the corresponding period last year.
- EBIDTA of the Company increased by 3% to ₹ 21,060 million in FY20.
- Depreciation decreased marginally by 1% to ₹ 14,262 million in FY20 as compared to ₹ 14,409 million in FY19.
- Finance costs decreased by 10% to ₹ 5,652 million in FY20 from ₹ 6,287 million in FY19. This is mainly attributed to repayment of borrowings during the year.
- PBT before exceptional item increased significantly by fivefold times to ₹ 1,282 million in FY20 as compared to ₹ 268 million in FY19.
- During the year under review, the Company reported exceptional losses of ₹ 19,155 million in FY20 as against exceptional loss of ₹ 15,625 million in FY19. It comprises of goodwill impairment recognised in respect of d2h cash generating unit (CGU) pursuant to merger of the Company with Videocon d2H Limited.
- Consequently, the Company reported loss at PBT level after exceptional item which stood at ₹ 17,874 million in FY20 as against loss of ₹ 15,357 million in FY19.
- The Company has adopted section 115BAA of the Income Tax Act, 1961 and hence has adjusted the deferred tax assets and liabilities. Additionally MAT credit entitlement has been reversed due to implementation of tax ordinance. Subsequently, the total tax expense in FY20 stood at ₹ – (1,325) million as against ₹ (3,723) million in FY19.
- The Company registered net loss of ₹ 16,548 million in FY20 as against net loss of ₹ 11,634 million in FY19.

### Details of Significant Change in Key Financial Ratios

| Ratios | FY19 | FY20 | Change |
|---|---|---|---|
| Debtors Turnover (x) | 2.07 | 3.63 | 75.38% |
| Inventory Turnover (x) | 0.29 | 0.15 | (48.82%) |
| Interest Coverage Ratio (x) | 5.06 | 7.01 | 38.54% |
| Current Ratio (x) | 0.27 | 0.10 | (64.72%) |
| Debt Equity Ratio (x)* | 0.51 | 0 .47 | (7.02%) |
| Operating Profit Margin (%) | 15.24% | 19.11% | 25.45% |
| Net Profit Margin (%) | (29.38%) | (46.53%) | (58.38%) |
| Return on Networth – RoNW (%) | (21.33%) | (43.57%) | (104.33%) |

** Include Long term borrowings, short term borrowings and current maturities of long term borrowings and accrued Interest if any)*

*Note: All ratios has been rearranged on the basis of FY 20*

- Debtor turnover is higher due to efficiency in collection and constant monitoring and follow of the dues.
- Inventory turnover is lower due to stocking of material in anticipation of higher sale in the new NTO regime.
- Interest coverage ratio is higher due to higher cash availability and lower outstanding debt.
- Current Ratio deteriorated to 0.10x in FY20 from 0.27x in FY19 due to decline in current assets led by decrease in debtors and other financial assets.
- Debt equity ratio has improved on account of repayment of debt during the year.
- Operating margins improved to 19.11% in FY20 from 15.24% in FY19 owing to optimization of cost and cost reduction on account reduced expenses
- The exceptional loss related to impairment of goodwill has impacted the profit before tax which was partially offset by tax reversal adjustments. Consequently net profit as a percentage of net sales deteriorated significantly in FY20.
- Return on Networth (RoNW) decreased to -43.57% in FY20 as compared to -21.33% in FY19. This is largely attributed to decrease in net profit during the year.

**COVID-19 Impact**

Dish TV has continued to operate and provide DTH services to its customer without any disruptions subsequent to the outbreak of Coronavirus (COVID-19) and consequential lock down across the Country. To keep the accounts of subscribers active, the Company extended services by 3 to 5 days without any additional service charges to ensure uninterrupted TV viewing experience even when the due date has passed. The Company also launched 'Friends and Family Recharge', 'Special online recharge' offers and educated subscribers on the different alternate modes of recharges available. Three platform services, Kids Active, Ayushman Active and Fitness Active, which would meet the needs of the entire family were offered on free preview basis for the subscribers. The Company also launched D2H Stay Home Stay safe Stay entertained campaign and exciting contests like d2h Funtertainemnt and d2h Alag Hi Tasveer etc. which saw widespread participation.

The COVID-19 pandemic is having a high impact on Indian businesses and has already caused an unprecedented collapse in economic activities. However, the television consumption spiked to touch highest ever numbers in the history of Indian television. Though the future course of the pandemic is unpredictable, TV as a medium has a significant scope for further penetration in India. Though this will not have impact on television distribution, but if it continues for a longer period of time then it may impact the disposable income, changes in lifestyle, expenses on healthcare, which may impact the ARPU, going forward. Average subscription ticket size and average revenue per user could remain on the lower side as consumers may want to be conservative due to the uncertain environment. However, with consumer sentiment remaining cautious to spend, it could cause migration of subscribers from costlier mediums like IPTV to more pocket-friendly options like DTH and cable TV. Dish TV sees opportunity in this adversity and looks forward to leverage its pan-India reach, strong rural connect, brand strength, OTT platform - Watcho to build resilience and closer connect with consumers. So far the impact of COVID was a mixed bag in terms of revenue, new subscriber addition and availability of recharge facility. The Company's post-COVID operational plan incorporates the touchless way of getting new acquisitions, installations and service.

**RISK AND MITIGATION**

Effective risk management has the potential to minimize the impact of risks and prepare the Company to face challenges and strengthen its processes. The Company is cognizant of the various risks inherent to the business and, hence, has adopted a Risk Management Policy as a part of its Risk Management Framework. The Company has established systems and reporting structures in place as a part of an all-inclusive risk management framework. This framework is aimed at timely identification, evaluation and pre-emption of potential risks. Appropriate risk mitigation measures are established to overcome adverse situations which may arise on account of foreseeable risks. A few inherent risks associated with the Company are discussed herein.

1. **COVID-19 Risk** – The world has been threatened by the novel Coronavirus pandemic. It has changed the way of life both personally and professionally. It has the ability of impacting subscribers, trade and employees alike.

   **Mitigation**: Safety of all the stakeholders is of paramount importance. Dish TV has taken multiple steps in this direction. Subscribers always had the option of managing their accounts online. For subscribers not abreast with these options, a campaign was run, which informed them of these means. Service charges for 'Pay Later' facility were waived off, allowing customers to avail extra recharge extension option during the lockdown period, without making an extra payment. Continuous lockdown in different areas in different form impacted the smooth flow of functioning of the Company, though the impact was mitigated by adopting digital modes of communication, work from home and curtailment of discretionary expenses. The Company's strong digital backbone has allowed the employees to manage most of the critical operations by staying safe from their homes

2. **Technology risk**: There is rapid change and evolving of new technology in the television industry. Customer preferences are changing and they are moving towards getting content in a nonlinear manner. Any change in customers' preferences, behaviour or usage pattern could adversely impact the growth prospects of the Company.

   **Mitigation**: Dish TV is well placed to serve the arising needs of the customers by offering new age connected devices, OTT services and other value added services. The Company continuously invests in adopting new technology at appropriate time to introduce new products based on latest technology and at prices, which works for all segments. Continuous upgradation, vigilant management and adoption of the best in class technology for all additional items will always keep a check on sudden risk arising out of any technology issue.

3. **Regulatory risk:** Regulations dictate the way broadcasting industry operates. The Company's revenue and profitability will be directly impacted by relevant policy and regulation changes initiated by the Ministry of Information & Broadcasting, TRAI, etc.

   **Mitigation**: While the subscriber is at the focal point for decisions made by the authorities, they keep a holistic vision of the industry while taking decisions. Dish TV always complies with all provisions of applicable laws and regulations. Further, the diverse business portfolio helps to avoid a huge impact on the Company due to impact of regulatory changes on a single business.

4. **Economic Risk:** The economic situation has an impact on both subscriber sentiments and ability to pay. COVID-19 and the consequent lockdown have taken a toll on the economy. The longer the situation lasts, the more long lasting will its effects be. The GDP is likely to be adversely impacted due to continued pandemic situation and will impact larger section of the community in terms of income, propensity to consume and general optimism in the society.

   **Mitigation**: With the easing of the lockdown, current slowdown has shown some signs of abating and a normal monsoon would also be big boost to the economy. On the other hand, entertainment is a fundamental need and homebound subscribers can be expected to invest both time and money in consuming entertainment.

5. **Competition Risk –** The Company is in the business of providing a distribution platform for access to content. With the advances in technology, competition today is not restricted to cable and other DTH players. OTT platforms have emerged as a key player in delivering entertainment to homes, thereby increasing the size of the competitive pie. DD Direct is also acting as shadow competition for the rural and not so well off subscribers.

**Mitigation:** Dish TV continues to focus on subscribers, superior delivery of content, regular introduction of VAS, launch of new set top boxes & devices and updating technology on all fronts to retain existing subscribers and attract the new ones. In the entertainment industry, content is king and the Company delivers the best of content in the most efficient manner. This may be by its wide range of set top boxes, which include the top of the line Android powered SMRT Hub & Stream, devices such as the Alexa powered SMRT Kit & Magic, HD & SD set top boxes or through OTT platform Watcho.

## INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company is committed to good corporate governance practices and has an adequate system of internal controls for business processes, operations, financial reporting, fraud control and compliance with applicable laws and regulations. The Board of Directors monitors the internal financial controls based on the internal control over financial reporting criteria established by the Company. Dish TV also has an audit function to provide reasonable assurance regarding the effectiveness and efficiency of operations, safe guarding of assets, reliability of financial records and reports and compliance with applicable laws and regulations. The Company follows stringent procedures to ensure accuracy in financial information recording, asset safeguarding from unauthorized use and compliance with statutes and laws.

## HUMAN RESOURCES

The Company believes that the key to excellent business results is a committed talent pool. Human resources are the most critical element responsible for growth and the Company acknowledges their contribution and works towards their satisfaction as a top priority. The HR policies continually strive towards attracting, retaining, and developing the best talent required for the business to grow. Regular trainings are conducted for the employees to ensure skill upgradation and personal development throughout the various organizational levels.

Dish TV values its talent pool and works hard to retain its best talent by providing ample opportunities to grow. The Company focuses to provide opportunity for the development and enhancing the skill sets of its employees at all levels of the business. Several workshops have been conducted for employees across the country so they understand and exhibit the values of the Company in their work and behaviour. Continuous training program for upgradation of skill and behavioural maturity has been imparted which helped in keeping the optimization and moral of the Organisation at a higher level despite Pandemic situation prevailing all across. Town hall sessions were conducted for better interactivity, understanding issues faced by the employees and providing solutions. Work from Home facility continues seamlessly across the hierarchy of employees and acting as enabler to lessen the adverse impact of pandemic. As on March 31, 2020, the total numbers of permanent employees on the records of the Company were 407.

## Cautionary Statement

Statements in this Management Discussion and Analysis of the Company describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Thus, the Company's actual performance/results could differ from the projected estimates in the forward-looking statements. The discussions on our financial condition and result of operations should be read together with our audited, consolidated Financial Statements and the notes to these statements included in the Annual Report.

**FINANCIALS AND FINANCIAL POSITION**

Standalone and Consolidated Financials as on FY 2020:

Table below presents Standalone & Consolidated Financials for the Current and Previous Financial Year.

**Statement of Profit and Loss Account for the year ended FY 2020**

(₹ in mn)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | FY 2020 | FY 2019 | FY 2020 | FY 2019 |
| **Income** | | | | |
| Revenue from Operations | **15,180.00** | 39,378.8 | **35,563.39** | 61,661.25 |
| Other Income | **1,604.80** | 1,121.9 | **136.14** | 521.50 |
| **Total Revenue** | **16,784.8** | 40,500.7 | **35,699.53** | 62,182.75 |
| **Expenses** | | | | |
| Purchase of stock in trade (Consumer premises equipment related accessories /spares) | **-** | - | **7.49** | 223.88 |
| Change in inventories of stock- in- trade | **-** | - | **26.97** | (133.73) |
| Operating expenses | **5,568.00** | 29,906.1 | **7,872.99** | 33,828.01 |
| Employee benefit expense | **811.4** | 998.9 | **1,931.14** | 2,475.11 |
| Finance Cost | **3,383.5** | 2,505.6 | **5,652.22** | 6,286.46 |
| Depreciation & amortization expense | **3,122.5** | 3,202.8 | **14,262.13** | 14,409.17 |
| Other expenses | **3,090.5** | 3,697 | **4,665.07** | 4,825.37 |
| **Total Expenses** | **15,975.9** | 40,310.4 | **34,418.02** | 61,914.27 |
| **Profit before prior period items & tax from continuing operation** | **808.9** | 190.3 | **1,281.51** | 268.48 |
| Exceptional items | **19,191.6** | 17,045.30 | **19,155.00** | 15,625.34 |
| **Profit/ (Loss) before tax from continuing operation** | **(18,382.70)** | (16,855.00) | **(17,873.49)** | (15,356.86) |
| Tax expense | **(4,441.80)** | (3,960.80) | **(1,325.04)** | (3,722.80) |
| **Profit/ (Loss) after tax for the year from continuing operation** | **(13,940.90)** | (12,894.20) | **(16,548.45)** | 11634.06 |
| **Profit/ (Loss) before tax from discontinuing operation** | **-** | - | **-** | - |
| Tax expense | **-** | - | **-** | - |
| **Profit/ (Loss) after tax for the year from discontinuing operation** | | | | - |
| Profit/ (Loss) for the year | **(13,940.90)** | (12,894.20) | **(16,548.45)** | (11,634.06) |

**Balance Sheet as at FY 2020**

(₹ in mn)

| Particulars | Standalone FY 2020 | Standalone FY 2019 | Consolidated FY 2020 | Consolidated FY 2019 |
|---|---|---|---|---|
| **A. ASSETS** | | | | |
| **(1) Non-current assets** | | | | |
| (a) Property, Plant & Equipment | **4,581.20** | 5,584.20 | **28,488.00** | 33,488.60 |
| (b) Capital work-in-progress | **49.00** | 209.30 | **6,227.20** | 7,666.00 |
| (c) Goodwill | **4,528.80** | 23,683.80 | **28,169.88** | 47,324.90 |
| (d) Other intangible assets | **18,674.20** | 19,823.60 | **20,155.40** | 21,538.30 |
| (e) Intangible assets under development | **-** | - | **5,250.00** | - |
| (f) Financial assets | | | | |
| (i) Investments | **51,534.34** | 34,006.80 | **-** | - |
| (ii) Loans | **6,602.70** | 112.60 | **107.90** | 112.90 |
| (iii) Other financial assets | **3.10** | 8,787.80 | **4.50** | 121.70 |
| (g) Deferred tax assets (net) | **5,466.12** | 1,026.27 | **11,477.62** | 10,155.04 |
| (h) Current tax assets (net) | **565.20** | 518.40 | **989.74** | 808.30 |
| (i) Other non-current assets | **1,161.90** | 1,386.60 | **8,382.19** | 1,797.55 |
| **(2) Current Assets** | | | | |
| (a) Inventories | **-** | - | **220.10** | 247.10 |
| (b) Financial assets | | | | |
| (i) Investments | **-** | - | | - |
| (ii) Trade receivables | **654.50** | 1,098.40 | **868.40** | 1,405.90 |
| (iii) Cash and cash equivalents | **60.20** | 656.23 | **1,127.13** | 920.29 |
| (iv) Bank balances other than (iii) above | **278.64** | 90.93 | **335.54** | 786.53 |
| (v) Loans | **120.85** | 65.70 | **160.70** | 119.71 |
| (vi) Other financial assets | **6.40** | 10,545.26 | **13.10** | 10,567.33 |
| (c) Other current assets | **469.40** | 649.80 | **4,111.25** | 6,395.65 |
| **Total Assets** | **94,756.55** | 1,08,245.69 | **1,16,088.40** | 1,43,455.80 |
| **EQUITY AND LIABILITIES** | | | | |
| **EQUITY** | | | | |
| (a) Equity share capital | **1,841.32** | 1,841.32 | **1,841.32** | 1,841.32 |
| (b) Other equity | **37,585.16** | 51,506.66 | **36,656.78** | 53,058.48 |
| (c) Non-controlling Interest | **-** | - | **-520.68** | -345.81 |
| | **39,426.48** | 53,347.98 | **37,977.42** | 54,553.99 |
| **LIABILITIES** | | | | |
| **(1) Non-current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | | - | **5,604.39** | 12,392.70 |
| (ii) Other financial liabilities | **87.80** | 199.80 | **17.77** | - |
| (b) Provisions | **100.00** | 109.00 | **259.20** | 272.80 |
| (c) Deferred Tax Liabilities (net) | | - | | - |
| (d) Other non-current liabilities | **206.60** | 150.91 | **318.40** | 362.80 |
| **(2) Current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | **2,984.50** | 5,039.10 | **4,369.60** | 6,914.20 |
| (ii) Trade payables | **11,586.40** | 12,406.20 | **12,910.73** | 13,899.20 |
| (iii) Other financial liabilities | **1,118.20** | 1,013.10 | **10,772.23** | 14,583.77 |
| (b) Other current liabilities | **3,458.34** | 3,386.90 | **8,056.37** | 7,867.10 |
| (c) Provisions | **35,788.20** | 32,592.70 | **35,802.30** | 32,609.20 |
| (d) Current tax liabilities (net) | | - | | |
| **Total Equity & Liabilities** | **94,756.52** | 1,08,245.71 | **1,16,088.41** | 1,43,455.82 |

## (A) RESULTS OF OPERATIONS

We are pleased to share the Consolidated Financial information for the year ended March 31, 2020 compared to previous year ended March 31, 2019. At the close of FY 2020, Dish TV India Limited has three 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 C&S Medianet Private Limited with 51% equity holding. The Consolidated Financial Statements have been prepared after elimination of inter Company transactions, if any.

**Revenue from Operations**

Revenue from Operations includes Subscription Revenue, Infra support services, Lease rentals, Teleport services, and Marketing & Promotional Fee, Sale of CPE & accessories, Advertisement Income & Other operating income. Revenue from Operations decreased by INR 26097.90 mn from INR 61,661.30 mn in FY 2019 to INR 35,563.40 mn in FY 2020. This is due to subscription is net off content cost in FY 2020.

**Other Income**

Interest & Other Income decreased by INR 385.36 mn or -73.90% from INR 521.50 mn in FY 2019 to INR 136.10 mn in FY 2020.

**Purchases of stock-in-trade**

Purchases of stock-in-trade decreased by INR 216.38 mn or -96.65% from INR 223.90 mn in FY 2019 to INR 7.50 mn in FY 2020.

**Change in inventories of stock-in-trade**

Change in inventories of stock-in-trade increased by INR 160.70 mn or 120.19% from INR -133.70 mn in FY 2019 to INR 27 mn in FY 2020.

**Operating expenses**

Operating expenses decreased by INR 25,955.03 mn or -76.73% from INR 33828.01 mn in FY 2019 to INR 7872.99 mn in FY 2020. This is due to Content expenses that has been netted off from Subscription Revenue in FY 2020.

**Employee benefit expenses**

Overall employee benefit expenses decreased by INR 543.97 mn or -21.98% from INR 2475.11 mn in FY 2019 to INR 1931.14 mn in FY 2020.

**Finance Cost**

Finance cost decreased by INR 634.25 mn or -10.09% from INR 6286.50 mn in FY 2019 to INR 5652.22 mn in FY 2020, This is due to Loan repayment during the year.

**Depreciation and amortization expense**

Depreciation and amortization decreased by INR 147.04 mn or -1.02% from INR 14409.17 mn in FY 2019 to INR 14,262.13 mn in FY 2020.

**Other Expenses**

Other Expenses is decreased by INR 160.19 mn or -3.32% from INR 4825.26 mn in FY 2019 to INR 4665.07 mn in FY 2019.

**Profit and Loss before tax**

Loss before Tax for the FY 2020 INR 17,873.49 mn. Loss before Tax for the FY 2019 INR 15,356.86 mn.

**Profit and Loss for the year**

Loss for the FY 2020 is INR (16548.45) mn. Loss for FY 2019 is INR (11634.06) mn.

**(B) FINANCIAL POSITION**

**(i) Equity and Liabilities**

**Share Capital**

Share capital is INR 1,841.3 mn in FY 2020 and FY 2019.

**Other equity**

Other equity decreased by INR 16,401.68 mn or -30.91%, from INR 53,058.48mn in FY 2019 to INR 36,656.80 mn in FY 2020.

**Non-current Borrowings**

Long Term Borrowings decreased by INR 6788.34 mn or -54.78%, from INR 12392.73 mn in FY 2019 to INR 5604.39 mn in FY 2020.

**Other financial Liabilities**

Other financial Liabilities stood at INR 17.70 mn as on March 31, 2020 as against NIL as on March 31, 2019.

**Non-Current Provisions**

Non-current Provisions decreased by INR 13.60 mn from INR 272.80 mn as on March 31, 2019 to INR 259.20 mn as on March 31, 2020.

**Other non-current Liabilities**

Other non-current Liabilities includes income received in advance. Other Long Term Liabilities stood at INR 318.40 mn as on March 31, 2020 as against INR 362.80 mn as on March 31, 2019.

**Current Liabilities**

Current Liabilities includes current Borrowings, Trade Payables, Other Financial Liabilities, Other Current Liabilities, current Provisions and Current tax liabilities. Current Liabilities stood at INR 71,911.30 mn as on March 31, 2020 as against INR 75873.50 mn as on March 31, 2019.

**(ii) Assets**

**Non-Current Assets**

**Property, plant & equipment**

Tangible assets stood at INR 28,488 mn as on March 31, 2020 as against INR 33,488.59 mn as on March 31, 2019.

**Intangible Assets**

Intangible assets (including goodwill) stood at INR 53,575.28 mn as on March 31, 2020 as against INR 68,863.2 mn as on March 31, 2019.

**Capital Work-in-Progress**

Capital Work-in-Progress decreased by INR 1438.80 mn from INR 7,666.0 mn as on March 31, 2019 to INR 6,227.20 mn as on March 31, 2020.

**Non-Current Investments**

Non-Current Investments stood at INR Nil as on March 31, 2020 as against NIL as on March 31, 2019.

**Deferred tax assets**

Deferred tax assets stood at INR 11,477.62 mn as on March 31, 2020 as against INR 10,155.04 mn as on March 31, 2019.

**Non-current Loans**

Long Term Loans and Advances decreased by INR 5 mn from INR 112.90 mn as on March 31, 2019 to INR 107.9 mn as on March 31, 2020.

**Other non-current financial assets**

Other Long Term financial assets decreased by INR 117.20.0 mn from INR 121.70 mn as on March 31, 2019 to INR 4.50 mn as on March 31, 2020.

**Other Non-Current Assets**

Other Non-Current Assets (Including Current tax assets) stood at INR 9,371.81 mn as on March 31, 2020 as against INR 2,605.90 mn as on March 31, 2019.

**Current Assets**

**Current Investments**

Current Investments stood at Nil as on March 31, 2020 and as on March 31, 2019.

**Trade Receivables**

Trade Receivables stood at INR 868.40 mn as on March 31, 2020 as against INR 1,405.92 mn as on March 31, 2019.

**Cash and Bank Balances**

Cash and Bank Balances stood at INR 1,462.67 mn as on March 31, 2020 as against INR 1,706.82 mn as on March 31, 2019.

**Current Loans**

Loans and Advances stood at INR 160.70 mn as on March 31, 2020 as against INR 119.71 mn as on March 31, 2019.

**Other current financial assets**

Other current financial assets stood at INR 13.10 mn as on March 31, 2020 as against INR 10,567.33 as on March 31, 2019.

**Other Current Assets**

Other Current Assets stood at INR 4,111.25 mn as on March 31, 2020, registering an decrease of 35.72% against the INR 6,395.70 mn as on March 31, 2019.

# BUSINESS RESPONSIBILITY REPORT

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| | | | |
|---|---|---|---|
| 1. | **CORPORATE IDENTITY NUMBER (CIN)** | : | L51909MH1988PLC287553 |
| 2. | **NAME OF THE COMPANY** | : | Dish TV India Limited |
| 3. | **REGISTERED ADDRESS** | : | 18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra |
| 4. | **WEBSITE** | : | www.dishd2h.com |
| 5. | **EMAIL -ID** | : | investor@dishd2h.com |
| 6. | **FINANCIAL YEAR REPORTED** | : | April 1, 2019 – March 31, 2020 |

7. **SECTOR(S) THAT THE COMPANY IS ENGAGED IN (INDUSTRIAL ACTIVITY CODE-WISE):**

   The Company is mainly engaged in the business of Broadcasting, which falls under other satellite telecommunications activities of NIC Code No. 61309 (As per 2008).

8. **LIST THREE KEY PRODUCTS/SERVICES THAT THE COMPANY MANUFACTURES/PROVIDES (AS IN BALANCE SHEET):**

   The Company provides Direct-to-home (DTH) services and Teleport services.

9. **TOTAL NUMBER OF LOCATIONS WHERE BUSINESS ACTIVITY IS UNDERTAKEN BY THE COMPANY:**

   The operations of the Company are spread all across the country. The DTH services are provided through the head-end which is located at Noida and Greater Noida. The Corporate office of the Company is situated at Noida and the Registered Office is situated at Mumbai. Further, the business activities of the company are primarily undertaken through 12 Circle Offices, located at the commercial hubs of the country which include Delhi, Mumbai, Bhubaneswar, Chennai, Bangalore, Hyderabad, Pune, Kolkata, Jaipur, Mohali, Indore and Noida.

10. **MARKETS SERVED BY THE COMPANY:**

    The operations of the Company are spread all across the country.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE OPERATIONS)

| | | | |
|---|---|---|---|
| 1. | **PAID UP CAPITAL** | : | ₹ 1,841.27 Million |
| 2. | **TOTAL REVENUE** | : | ₹ 16,785 Million |
| 3. | **TOTAL PROFIT AFTER TAXES** | : | ₹ (13,941) Million |

**TOTAL SPENDING ON CORPORATE SOCIAL RESPONSIBILITY (CSR) AS PERCENTAGE OF PROFIT AFTER TAX (%)**
During the year under review, in terms of applicable regulatory provisions, the Company was not required to spend towards CSR activities.

## SECTION C: OTHER DETAILS

1. **DOES THE COMPANY HAVE ANY SUBSIDIARY COMPANY/COMPANIES?**

   As at March 31, 2020, the Company has 3 subsidiary companies. Dish Infra Services Private Limited is the wholly owned subsidiary of the Company and Dish T V Lanka (Private) Limited is a Joint Venture subsidiary of the Company incorporated in Sri Lanka, wherein Company holds 70% of the share capital. Further, C&S Medianet Private Limited is also the subsidiary of the Company, wherein the Company holds 51% of the share capital.

2. **DO THE SUBSIDIARY COMPANY/COMPANIES PARTICIPATE IN THE BR INITIATIVES OF THE PARENT COMPANY? IF YES, THEN INDICATE THE NUMBER OF SUCH SUBSIDIARY COMPANY(S).**

   Yes, the Company's wholly owned subsidiary – Dish Infra Services Private Limited participates in the BR initiatives of the Company.

3. **DO ANY OTHER ENTITY/ENTITIES (E.G. SUPPLIERS, DISTRIBUTORS ETC.) THAT THE COMPANY DOES BUSINESS WITH PARTICIPATE IN THE BR INITIATIVES OF THE COMPANY? IF YES, THEN INDICATE THE PERCENTAGE OF SUCH ENTITY /ENTITIES (LESS THAN 30%, 30-60%, MORE THAN 60%)**

Though Company's BR policies / Initiatives does not apply to vendors / suppliers, the Company follows zero tolerance on any acts of bribery, corruption etc. by such agencies during their dealings with the Company and / or any of its employees.

**SECTION D: BR INFORMATION**

1. **DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR:**

a) **Details of the Director/Directors responsible for implementation of the BR policy/policies:**

All Corporate Policies including the Business Responsibility Policies of the Company are engrained in day-to-day business operations of the Company and are implemented by Management at all levels. The responsibility for implementation of BR Policies of the Company is ultimately shouldered by Mr. Jawahar Lal Goel (DIN - 00076462) Chairman & Managing Director of the Company.

b) **Details of the BR Head:**

| Sr. | Particulars | Details |
|---|---|---|
| 1 | DIN Number | 00076462 |
| 2 | Name | Mr. Jawahar Lal Goel |
| 3 | Designation | Chairman and Managing Director |
| 4 | Telephone Number | 0120-5047000 |
| 5 | E mail Id | investor@dishd2h.com |

2. **PRINCIPLE-WISE (AS PER NVGs) BR POLICY/POLICIES**

a) **Details of Compliance (Reply Y/N)**

| Sr No | Questions | Business Ethics | Product Responsibility | Employee Wellbeing | Shareholder Engagement | Human Rights | Environment Protection | Public & Regulatory Policy | CSR | Customer relation |
|---|---|---|---|---|---|---|---|---|---|---|
| | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| 1 | Do you have a Policy/ Policies for | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 2 | Has the Policy been formulated in consultation with the relevant stakeholders | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3 | Does policy conform to any national /international standards | Policies are prepared ensuring adherence to applicable regulatory requirements and industry standards. | | | | | | | | |
| 4 | Has the policy been approved by the board? If yes has it been signed by MD/ CEO/ appropriate Board Director? | Yes | No | No | No | No | No | No | Yes | No |
| 5 | Does the Company have a specified committee of the Board/Director/Official to oversee implementation of the policy? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 6 | Indicate the link for the policy to be viewed online | Most of the relevant policies are disseminated and uploaded for information of relevant stakeholders and employeeseither on Company's intranet site or on Corporate website | | | | | | | | |

| Sr No | Questions | Business Ethics | Product Responsibility | Employee Wellbeing | Shareholder Engagement | Human Rights | Environment Protection | Public & Regulatory Policy | CSR | Customer relation |
|---|---|---|---|---|---|---|---|---|---|---|
| | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes | | | | | | | | |
| 8 | Does the Company have in house structure to implement the policy | All Corporate Policies including Business Responsibility Policy are engrained in all day-to-day business operations of the Company and are implemented at all Management levels and monitored by the Chairman & Managing Director and also by the Chief Executive Officer of the Company from time to time | | | | | | | | |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders grievances related to the policy? | Yes | | | | | | | | |
| 10 | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Policies are evaluated regularly by the CEO and/or respective Senior Executives | | | | | | | | |

**b) If answer to the question at Sr No 1 against any principle, is "No", please explain why:**

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | The Company has not understood the principles | Within the overall guidance of the Board, the Corporate Policies are framed and/or modified from time to time. Policies in connection with Business Operations & Human Resources have been implemented and followed over a period of time as per industry norms and/or best practices and were not approved by the Board specifically. However these Policies as and when approved are released for implementation by the CEO and/or Managing Director of the Company at the relevant point in time. Further the policies are evaluated regularly by the CEO and/or respective Senior Executives | | | | | | | | |
| 2 | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3 | The Company does not have financial or manpower resources available for the task | | | | | | | | | |
| 4 | It is planned to be done within next six month | | | | | | | | | |
| 5 | It is planned to be done within next one year | | | | | | | | | |
| 6 | Any other reason (Please specify) | | | | | | | | | |

**3. GOVERNANCE RELATED TO BR:**

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year –**

  The assessment of BR performance is done on an ongoing basis by the Managing Director and Senior Management of the Company.

- **Does the Company publish a BR or sustainability Report? What is hyperlink for viewing this report? How frequently it is published?**

  The Company had started publishing BR report from financial year 2015-16 on a yearly basis. The BR report is available as part of Annual Report on Company's website *viz.*www.dishd2h.com

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

The company considers Corporate Governance as an integral part of management. The Company has a code of conduct that is approved by the Board of Directors and this code is applicable to all Board Members and Senior Management. The code is available on the Company's website vizwww.dishd2h.com. Additionally, as part of HR policy the Company has framed/circulated policies which deal with Ethics at work place and restraining giving and receiving of gifts and other benefits in the course of business relationship etc.

1. **Does the policy relating to ethics, bribery and corruption apply only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/ Others?**

   The policies are applicable to the employees at all levels, including subsidiaries.

   Though the Company's policies do not apply to external stakeholders including suppliers, contractors, NGOs etc., the Company follows zero tolerance on any acts of bribery, corruption etc. by such agencies during their dealings with the Company and or with any of its employees.

2. **How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   As mentioned in the Corporate Governance Report, 5 complaints were received from Shareholders during the FY 2019-20, which have been resolved. Additionally on an ongoing basis the complaints / grievances / views from customers and other stakeholders are dealt with by respective functions within the Company.

### PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

   The Company's businesses are provided in compliance with applicable regulations / advisories, issued by relevant Statutory Authorities including but not limited to 'Ministry of Information & Broadcasting' and 'Telecom Regulatory Authority of India'.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw materials etc.) per unit of product (optional) including a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain and b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   The Company's business operations as service provider requires minimal energy consumption and every endeavor is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation).If yes, what percentage of your inputs was sourced sustainably?**

   The Company maintains a healthy relationship with its content providers, vendors and other suppliers and the business policies of the Company include them in its growth. The process of vendor registration lays emphasis on conformity of safe working conditions, prevention of child labour, business ethics and general housekeeping by the vendor.

4. **Has Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors**

   The Company is a Direct to Home (DTH) operator and distributes the content which are made available by the Broadcasters. The Company supports the new entrants in the broadcasting business as well the regional players by distributing their content. Towards the encouragement and development of semi-skilled / skilled work force in the country, the Company had initiated a project by the name – "dish dost" under which the work force are trained to be a technician for the DTH segment.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste. (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   As the Company is a DTH service provider which is a telecommunication service, the DTH business does not discharge any effluent or waste. However mindful of the need for recycling products and waste, the company has been directing its efforts in reducing use of plastic bottles and has been using rechargeable batteries/ other products.

**PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES**

1. **Please indicate the total number of employees:** 407 permanent employees as on March 31, 2020.
2. **Please indicate the total number of employees hired on temporary/ contractual/casual basis:** 6 employees as on March 31, 2020.
3. **Please indicate the number of permanent women employees**: 42 women employees as on March 31, 2020.
4. **Please indicate number of permanent employee with disabilities:** NIL
5. **Do you have employee association that is recognized by management?**

   No employee association exists
6. **What percentage of your permanent employees are members of this recognized employee association?** Not Applicable
7. **Please indicate the number of complaints relating to child labour, forcedlabour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year**.

   None during the year
8. **What percentage of your above mentioned employees were given safety and skill up-gradation training in the last year?**

   The Company organizes various training sessions in-house on a regular basis and also sponsors its employees to attend training sessions organized by external professional bodies to facilitate upgradation of skill of employees handling relevant functions, basic fire and safety training. These training are generally attended by majority of employees.

**PRINCIPLE 4: BUSINESSES SHOULD RESPECT INTEREST OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED**

The Business operations of the Company, apart from being compliant with the regulatory requirements are mindful and responsive towards interest of all stakeholders.

1. **Has the Company mapped its internal and external shareholders?**

   The Company has mapped its internal and external stakeholders, the major/key categories include (a) Central and State Governments / regulatory authorities *viz.* the Ministry of Information & Broadcasting, Telecom Regulatory Authority of India, Department of Telecommunication, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, Indian Stock Exchanges, Depositories and London Stock Exchange (b) Other bodies / vendors *viz.* (i) Advertising Standards Council of India; (ii) Broadcasters; (iii) Business Vendors; (iv) financial institutions; (v) banks; (vi) domestic & international investors and (vii) professional service providers.

   However the process of mapping of stakeholders is an ongoing effort of updation on regular basis.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

   Yes

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof**

   The Company has adopted and put in place the policy, specifically – the CSR Policy, which defines the way ahead for the Company towards the contribution to be made towards the Society and the manner in which it will conduct itself. CSR initiatives of the Company include engaging with disadvantaged, vulnerable and marginalized Stakeholders. As a responsible corporate, we mobilize our strong subscriber network to contribute towards a deserving cause.

**PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint ventures/ suppliers/ contractors/ NGOs/Others?**

   Dish believes that an organization rests on a foundation of business ethics and valuing of human rights. Dish adheres to all statutes which embodies the principles of human rights such as prevention of child labour, woman empowerment etc. While Company's policies are not applicable to Vendors, the Company promotes awareness of the importance of human rights within its value chain and discourage instances of any abuse.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

   There were no complaints reported on violation of any Human rights during the financial year 2019-20.

**PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT**

1. **Does the policy related to principle 6 cover only the Company or extend to the Group/Joint ventures/ suppliers/ contractors/ NGOS/ Others?**

   Nurturing and safeguarding the environment for long term sustainability is of prime importance. The Company, on standalone basis, has undertaken several green initiatives at all its office locations.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   No

3. **Does the company identify and assess potential environmental risks? Y/N**

   No, the Company being in the business of Distribution of TV Channels, does not involve in any manufacturing activity.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   No, the Company being in the business of Distribution of TV Channels, does not involve in any manufacturing activity.

5. **Has Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc? Y/N. If yes, please give hyperlink to web page etc.**

   No, the Company being in the business of Distribution of TV Channels, does not involve in any manufacturing activity.

6. **Are the Emissions/Waste generated by the Company within permissible limits given by CPCB/SPCB for the financial year being reported?**

Not applicable, since the Company being in the business of Distribution of TV Channels, does not involve any manufacturing activity.

**7. Number of show cause/legal notices received from CPCB/SPCB which are pending (*i.e.* not resolved to satisfaction) as of end of financial year.**

Nil

**PRINCIPLE 7: BUSINESS, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER**

**1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

During the year under review, the Company had membership with ASSOCHAM (Associated Chambers of Commerce & Industry of India).

**2. Have you advocated/lobbied through above associations for advancement or improvement of public good? Yes/No; If yes, specify the broad areas**

The Company has been active in various business associations and supports / advocates on various issues for better viewer experience.

**PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

**1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?**

The Company has a CSR policy in line with Section 135 read with Schedule VII of Companies Act, 2013. Requisite details of CSR initiatives undertaken in pursuit of the Company's CSR policy are included in the Annual Report on CSR forming part of this Annual Report. Further, as a responsible corporate, we mobilize our strong subscriber network to contribute towards a deserving cause.

**2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization?**

To facilitate identifying long term CSR projects and monitoring implementation, the Company has along with other entities is a part of Section 8 Company – Subhash Chandra Foundation. The CSR Contributions are pooled into the foundation to fund long-term projects.

**3. Have you done any impact assessment of your initiative?**

The CSR Committee of the Board is responsible for monitoring and doing impact assessment of various CSR Projects.

**4. What is Company's direct contribution to community development projects Amount in INR and the details of the projects undertaken?**

During the year under review, the Company was not required to spend towards CSR activities in terms of applicable regulatory provisions.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

Not Applicable

**PRINCIPLE 9: BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER**

1. **What percentage of customer complaints/ consumer cases as on the end of financial year?**

   The Company is engaged in the Direct to Home business and is bound by and complies with the Quality of Service Regulations of TRAI which *inter alia* provides the manner and time within which a consumer complaint has to be resolved. As a corporate policy, the Company is fully dedicated towards providing the best services to the consumers including providing resolution to their complaints / queries within the shortest possible time. There are no material consumer cases / customer complaints outstanding as at the end of Financial Year.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

   Not applicable

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and or anti-competitive behavior during the last five years and pending as of end of financial year?**

   No.

4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**

   The Company carries out studies from time to time on customer satisfaction and related areas through consulting firms.

# INDEPENDENT AUDITOR'S REPORT

**To the Members of Dish TV India Limited**

**Report on the Audit of the Standalone Financial Statements**

**Qualified Opinion**

1. We have audited the accompanying standalone financial statements of Dish TV India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Basis for Qualified Opinion**

3. As stated in note 40 to the accompanying standalone financial statements, the Company has non-current investments in and other non-current loans given to its wholly owned subsidiary company amounting to ₹ 515,340 lacs and ₹ 64,951 lacs respectively. This wholly owned subsidiary company has negative net current assets and has incurred losses in the current year, although it has positive net worth as at 31 March 2020. As described in the aforementioned note, the management, basis its internal assessment, has considered such balances as fully recoverable as at 31 March 2020. However, the management has not carried out a detailed and comprehensive impairment testing in accordance with the principles of Indian Accounting Standard – 36, "Impairment of Assets" and Indian Accounting Standard – 109, "Financial Instruments". In the absence of sufficient appropriate audit evidence to support the management's aforesaid assessment, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these non-current investments and non-current loans as at 31 March 2020 and its consequential impact on the accompanying standalone financial statements.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Key Audit Matters**

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **A. Impairment assessment of Intangible assets including Goodwill**<br><br>As detailed in note 7 and 8 of the standalone financial statements, the Company has intangible assets, including Goodwill of ₹ 45,288 lacs (net of provision for impairment of ₹ 345,850 lacs), Trademark/ Brand of ₹ 102,909 lacs and Customer and distributor relationship of ₹ 82,960 lacs, arising out of business combinations. | Our audit procedures to address this key audit matter included, but were not limited to the following:<br><br>a) We obtained an understanding from the management through detailed discussions with respect to its impairment assessment process, assumptions used and estimates made by management and tested the operating effectiveness of the controls related to aforementioned impairment assessment; |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| In terms with Indian Accounting Standard 36, Impairment of Assets, the management has carried out an impairment analysis of goodwill and other intangible assets, which requires significant estimations and judgement with respect to inputs used and assumptions made to prepare the forecasted financial information, used to determine the fair value of such intangibles, using discounted cash flow model.<br><br>Key assumptions used in management's assessment of the carrying amount of goodwill and other intangible assets includes the expected growth rates, estimates of future financial performance, market conditions, capital expenditure and discount rates, among others. Consequent to such impairment assessment, the Company has recorded an impairment charge of ₹ 191,550 lacs against goodwill.<br><br>Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates and assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of such goodwill and other intangible assets arising from the business combination as a key audit matter. | b) We obtained the impairment analysis carried out by the management and reviewed the valuation report obtained by management from an independent valuer;<br><br>c) We assessed the professional competence, objectivity and capabilities of the independent expert considered by the management for performing the required valuations to estimate the recoverable value of the goodwill and other intangible assets;<br><br>d) We involved experts within the audit team to assess the appropriateness of the valuation model used by the management and reasonableness of assumptions made by the management relating to discount rate, risk premium, industry growth rate, etc.;<br><br>e) We evaluated the inputs used by the management with respect to revenue and cost growth trends, among others, for reasonableness thereof;<br><br>f) We have evaluated the sensitivity analysis performed by the management in respect of the key assumptions used such as discount and growth rates to ensure that there would be no major impact on the valuation; and<br><br>g) We have evaluated the adequacy of disclosures made by the Company in the standalone financial statements in view of the requirements as specified in the Indian Accounting Standards. |
| **B. Amounts recoverable and provision for expected credit losses**<br><br>Refer note 4(i) for significant accounting policy and note 51(B) for credit risk disclosures.<br><br>Trade receivables and other amounts recoverable comprise a significant portion of the current financial assets of the Company. As at 31 March 2020 trade receivables aggregate ₹ 6,545 lacs (net of provision for expected credit losses of ₹ 7,056 lacs).<br><br>In accordance with Ind AS 109, the Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires lifetime expected credit losses to be recognised from the date of initial recognition of receivables. The Company has analysed the trend of trade receivables under different ageing bracket for last three years and calculated credit loss rate basis such ageing. The complexity in calculation of ECL is mainly related to calculations performed for different type of revenue streams in which the Company operates and the different recovery period for different categories of customers. Additional provision is recognised for the receivables which are specifically identified as doubtful or non-recoverable. | Our audit procedures to address this key audit matter included, but were not limited to the following:<br><br>a) Obtained an understanding the process adopted by the Company for calculation, recording and monitoring of the impairment loss recognised for expected credit loss;<br><br>b) We assessed and tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognised. Also, evaluated the controls over the modelling process, validation of data and related approvals;<br><br>c) We discussed with the management about the conditions leading to, and their assessment of recoverability of dues from the parties and also referred to the available communication, if any, between them;<br><br>d) We referred to the aging of trade and other receivables and discussed the key balances to establish the management's assessment of recoverability of such dues;<br><br>e) We analysed the methodology used by the management and considered the credit and payment history of specific parties to determine the trend used for arriving at the expected credit loss provision; and<br><br>f) We have assessed the adequacy of disclosures made by the management in the standalone financial statements to reflect the expected credit loss provision, trade and other receivables. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **C. Revenue recognition in terms with Ind AS 115 "Revenue from contracts with Customers" under the New tariff order**<br><br>We refer to summary of significant accounting policies and note 42 of the standalone financial statements of the Company for the year ended 31 March 2020 disclosures related to Revenue Recognition under Ind AS 115.<br><br>During the previous year, the Telecom Regulatory Authority of India ("TRAI") has implemented a new regulatory framework for the television broadcasting industry in India which is known as New tariff order, 2017 ("NTO"). The NTO has been implemented from 1 Feb 2019. During the previous year, owing to the practical difficulties, there were delay in implementation of the tariff order in its entirety. The distributors were in transition from previous regime to the new regime and were in the process of implementation of content cost agreements with the Broadcasters. From the current year, the Company has entered into revised agreements with the broadcasters. In terms of the provisions of the new tariff order, the Company re-assessed its performance obligations and relationship with the broadcaster in the light of principal and agent concept. Such assessment involved further evaluation of terms of Company's contract with subscriber, role in re-transmission of content, control over content, rights of establishing of maximum retail price ("MRP") and various other responsibilities and liabilities. Such evaluation has resulted in Company being agent of the broadcaster.<br><br>These agreements with broadcaster as per new regime involves detailed analysis under the accounting standard which is complex in nature and resulted in significant impact on revenue recognition as per Ind AS 115, due to which this matter has been considered as a key audit matter. | Our audit procedures included, but were not limited to the following:<br><br>a) We obtained an understanding of management's processes and internal controls around Ind AS 115. We sought explanations from the management for areas involving complex judgements or interpretations to assess their appropriateness;<br><br>b) We tested the operating effectiveness of internal controls established by management to ensure completeness, accuracy and timing of revenue recognised during the year<br><br>c) We obtained the underlying contractual arrangements entered into by the Company with its subscribers and broadcasters in light of NTO;<br><br>d) We held detailed discussions with the management and obtained management's assessment of the impact of the NTO on the operations and revenue recognition policy of the Company;<br><br>e) We have reviewed the existing arrangements with the broadcasters and contracts entered between the Company and the customers, considering the requirements of the NTO;<br><br>f) We have evaluated the completeness and arithmetical accuracy of these adjustments and evaluated the appropriateness of adjustments as per Ind AS 115 by assessing whether all agreements entered with the broadcasters have been considered in such assessment;<br><br>g) We also involved experts within the audit team to evaluate the impact of new NTO, revision of agreement with the broadcaster on the revenue recognition policy of the Company as per Ind AS 115; and<br><br>h) We have assessed the appropriateness and adequacy of disclosures with respect to the revenue recognition policy of the Company, and related disclosures made in the standalone financial statements in accordance with the requirements of Ind AS 115. |

**Information other than the Financial Statements and Auditor's Report thereon**

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these

standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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.

9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

16. As required by Section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors for the period from 1 April 2019 to 16 December 2019 in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. However, as also further described in note 55(e) of the accompanying standalone financial statements, upon re-appointment of the managing director of the Company with effect from 17 December 2019 in accordance with the provisions of Section 196(4) of the Act, the Company has paid managerial remuneration to such managing director amounting to ₹ 116 lacs for the period from 17 December 2019 to 31 March 2020 which is in excess of the limits laid down in Schedule V by ₹ 76 lacs, on the basis of approval of board of directors and nomination and remuneration committee, subject to approval from the shareholders by way of a special resolution in the ensuing annual general meeting, as required under Section 197 of the Act read with Schedule V of the Act.

17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

18. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and except for the matter described in the Basis for Qualified Opinion section, 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 accompanying standalone financial statements;

    b) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;

    f) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section;

    g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 23 July 2020 as per Annexure II expressed unmodified opinion; and

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

        i. the Company, as detailed in note 57 and 62 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

**Ashish Gupta**
Partner
Membership No.: 504662
UDIN: 20504662AAAACI1184

**Place:** New Delhi
**Date:** 23 July 2020

**Annexure I to the Independent Auditor's Report of even date to the members of Dish TV India Limited on the standalone financial statements for the year ended 31 March 2020**

# ANNEXURE I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment, other than consumer premise equipment (CPE) installed at the customers' premises, have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment, other than CPEs installed at the customers' premises, is reasonable having regard to the size of the Company and nature of its assets. The existence of CPEs installed at the customers' premises is verified on the basis of the 'active user status'. Accordingly, we are unable to comment on the discrepancies, if any, that could have arisen on physical verification of CPEs lying with customers in 'inactive status'.

(c) The title deed of following immovable property (which are included under the head property, plant and equipment and which was transferred as a result of business combination in earlier years) is still registered in the name of the erstwhile transferor company.

| Nature of property | Total number of Cases | Whether leasehold / freehold | Gross block/ value as on 31 March 2020 (in ₹ lacs) | Net block/ carrying value as on 31 March 2020 (in ₹ lacs) | Remarks |
|---|---|---|---|---|---|
| Land | One | Leasehold | 2,607 | 2,570 | Refer note 56 to standalone financial statements |

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has granted interest free unsecured loan to a company being wholly owned subsidiary, covered in the register maintained under section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;

(b) the schedule of repayment of principal has been stipulated and principal amount is not due for repayment currently; and

(c) there is no overdue amount in respect of loan granted to such company.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments and guarantees. Further, in our opinion, the Company has not entered into any transaction covered under Section 186 of the Act in respect of security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable

(b) The dues outstanding in respect of income-tax, sales tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

**Statement of Disputed Dues**

| Name of the statute | Nature of dues | Amount (₹ in lakhs) | Amount paid under Protest (₹ in lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Income-tax Act, 1961 | Income-tax and interest | 225 | 225 | Assessment Year 2009-10 | Hon'ble High Court of Allahabad |
| | | 58 | 57 | Assessment Year 2012-13 | Income Tax-Appellate Tribunal, Delhi |
| | | 65 | 65 | Assessment Year 2013-14 | Income Tax-Appellate Tribunal, Delhi |
| | | 127 | 127 | Assessment Year 2010-11 | Hon'ble High Court of Mumbai |
| | | 123 | 123 | Assessment Year 2011-12 | Hon'ble High Court of Mumbai |
| Finance Act, 1994 (Service Tax) | Service tax | 167 | - | 2006-07 to 2010-11 | Custom Excise and Service Tax Appellate Tribunal |
| | | 631 | 47 | 2007-08 to 2010-11 | Custom Excise and Service Tax Appellate Tribunal |
| | | 13,889 | 521 | Apr-09 to Dec-13 | Custom Excise and Service Tax Appellate Tribunal |
| | | 2,929 | 200 | Jan-14 to March-15 | Custom Excise and Service Tax Appellate Tribunal |
| | | 23 | 2 | 2012-13 to 2015-16 | Commissioner (Appeals) of Goods & Service Tax |
| | | 3,443 | 236 | 2015-16 to 2016-17 | Custom Excise and Service Tax Appellate Tribunal |
| | | 1,051 | 72 | Jan-16 to Dec-16 | Custom Excise and Service Tax Appellate Tribunal |
| | | 8,439 | 316 | Jan-14 to Jun-17 | Custom Excise and Service Tax Appellate Tribunal |
| Delhi Value Added Tax Act, 2005 | Value added tax (including penalty and interest) | 263 | 39 | 2010-11 | Delhi Value Added Tax Tribunal, New Delhi |
| | | 53 | 10 | 2011-12 | Delhi Value Added Tax Tribunal, New Delhi |
| | | 2,163 | 112 | 2014-15 | Special Commissioner, Department of Trade & Taxes, Delhi (Objection Hearing Authority) |
| | | 279 | - | 2012-13 | Special Commissioner, Department of Trade & Taxes, Delhi (Objection Hearing Authority) |
| | | 5 | - | 2014-15 | Objection Hearing Authority, Department of Trade & Taxes, Delhi |
| | | 5,685 | - | 2011-12 | Special Commissioner, Department of Trade & Taxes, Delhi (Objection Hearing Authority) |
| | | 1,279 | - | 2013-14 | Special Commissioner, Department of Trade & Taxes, Delhi (Objection Hearing Authority) |
| | | 4 | - | 2014-15 | Objection Hearing Authority, Department of Trade & Taxes, Delhi |
| | | 25,998 | - | 2009-10 | Hon'ble High Court of Delhi |
| | | 954 | - | 2010-11 | Special Commissioner, Department of Trade & Taxes, Delhi (Objection Hearing Authority) |
| | | 38 | - | 2015-16 | Objection Hearing Authority, Department of Trade & Taxes, Delhi |
| Bihar Value Added Tax Act, 2005 | Value added tax (including penalty and interest) | 168 | 82 | 2014-15 | Commercial Taxes Tribunal, Patna |
| | | 119 | 55 | 2013-14 | Commercial Taxes Tribunal, Patna |
| Madhya Pradesh Value Added Tax 2002 | Value added tax | 5 | 1 | 2013-14 | Dy. Comm. Of Appeal, Div -I , Bhopal |

| Name of the statute | Nature of dues | Amount (₹ in lakhs) | Amount paid under Protest (₹ in lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Kerala VAT Act, 2003 | Value added tax | 46 | 6 | 2012-13 | The Deputy Commissioner (Appeals) Commercial Tax, Ernakulam |
| | | 57 | 8 | 2013-14 | The Deputy Commissioner (Appeals) Commercial Tax, Ernakulam |
| | | 50 | 8 | 2014-15 | The Deputy Commissioner (Appeals) Commercial Tax, Ernakulam |
| | | 11 | 2 | 2015-16 | The Deputy Commissioner (Appeals) Commercial Tax, Ernakulam |
| Goa VAT Act, 2005 | Value added tax | 5 | 1 | 2013-14 | Assistant Commissioner of Commercial Taxes, Vasco, Goa |
| | | 9 | 1 | 2014-15 | Assistant Commissioner of Commercial Taxes, Vasco, Goa |
| Telangana VAT Act, 2005 | Value added tax | 186 | 46 | 2012-13 to 2015-16 | Hon'ble High Court for the State of Telangana at Hyderabad |
| Maharashtra Value Added Tax Act, 2002 | Value added tax | 1,021 | 50 | 2013-14 | Deputy Commissioner of State Tax (Appeals) - II, Mumbai |
| | | 1,580 | 66 | 2012-13 | Deputy Commissioner of State Tax (Appeals) - II, Mumbai |
| | | 1,396 | 66 | 2014-15 | Deputy Commissioner of State Tax (Appeals) - II, Mumbai |
| The Central Sales Tax Act, 1956 (West Bengal) | Central sales tax | 3 | # | 2014-15 | Special Commissioner (Appeal) |
| Rajasthan Tax of Entry on Good in to Local areas , 1999 | Value added tax | 235 | - | 2013-14 | Assistant Commissioner Commercial Taxes, AE Zone – 1, Jaipur |
| | | 2,234 | - | 2014-15 | Assistant Commissioner Commercial Taxes, AE Zone – 1, Jaipur |
| Rajasthan Tax of Entry on Good in to Local areas , 1999 | Entry tax | 257 | 76 | 2011-12 | Rajasthan Tax Board, Ajmer |
| | | 82 | - | 2013-14 | Assistant Commissioner Commercial Taxes, AE Zone – 1, Jaipur |
| | | 917 | - | 2014-15 | Assistant Commissioner Commercial Taxes, AE Zone – 1, Jaipur |
| UPVAT Act, 2007 | Value added tax | 48 | 77 | 2013-14 | Addl. Comm. Grade - 2 (Appeal) First, Commercial Tax, Noida |
| The Central Sales Tax Act, 1956 (Goa) | Central sales tax | 2 | @ | 2014-15 | Assistant Commissioner of Commercial Taxes, Vasco, Goa |
| The Jammu & Kashmir entry tax on goods act, 2000 | Entry tax | 43 | 43 | 2014-15 | State of Jammu & Kashmir |
| | | 6 | 6 | 2015-16 | State of Jammu & Kashmir |
| Andhra Pradesh Value Added Tax Act, 2005 | Value added tax | 78 | 19 | June 2014-May 2015 | Hon'ble High Court of Andhra Pradesh |
| Central Sales Tax Act, 1956 (Punjab) | Central sales tax | 1 | $ | 2011-12 | Deputy Excise & Taxation Commissioner (Appeals), Mohali, Punjab |
| Custom Act, 1962 | Custom duty | 12,397 | 1,500 | 2013-14 to 2016-17 | Custom Excise and Service Tax Appellate Tribunal |
| | | 11,294 | 100 | Jul-2013 to Mar-2018 | Custom Excise and Service Tax Appellate Tribunal |
| | | 21 | - | Jul-2017 to Nov-2017. | The Assistant Commissioner of Customs, Audit (Circle- A1) |
| | | 25 | 1 | Jul-2013 to Mar-2018 | Commissioner GST (Appeals), Nashik |

Any interest and penalty excluding those included above, will be ascertained on conclusion of the respective matters.

# ₹ 28,073 rounded off to ₹ 0 lacs
@ ₹ 17,637 rounded off to ₹ 0 lacs
$ ₹ 34,280 rounded off to ₹ 0 lacs

(viii) The Company has no loans or borrowings payable to financial institution, government and no dues payable to debenture-holders. The Company has defaulted in repayment of borrowings to the following bank:

| Name of the bank | Amount of default during the year ended 31 March 2020 (₹ in lacs) | Period of default (in days) | Remarks |
|---|---|---|---|
| Yes Bank Limited | 13,000 | 90 Days | The default has been made good as at the balance sheet date. |
| | 12,000 | 75 Days | |

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act except for in following case as also described in paragraph 16 of our report:

| S. No | Payment made to | Amount paid/ provided in excess of limits prescribed (₹ in lacs) | Amount due for recovery as at 31 March 2020 (₹ in lacs) | Steps taken to secure the recovery of the amount | Remarks (if any) |
|---|---|---|---|---|---|
| 1 | Managing Director | 76 | - | - | Approval obtained in earlier annual general meeting was valid till 16 December 2019. The amount reported pertains to remuneration paid from 17 December 2019 upto 31 March 2020 which is in excess of limits laid down in Schedule V, on the basis of approval of board of directors and nomination and remuneration committee, subject to approval by special resolution in the ensuing annual general meeting. |

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

**Ashish Gupta**
Partner
Membership No.: 504662
UDIN: 20504662AAAACI1184

**Place:** New Delhi
**Date:** 23 July 2020

Annexure II to the Independent Auditor's Report of even date to the members of Dish TV India Limited on the standalone financial statements for the year ended 31 March 2020

# ANNEXURE II

**Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements 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 standalone financial statements of Dish TV India Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the 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 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 its 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.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 Company's internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements include 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 with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

**Ashish Gupta**
Partner
Membership No.: 504662
UDIN: 20504662AAAACI1184

**Place:** New Delhi
**Date:** 23 July 2020

# STANDALONE BALANCE SHEET AS AT 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| | Notes | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 5 | **45,812** | 55,842 |
| Capital work in progress | 6 | **490** | 2,093 |
| Goodwill | 7 | **45,288** | 236,838 |
| Other intangible assets | 8 | **186,742** | 198,236 |
| Financial assets | | | |
| Investments | 9 | **515,343** | 340,068 |
| Loans | 10 | **66,027** | 1,126 |
| Other financial assets | 11 | **31** | 87,878 |
| Deferred tax assets (net) | 12 | **54,661** | 10,263 |
| Current tax assets (net) | 13 | **5,652** | 5,184 |
| Other non-current assets | 14 | **11,619** | 13,866 |
| | | **931,665** | 951,394 |
| **Current assets** | | | |
| Financial assets | | | |
| Trade receivables | 15 | **6,545** | 10,984 |
| Cash and cash equivalents | 16 | **602** | 6,562 |
| Other bank balances | 17 | **2,786** | 909 |
| Loans | 18 | **1,209** | 657 |
| Other financial assets | 19 | **64** | 105,453 |
| Other current assets | 20 | **4,694** | 6,498 |
| | | **15,900** | 131,063 |
| **Total assets** | | **947,565** | 1,082,457 |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 21 | **18,413** | 18,413 |
| Other equity | 22 | **375,852** | 515,067 |
| | | **394,265** | 533,480 |
| **LIABILITIES** | | | |
| **Non current liabilities** | | | |
| Financial liabilities | | | |
| Other financial liabilities | 23 | **878** | 1,998 |
| Provisions | 24 | **1,000** | 1,090 |
| Other non current liabilities | 25 | **2,066** | 1,509 |
| | | **3,944** | 4,597 |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 26 | **29,845** | 50,391 |
| Trade payables | 27 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | **23** | 80 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | **115,841** | 123,982 |
| Other financial liabilities | 28 | **11,182** | 10,131 |
| Other current liabilities | 29 | **34,583** | 33,869 |
| Provisions | 30 | **357,882** | 325,927 |
| | | **549,356** | 544,380 |
| **Total equity and liabilities** | | **947,565** | 1,082,457 |

Significant accounting policies and other explanatory information forming part of the standalone financial statements (1-67)

This is the Standalone Balance Sheet referred to in our report of even date

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

**Ashish Gupta**
*Partner*
Membership No. 504662

**Place:** New Delhi
**Date:** 23 July 2020

**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

**Anil Kumar Dua**
*Group Chief Executive Officer and Executive Director*
DIN: 03640948

**Rajeev K. Dalmia**
*Chief Financial Officer*

**Ranjit Singh**
*Company Secretary*
Membership No: A15442

**Place:** Noida
**Date:** 23 July 2020

# STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | Notes | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 31 | **151,800** | 393,788 |
| Other income | 32 | **16,048** | 11,219 |
| **Total income** | | **167,848** | 405,007 |
| **Expenses** | | | |
| Operating expenses | 33 | **55,680** | 299,061 |
| Employee benefits expense | 34 | **8,114** | 9,989 |
| Finance costs | 35 | **33,835** | 25,056 |
| Depreciation and amortisation expenses | 36 | **31,225** | 32,028 |
| Other expenses | 37 | **30,905** | 36,970 |
| **Total expenses** | | **159,759** | 403,104 |
| **Profit before exceptional items and tax** | | **8,089** | 1,903 |
| Exceptional items | 38 | **191,916** | 170,453 |
| **(Loss) before tax** | | **(183,827)** | (168,550) |
| **Tax expense:** | | | |
| Current tax | | **-** | 1,519 |
| Current tax - prior years | | **-** | 540 |
| Deferred tax | | **(44,418)** | (41,667) |
| **(Loss) after tax** | | **(139,409)** | (128,942) |
| **Other comprehensive income** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurement of gains on defined benefit plan | | **80** | 300 |
| Income-tax relating to items that will not be reclassified to profit or loss | | **(20)** | (105) |
| **Other comprehensive income for the year** | | **60** | 195 |
| **Total comprehensive income for the year** | | **(139,349)** | (128,747) |
| **Earning per share (EPS) (face value ₹ 1)** | | | |
| Basic | 59 | **(7.25)** | (6.70) |
| Diluted | 59 | **(7.25)** | (6.70) |

Significant accounting policies and other explanatory information forming part of the standalone financial statements (1-67)

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

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

**Ashish Gupta**
*Partner*
Membership No. 504662

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

**Jawahar Lal Goel**
*Chairman & Managing Director*
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**B. D. Narang**
*Director*
DIN: 00826573

**Anil Kumar Dua**
*Group Chief Executive Officer and Executive Director*
DIN: 03640948

**Rajeev K. Dalmia**
*Chief Financial Officer*

**Ranjit Singh**
*Company Secretary*
Membership No: A15442

**Place:** New Delhi
**Date:** 23 July 2020

**Place:** Noida
**Date:** 23 July 2020

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**A. Equity share capital**

| | Amount |
|---|---|
| **Balance as at 1 April 2018** | 10,659 |
| Changes in equity share capital during the year | 7,754 |
| **Balance as at 31 March 2019** | **18,413** |
| Changes in equity share capital during the year* | 0 |
| **Balance as at 31 March 2020** | **18,413** |

*('0' represent amount less than ₹ 50,000 rounded off to ₹ lacs)

**B. Other equity**

| Particulars | Reserves & Surplus | | | | Other components of equity (OCE) | Total other equity |
|---|---|---|---|---|---|---|
| | Securities premium | Retained earnings | General Reserves | Share option outstanding account | Shares issued but allotment kept in abeyance (refer note 21h) | |
| **Balance as at 1 April 2018** | **633,598** | **18,427** | **1,849** | **93** | **825** | **654,792** |
| Loss for the year | - | (128,942) | - | - | - | (128,942) |
| Other comprehensive income for the year (net of taxes) | - | 195 | - | - | - | 195 |
| **Total comprehensive income for the year** | **-** | **(128,747)** | **-** | **-** | **-** | **(128,747)** |
| Share based payment to employees | - | - | - | 111 | - | 111 |
| Issue of equity shares under employees stock option plan | 9 | - | - | - | - | 9 |
| Transfer to security premium on exercise of options | 6 | - | - | (6) | - | - |
| Transaction with owners in their capacity as owners: | | | | | | |
| Dividend paid during the year (₹ 0.50 per share) | - | (9,206) | - | - | - | (9,206) |
| Dividend distribution tax on dividend paid | - | (1,892) | - | - | - | (1,892) |
| **Balance as at 31 March 2019** | **633,613** | **(121,418)** | **1,849** | **198** | **825** | **515,067** |
| Loss for the year | - | (139,409) | - | - | - | (139,409) |
| Other comprehensive income for the year (net of taxes) | - | 60 | - | - | - | 60 |
| **Total comprehensive income for the year** | **-** | **(139,349)** | **-** | **-** | **-** | **(139,349)** |
| Share based payment to employees | - | - | - | 134 | - | 134 |
| **Balance as at 31 March 2020** | **633,613** | **(260,767)** | **1,849** | **332** | **825** | **375,852** |

Significant accounting policies and other explanatory information forming part of the standalone financial statements (1-67)

This is the Standalone Statement of Changes In Equity referred to in our report of even date.

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

**Ashish Gupta**
*Partner*
Membership No. 504662

**Place:** New Delhi
**Date:** 23 July 2020

**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

**Anil Kumar Dua**
*Group Chief Executive Officer and Executive Director*
DIN: 03640948

**Rajeev K. Dalmia**
*Chief Financial Officer*

**Ranjit Singh**
*Company Secretary*
Membership No: A15442

**Place:** Noida
**Date:** 23 July 2020

# STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net loss before tax | **(183,827)** | (168,550) |
| **Adjustments for :** | | |
| Depreciation and amortisation expenses | **31,225** | 32,028 |
| Loss on sale/ discard of property, plant and equipment and capital work-in-progress | **696** | 4 |
| Gain on redemption of units of mutual funds | **-** | (7) |
| Share based payment to employees | **134** | 107 |
| Income from financial guarantee contract and deferred payments | **(12,911)** | (4,540) |
| Impairment on financial assets | **4,146** | 3,233 |
| Interest income on financial assets measured at amortised cost | **(43)** | (55) |
| Bad debts and balances written off | **272** | 25 |
| Exceptional items | **191,916** | 170,453 |
| Liabilities written back | **(52)** | (81) |
| Foreign exchange fluctuation (net) | **66** | (862) |
| Interest expense | **32,188** | 23,774 |
| Interest income | **(2,372)** | (4,291) |
| **Operating profit before working capital changes** | **61,438** | 51,238 |
| **Changes in working capital** | | |
| Decrease in trade receivables | **2,102** | 118 |
| (Increase) in other financial assets | **(38,248)** | (191,060) |
| Decrease in other assets | **1,385** | 2,332 |
| (Decrease)/increase in trade payables | **(8,198)** | 69,653 |
| Increase in provisions | **5,469** | 24,668 |
| Increase/(decrease) in other liabilities | **4,397** | (18,401) |
| **Cash generated from operations** | **28,345** | (61,452) |
| Income-taxes (paid) (net of refund) | **(468)** | (475) |
| **Net cash generated from/(used in) operating activities (A)** | **27,877** | (61,927) |

# STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment (including adjustment for creditor for fixed assets, work in progress and capital advances) | **(7,703)** | (9,071) |
| Proceeds from sale of property, plant and equipment | **822** | 1 |
| Purchase of current investments | **-** | (6,900) |
| Proceeds from sale of current investments | **-** | 6,907 |
| Proceeds from sale of non-current investment | **-** | 15,000 |
| Loans given to body corporates | **(1,069)** | (1,343) |
| Refund of loans given to body corporates | **703** | 34 |
| Net (increase)/decrease in fixed deposits | **(989)** | 11,252 |
| Interest received | **571** | 2,630 |
| **Net cash (used in)/generated from investing activities (B)** | **(7,665)** | 18,510 |
| **Cash flows from financing activities** | | |
| Interest paid | **(5,626)** | (1,092) |
| Proceeds from issue of capital / call money received | **-** | 14 |
| Repayments of long term borrowings | **-** | (2,406) |
| Proceeds from/(repayment of) short term borrowings(net) | **(20,546)** | 37,988 |
| Dividend paid to shareholders | **-** | (9,143) |
| Dividend distribution tax paid | **-** | (1,892) |
| **Net cash (used in)/generated from financing activities (C)** | **(26,172)** | 23,469 |
| **Net (decrease)/increase in cash and cash equivalents (A+B+C)** | **(5,960)** | (19,948) |
| **Cash and cash equivalents at the beginning of the year** | **6,562** | 26,510 |
| **Cash and cash equivalents at the end of the year** | **602** | 6,562 |
| Cash and cash equivalents includes: | | |
| Balances with scheduled banks : | | |
| - in current accounts | **602** | 2,046 |
| - deposits with maturity of upto 3 months | **-** | 4,516 |
| Cash on hand | **-** | 0 |
| **Cash and cash equivalents (refer note 16)** | **602** | 6,562 |
| **Non-cash investing activities** | | |
| Purchase of investment in subsidiary (refer note 44) | **-** | 300,000 |
| Loan to subsidiary company (refer note 66) | **245,023** | - |

(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statements of Cash Flows"

(b) Figures in brackets indicate cash outflow.

(c) Additions to property, plant and equipment and intangible assets include movements of capital work-in-progress, intangible assets under development, capital advances and creditors for capital goods respectively during the year.

(d) Refer note 26.1 for reconciliation of liabilities arising from financing activities as set out in Ind AS-7.

Significant accounting policies and other explanatory information forming part of the standalone financial statements (1-67)

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

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

**Ashish Gupta**
*Partner*
Membership No. 504662

**Place:** New Delhi
**Date:** 23 July 2020

**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

**Anil Kumar Dua**
*Group Chief Executive Officer and Executive Director*
DIN: 03640948

**Rajeev K. Dalmia**
*Chief Financial Officer*

**Ranjit Singh**
*Company Secretary*
Membership No: A15442

**Place:** Noida
**Date:** 23 July 2020

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**1. Background**

Dish TV India Limited ('Dish TV' or 'the Company') was incorporated on 10 August 1988. The Company is engaged in the business of providing Direct to Home ('DTH') television and Teleport services. Dish TV is a public company incorporated and domiciled in India. Its registered office is at 18th floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400013, Maharashtra, India.

**2. General information and statement of compliance with Indian Accounting Standards (Ind AS)**

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standard (Ind AS) as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

The standalone financial statement for the year ended 31 March 2020 were authorised and approved for issue by Board of Directors on 23 July 2020.

**3. Recent accounting pronouncement**

<u>Standard issued but not yet effective</u>

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. However, there are no such notifications which have been issued but not yet effective or applicable from 1 April 2020.

**4. Significant accounting policies**

**a) Overall consideration**

These standalone financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

These accounting policies have been used throughout all periods presented in these standalone financial statements.

**b) Basis of preparation of financial statements**

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets, financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

Further the 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.

**c) Current versus non-current classification**

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company and other criteria set out in the Act. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

**d) Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The consideration transferred by the Company to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, the equity interests issued and fair value of contingent consideration issued. Acquisition-related costs are expensed as and when incurred.

Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to Other Comprehensive Income (OCI).

If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is measured as excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the resulting gain on bargain purchase is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

**e) Property, plant and equipment and capital work in progress**

**Property, plant and equipment**

*Recognition and initial measurement*

Property, plant and equipment are recorded at the cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use upto the date when the assets are ready for use. Any trade discount, recoverable taxes and rebates are deducted in arriving at the purchase price. All other repairs and maintenance are recognized in statement of profit and loss as incurred.

Consumer premises equipment (CPE) are treated as part of capital work in progress till the time of activation thereof, post which the same gets depreciated. Capital work in progress is valued at cost.

*Subsequent measurement (Depreciation and useful lives)*

Property, plant and equipment are subsequently measured at cost less depreciation and impairment loss. Depreciation on property, plant and equipment is provided on straight line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II of the Act as under:

| Asset category | Useful life (in years) |
|---|---|
| Plant and equipments | 7.5 |
| Building | 30 |
| Office equipment except mobile | 5 |
| Mobiles | 2.5 |
| Furniture and fixtures | 10 |
| Electrical installations | 10 |
| Vehicles | 8 |
| ***Computers*** | |
| Laptops, desktops and other devices | 3 |
| Servers and networks | 6 |

In case of following category, 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) Consumer premises equipment 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.

*De-recognition*

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition (calculated as the difference between the net disposal proceeds and its carrying amount) is included in the statement of profit and loss when the respective asset is derecognised.

**f) Goodwill**

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

**g) Other intangible assets**

***Recognition and initial measurement***

Intangible assets are recognised if it is probable that the future economic benefits that are attributable to

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

the asset will flow to the Company 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.

Customer and distributor relationships are recorded at the fair market value assessed by independent valuer based on projected economic income attributable to the Company taking into account various factors in the business combination.

Brand is recorded at the cost of acquisition. Cost of acquisition has been determined as the fair market value assessed by independent valuer based on projected economic income attributable to the Company taking into account various factors in the business combination.

Cost of computer software includes license fees, cost of implementation and directly attributable system integration expenses. These costs are capitalized as intangible assets in the year in which related software is implemented.

***Subsequent measurement (amortisation)***

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) The economic life of customer and distributor relationship assets are usually determined by estimating future loyalty of customers. Management has assessed that the economic useful life of the customer and distributor relationship to be of ten years.

iii) The brands have been acquired for a perpetual period. Based on various factors the Company has considered brand to be perpetual in nature. Accordingly, these are tested for impairment.

iv) Software are amortised over an estimated life ranging from one year to five years as the case may be.

**h) Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal/ external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

**i) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider:

i) All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.

ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

**Trade receivables**

The Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires lifetime expected credit losses to be recognised from the date of initial recognition of receivables.

**Other financial assets**

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**j) 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.

Revenue is measured at the fair value of the consideration received/receivable net of rebates and applicable taxes. The Company applies the revenue recognition criteria to each nature of the sales and services transaction as set out below, pursuant to Indian Accounting Standard -115 "Revenue from contracts with customers" (Ind AS 115) which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

i) Revenue from rendering of services

- Revenue from subscription services is recognized upon transfer of control of promised products or services to customers over the time in an amount that reflects the consideration we expect to receive in exchange for those products or services. Revenue is recognised net of taxes collected from the customer, collection charges and any discount given. Consideration received in advance for subscription services is initially deferred and included in other liabilities.
- Lease rental is recognized as revenue as per the terms of the contract over the period of lease contract on a straight line basis.
- Revenue from other services (viz Bandwidth charges, teleport services, field repairs of CPE, advertisement income) are recognized on rendering of the services.

ii) Revenue from 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 and the Company has transferred to the buyer the significant risks and rewards.
- Sales are stated net of rebates, trade discounts, sales returns and taxes on sales.

iii) Interest income

- Income from deployment of surplus funds is recognised on accrual basis using the effective interest rate (EIR) method.

**k) Foreign currency translation**

***Functional and presentation currency***

The financial statements are presented in Indian Rupees (₹) which is also the functional and presentation currency of the Company.

***Transactions and balances***

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Non-monetary items denominated in a foreign currency are converted in functional currency at the rate prevailing on the date of transactions and the same are carried at historical cost.

Foreign currency monetary items are converted to functional currency using the closing rate.

Exchange differences arising on such conversion and settlement at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

**l) Borrowing Costs**

Borrowing costs include interest and other costs that the Company incurs in connection with the borrowing of funds.

In case of significant long-term loans, other costs incurred in connection with the borrowing of funds are amortised over the period of respective loan.

**m) Employee benefits**

Employee benefits include provident fund, pension fund, gratuity and compensated absences

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

*Defined contribution plan*

The Company deposits the contributions for provident fund and employees' state insurance to the appropriate government authorities and these contributions are recognised in the statement of profit and loss in the financial year to which they relate.

*Defined benefit plan*

The Company'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 recognised immediately in the statement of other comprehensive income. The Company has done contribution to the Gratuity plan with Life Insurance Corporation of India partially.

*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.

*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 statement of profit and loss in the period in which the employee renders the related service.

**n) Employee stock option scheme**

The fair value of options granted under Employee Stock Option Plan of the Company is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to other equity. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium.

**o) Leases**

***Company as a lessee***

**Accounting policy till 31 March 2019**

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis.

Leases which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased items are classified as 'Finance Leases'. Assets acquired on 'Finance Lease' which transfer risk and rewards of the ownership to the Company are capitalized as the assets by the company.

**Changes in accounting policy**

The Company's lease asset classes primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset, (2) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (3) the Company has the right to direct the use of the asset.

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

At the date of commencement of the lease, the Company recognizes a Right of use (ROU) asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases. For short-term leases and low value leases, the Company recognizes the lease payments as an expense on a straight-line basis over the term of the lease.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the date of commencement of the lease on a straight -line basis over the shorter of the lease term and the useful life of the underlying asset

The lease liability is initially measured at amortized cost at the present value of the future lease payments. For leases under which the rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate based on the information available at the date of commencement of the lease in determining the present value of lease payments. Lease liabilities are re measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment as to whether it will exercise an extension or a termination option.

ROU assets has been disclosed under property plant and equipements and corresponding lease liability has been shown under financial liability in the Balance sheet.

*Transition*

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method, on the date of initial application. This new standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. Ind AS 116 supersedes Ind AS 17 and its associated interpretative guidance. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and Right-of-use assets were measured at the amount of the lease liability (adjusted for any prepaid or accrued lease expenses). Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) (an amount equal to the lease liability, adjusted by the prepaid lease rent) of ₹ 2,607 lacs. The impact on the loss of the Company for the year ended 31 March 2020 is not material.

The following is the summary of practical expedients elected on initial application:

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 10.84% p.a.

***Company as a lessor***

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The respective leased assets are included in the balance sheet based on their nature. Rental income is recognized on straight line basis over the lease term.

**p) Earnings per share**

Basic earning 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.

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

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.

**q) Equity, reserves and dividend payment**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

**r) Taxation**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except those recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

Unused tax credit such as (Minimum alternate tax ('MAT') credit entitlement) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which such credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as unused tax credit. The Company reviews the same at each balance sheet date and writes down the carrying amount of unused tax credit to the extent it is not reasonably certain that the Company will pay normal income-tax during the specified period.

**s) Operating cycle**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the aquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

**t) Operating expenses**

Operating expenses are recognised in statement of profit or loss upon utilisation of the service or as incurred.

**u) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Basis the review of operations being done by the CODM, the operations of the Company fall under Direct to Home ('DTH') and teleport services, which is considered to be the only reportable segment.

**v) Provisions, contingent liabilities, commitments and contingent assets**

The Company 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 discounted to their present value (where time value of money is material) 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 Company. 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.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

**w) Financial instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

**Financial assets**

*Subsequent measurement*

Financial asset at amortised cost – the financial instrument is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**Investments in equity instruments of subsidiaries, joint ventures and associates**

Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

Investments in other equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

**Investments in mutual funds**

Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

Derivative instruments – derivatives such as options and forwards are carried at fair value through profit and loss with fair gains/losses recognised in profit and loss.

*De-recognition of financial assets*

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Financial liabilities**

*Subsequent measurement*

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

(All amounts in ₹ lacs, unless otherwise stated)

*De-recognition of financial liabilities*

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

*Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

x) **Fair value measurement**

The Company measures financial instruments such as investments, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

y) **Cash and cash equivalents**

Cash and cash equivalents comprises cash at bank and in hand, cheques in hand and short term investments that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

z) **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

aa) **Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of 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 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.

*Significant management judgements*

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

**Recognition of deferred tax assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

**Evaluation of indicators for impairment of assets:** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**Contingent liabilities:** At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from this judgement.

**Significant estimates**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be different.

**Impairment of financial assets:** At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables.

**Impairment of goodwill:** At each balance sheet date, goodwill is tested for impairment. The recoverable amount of cash generating unit (CGU) is determined based on the higher of value-in-use and fair value less cost to sell. Key assumptions on which the management has based its determination of recoverable amount include estimated long-term growth rates, weighted average cost of capital and estimated operating margins. The cash flow projections take into account past experience and represent the management's best estimate about future developments. Cash flow projections based on financial budgets are approved by management.

**Defined benefit obligation (DBO):** Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements:** Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

**Useful lives of depreciable/amortisable assets:** Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

## 5. Property, plant and equipment

| Particulars | Building | ROU assets (refer note 56) | Plant and equip-ments | Consumer premises equip-ment | Computers | Office equip-ments | Furniture and fixtures | Vehicles | Leasehold improve-ments | Electrical Install-ations | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | | | | | | |
| As at 1 April 2018 | 2,609 | - | 35,126 | 73,416 | 3,004 | 759 | 549 | 3,698 | 45 | 524 | 119,730 |
| Additions | 0 | - | 2,789 | 6,747 | 542 | 417 | 19 | 83 | 11 | 116 | 10,724 |
| Disposal/ adjustments | - | - | - | - | 5 | 1 | - | - | 11 | - | 17 |
| **As at 31 March 2019** | **2,609** | **-** | **37,915** | **80,163** | **3,541** | **1,175** | **568** | **3,781** | **45** | **640** | **130,437** |
| Adjustment on transition to Ind AS 116 | - | 2,607 | - | - | - | - | - | - | - | - | 2,607 |
| Additions | 103 | | 2,797 | 3,239 | 280 | 838 | 408 | 5 | 0 | 15 | 7,685 |
| Disposal/ adjustments | - | - | 4 | - | 4 | 1 | - | 3,378 | - | - | 3,387 |
| **As at 31 March 2020** | **2,712** | **2,607** | **40,708** | **83,402** | **3,817** | **2,012** | **976** | **408** | **45** | **655** | **137,342** |
| **Accumulated depreciation** | | | | | | | | | | | |
| As at 1 April 2018 | 174 | - | 16,563 | 33,167 | 1,604 | 531 | 221 | 2,037 | 45 | 214 | 54,556 |
| Charge for the year | 348 | - | 4,221 | 14,209 | 588 | 115 | 104 | 376 | - | 89 | 20,050 |
| Disposal/ adjustments | - | - | - | - | 2 | 0 | - | 9 | - | - | 11 |
| **As at 31 March 2019** | **522** | **-** | **20,784** | **47,376** | **2,190** | **646** | **325** | **2,404** | **45** | **303** | **74,595** |
| Charge for the year | 358 | 37 | 4,494 | 13,219 | 543 | 247 | 79 | 236 | - | 95 | 19,308 |
| Disposal/ adjustments | - | - | 0 | - | 2 | 1 | - | 2,370 | - | - | 2,373 |
| **As at 31 March 2020** | **880** | **37** | **25,278** | **60,595** | **2,731** | **892** | **404** | **270** | **45** | **398** | **91,530** |
| **Net block as at 31 March 2019** | **2,087** | **-** | **17,131** | **32,787** | **1,351** | **529** | **243** | **1,377** | **-** | **337** | **55,842** |
| **Net block as at 31 March 2020** | **1,832** | **2,570** | **15,430** | **22,807** | **1,086** | **1,120** | **572** | **138** | **-** | **257** | **45,812** |

('0' represent amount less than ₹ 50,000 rounded off to ₹ lacs)

**Contractual obligation**

Refer note 62 (c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**Capitalised borrowing cost**

No borrowing cost has been capitalised during the year ended 31 March 2020 and 31 March 2019.

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**6. Capital work in progress**

| Particulars | Amount |
|---|---|
| **Gross carrying value** | |
| As at 1 April 2018 | 5,965 |
| Additions | 6,852 |
| Transfer to property, plant and equipments | (10,724) |
| **As at 31 March 2019** | **2,093** |
| Additions | 6,082 |
| Transfer to property, plant and equipments | (7,685) |
| **As at 31 March 2020** | **490** |

**7. Goodwill**

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| **Opening balance** | **236,838** | 391,138 |
| Impairment of goodwill (refer note 38) | **191,550** | 154,300 |
| **Closing balance** | **45,288** | 236,838 |

**Impairment tests for goodwill**

Goodwill is monitored by management at the level of D2h division acquired pursuant to merger of the Company with erstwhile Videocon D2h Limited

A summary of goodwill allocation and carrying value is presented below,

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| D2h CGU | **45,288** | 236,838 |
| **Total** | **45,288** | 236,838 |

Impairment testing of the goodwill (allocated to the D2H CGU) is being performed at each balance sheet date. The recoverable amount of cash generating unit is determined based on the higher of value-in-use and fair value less cost to sell. Value in use is determined basis cash flow projections which is being prepared taking in to account past experience and represent the management's best estimate about future developments. Cash flow projections based on financial budgets are approved by management. Key assumptions on which the management has based its determination of recoverable amount include estimated long-term growth rates, weighted average cost of capital and estimated operating margins. The impairment loss, if any, determined as a result of the assessment is first applied to the carrying value of Goodwill allocated to D2H CGU and then to the other assets consisting in the CGU in accordance with the manner prescribed in Ind AS 36. Based on above, at the current reporting date, an impairment loss amounting to ₹ 191,550 lacs (previous year ₹ 154,300 lacs) has been determined in respect of D2H CGU. The entire impairment loss has been applied to and adjusted against the carrying value of goodwill allocated to the CGU in the manner prescribed in Ind AS 36.

A summary of value in use and amount of impairment during the financial year is given below.

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Present value of discounted cash flows over 5 years | **157,745** | 207,973 |
| Present value of terminal cash flow | **223,218** | 290,348 |
| **Total value in use** | **380,963** | 498,321 |
| Less: Contingent liability | **20,250** | 14,655 |
| Less: Borrowing and license fees payable | **175,829** | 177,968 |
| Less: Net working capital | **(67,916)** | (158,718) |
| Less: Carrying value of PPE and intangible assets at reporting date | **207,512** | 227,578 |
| **Net recoverable amount** | **45,288** | **236,838** |
| Opening carrying value of goodwill | **236,838** | **391,138** |
| **Provision for impairment (refer note 38)** | **(191,550)** | **(154,300)** |
| **Closing carrying value of goodwill** | **45,288** | **236,838** |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**Key assumptions used for value in use calculation are as fallows:**

- The Company prepares its cash flow forecast based on the most recent financial budget approved by management with projected revenue growth rate. average monthly revenue per user is expected to grow at 3% till 2022 and at 4% post 2022.
- Terminal growth rate is assumed at 4% and is based on industry growth rate and projected growth of Indian economy.
- The EBIDTA margin is expected to be at the same level through out the projected period.
- The free cash flow arrived at were discounted to present value using weighted average cost of capital (WACC). The sum of the discounted cash flows along with the discounted terminal value is the estimated enterprise value.

**8. Other intangible assets**

| Particulars | Trademark / Brand | License fee | Software | Customer and Distributor Relationship | Total |
|---|---|---|---|---|---|
| **Gross carrying value** | | | | | |
| As at 1 April 2018 | 102,909 | 1,559 | 5,807 | 110,581 | 220,856 |
| Additions | - | 87 | 123 | - | 210 |
| **As at 31 March 2019** | **102,909** | **1,646** | **5,930** | **110,581** | **221,066** |
| Additions | - | 16 | 407 | - | 423 |
| **As at 31 March 2020** | **102,909** | **1,662** | **6,337** | **110,581** | **221,489** |
| **Accumulated amortisation** | | | | | |
| As at 1 April 2018 | - | 1,355 | 3,986 | 5,511 | 10,852 |
| Charge for the year | - | 54 | 872 | 11,052 | 11,978 |
| **As at 31 March 2019** | **-** | **1,409** | **4,858** | **16,563** | **22,830** |
| Charge for the year | **-** | **71** | **788** | **11,058** | **11,917** |
| **As at 31 March 2020** | **-** | **1,480** | **5,646** | **27,621** | **34,747** |
| Net block as at 31 March 2019 | 102,909 | 237 | 1,072 | 94,018 | 198,236 |
| Net block as at 31 March 2020 | 102,909 | 182 | 691 | 82,960 | 186,742 |

**Contractual obligation**

Refer note 62(c) for disclosure of contractual commitments for the acquisition of intangible assets.

Please refer to Note 7, impairment testing of goodwill includes other intangible assets also and consequently the impact of impairment assessment as mentioned in said note on the D2H CGU, has been allocated to the related goodwill and accordingly no adjustment is required on account of impairment loss in the carrying value of the other assets belonging to D2H CGU including the indefinite life intangible assets namely 'Trademarks' and 'Customer and Distributor Relationship'.

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| | | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| **9.** | **Investments (non-current)** | | |
| | **In equity instruments** | | |
| **(i)** | **Equity shares fully paid up of subsidiary companies carried at cost (unquoted)** | | |
| | Dish T V Lanka (Private) Limited<br>70,000 (31 March 2019: 70,000) equity shares of LKR 10, each fully paid up. | **3** | 3 |
| | Dish Infra Services Private Limited<br>3,11,80,10,000 (31 March 2019: 3,11,80,10,000) equity shares of ₹ 10 each fully paid up | **311,801** | 311,801 |
| | Dish Infra Services Private Limited (refer note 66)<br>Equity portion of loans, corporate guarantee given and share based payments | **203,539** | 28,263 |
| | C&S Medianet Private Limited<br>5,100 equity shares of ₹ 10, each fully paid up | **1** | 1 |
| **(ii)** | Equity shares fully paid up of other companies carried at fair value through other comprehensive income (unquoted) | | |
| | Dr. Subhash Chandra Foundation<br>1 (31 March 2019: 1) equity shares of ₹ 10, each fully paid up | **0** | 0 |
| | | **515,343** | 340,068 |
| | Aggregate amount of quoted investments and market value thereof | **-** | - |
| | Aggregate amount of unquoted investments | **515,343** | 340,068 |
| | Aggregate amount of impairment in the value of investments | **-** | - |
| | | **515,343** | 340,068 |

('0' represent amount less than ₹ 50,000 rounded off to ₹ lacs)

| | | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| **10.** | **Loans (non-current)** | | |
| | **Unsecured, considered good unless otherwise stated** | | |
| | Security deposit | | |
| | - to related parties (refer note 55 (d)) | **368** | 433 |
| | - to others | **708** | 693 |
| | Loans to related party (refer note 55 (d))* | | |
| | Considered good (refer note 65) | **64,951** | - |
| | Considered doubtful | **21,371** | 17,353 |
| | Less: provision for expected credit loss | **(21,371)** | (17,353) |
| | | **66,027** | 1,126 |

| | | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| **11.** | **Other financial assets (non-current)** | | |
| | **Others** | | |
| | Bank deposits with of more than 12 months maturity* | **31** | 919 |
| | Amount recoverable# | **-** | 86,959 |
| | | **31** | 87,878 |

* Includes deposits under lien (refer note 63).

# ₹ 86,959 lacs from subsidiary company, Dish Infra Services Private Limited.

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

## 12. Deferred tax assets (net)

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Deferred tax assets / (liabilities) arising on account of :** | | |
| Provision for employee benefits and others provisions/liabilities deductible on actual payment | **2,418** | 3,302 |
| Allowances for expected credit loss- trade receivables and advances/loans | **8,095** | 9,070 |
| Expense disallowed u/s 35DD of Income-tax Act, 1961 | **988** | 1,818 |
| Unabsorbed depreciation | **45,501** | 47,137 |
| MAT credit entitlement | **-** | 579 |
| Receivables, financial assets and liabilities at amortised cost | **(1,544)** | (542) |
| Property, plant and equipment and intangible assets | **(797)** | (51,101) |
| | **54,661** | 10,263 |

| Movement in deferred tax assets/liabilities for the year ended 31 March 2020 | As at 1 April 2019 | Recognised / reversed through profit and loss (refer note below) | Recognised / reversed through OCI | As at 31 March 2020 |
|---|---|---|---|---|
| **Deferred tax assets / (liabilities) arising on account of :** | | | | |
| Provision for employee benefits and others provisions/ liabilities deductible on actual payment | 3,302 | (864) | (20) | **2,418** |
| Allowances for expected credit loss- trade receivables and advances/loans | 9,070 | (975) | - | **8,095** |
| Expense disallowed u/s 35DD of Income-tax Act, 1961 | 1,818 | (830) | - | **988** |
| Unabsorbed depreciation* | 47,137 | (1,636) | - | **45,501** |
| MAT credit entitlement | 579 | (579) | | **-** |
| Receivables, financial assets and liabilities at amortised cost | (542) | (1,002) | - | **(1,544)** |
| Property, plant and equipment and intangible assets | (51,101) | 50,304 | - | **(797)** |
| | **10,263** | **44,418** | **(20)** | **54,661** |

| Movement in deferred tax assets/liabilities for the year ended 31 March 2019 | As at 1 April 2018 | Recognised / reversed through profit and loss | Adjustment in business transfer agreement | Recognised / reversed through OCI | As at 31 March 2019 |
|---|---|---|---|---|---|
| **Deferred tax assets / (liabilities) arising on account of :** | | | | | |
| Provision for employee benefits and others provisions/ liabilities deductible on actual payment | 1,574 | 1,833 | - | (105) | 3,302 |
| Allowances for expected credit loss- trade receivables and advances/loans | 1,647 | 7,423 | - | - | 9,070 |
| Expense disallowed u/s 35DD of Income-tax Act, 1961 | 1,691 | 127 | - | - | 1,818 |
| Unabsorbed depreciation* | 46,414 | 723 | - | - | 47,137 |
| MAT credit entitlement | 579 | - | - | - | 579 |
| Receivables, financial assets and liabilities at amortised cost | (1,638) | (10,937) | 12,033 | - | (542) |
| Property, plant and equipment and intangible assets | (93,599) | 42,498 | - | - | (51,101) |
| | **(43,332)** | **41,667** | **12,033** | **(105)** | **10,263** |

* Deferred tax assets on unabsorbed depreciation/ brought forward losses is recognised only to the extent of probability of availability and certainty of future taxable profits with convincing evidence.

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**Note:**

The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from the current financial year. Accordingly, the Company have re-measured the deferred tax assets/liabilities on the basis of the rates prescribed in that section. This has resulted in a reversal of deferred tax assets to the extent of ₹ 4,590 lacs on account of re-measurement of deferred tax assets/ liabilities pertaining to the previous period. Additionally MAT credit entitlement of ₹ 579 has been reversed due to implementation of tax ordinance.

| **13. Current tax assets (net)** | **As at 31 March 2020** | As at 31 March 2019 |
|---|---|---|
| Income-tax (net of provision of ₹ 3,173 lacs, 31 March 2019: ₹ 11,766 lacs) | **5,652** | 5,184 |
| | **5,652** | 5,184 |

| **14. Other non current assets** | **As at 31 March 2020** | As at 31 March 2019 |
|---|---|---|
| Capital advances | **4** | 343 |
| Advances other than capital advances: | | |
| Balance with statutory authorities* | **11,575** | 10,972 |
| Prepaid expenses | **40** | 2,551 |
| | **11,619** | 13,866 |

* Includes amount paid under protest netted off provision recognised ₹ 609 lacs (31 March 2019: ₹ 609 lacs)

| **15. Trade receivables** | **As at 31 March 2020** | As at 31 March 2019 |
|---|---|---|
| Trade receivables - considered good, unsecured | **6,545** | 10,984 |
| Trade receivables - credit impaired | **7,056** | 4,865 |
| | **13,601** | 15,849 |
| Less: allowances for expected credit loss (refer note 51b) | **(7,056)** | (4,865) |
| | **6,545** | 10,984 |

Trade receivable have been pledged as security, refer note 26.

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

| **16. Cash and cash equivalents** | **As at 31 March 2020** | As at 31 March 2019 |
|---|---|---|
| Balances with banks:- | | |
| In current accounts | **602** | 2,046 |
| In deposit accounts with original maturity of less than three months* | **-** | 4,516 |
| Cash on hand** | **-** | 0 |
| | **602** | 6,562 |

* Includes deposits under lien (refer note 63).

** Current year nil (previous year ₹ 0.12 lacs) rounded off to ₹ lacs

Note: There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| **17. Other bank balances** | **As at 31 March 2020** | As at 31 March 2019 |
|---|---|---|
| In current accounts # | **0** | 0 |
| Deposits with maturity of more than 3 months but less than 12 months* | **2,723** | 846 |
| Unpaid dividend account ** | **63** | 63 |
| | **2,786** | 909 |

# ₹ 0.42 lacs (31 March 2019: ₹ 0.42 lacs) in share call money accounts in respect of right issue (refer note 60)

* Includes deposits under lien (refer note 63).

** Not due for deposit to the Investor Education and Protection Fund

| **18. Loans (current)** | **As at 31 March 2020** | As at 31 March 2019 |
|---|---|---|
| **Security deposits (unsecured, considered good)*** | | |
| Related parties (refer note 55 (d)) | **-** | 54 |
| Others | **1,209** | 603 |
| | **1,209** | 657 |

*The carrying values are considered to be reasonable approximation of fair values.

| **19. Other financial assets (current)** | **As at** | As at |
|---|---|---|
| **Unsecured, considered good unless otherwise stated** | **31 March 2020** | 31 March 2019 |
| Interest accrued but not due on fixed deposits | **64** | 217 |
| Amount recoverable# | | |
| Considered good | **-** | 105,236 |
| **Others** | | |
| Considered doubtful | **4,125** | 4,125 |
| Less: provision for expected credit loss | **(4,125)** | (4,125) |
| | **64** | 105,453 |

# The carrying values are considered to be reasonable approximation of fair values.

| **20. Other current assets** | **As at 31 March 2020** | As at 31 March 2019 |
|---|---|---|
| Advances other than capital advances: | | |
| Balance with statutory authorities | **2,333** | 536 |
| Prepaid expenses | **1,629** | 3,378 |
| Amount recoverable in cash or in kind* | **732** | 2,584 |
| | **4,694** | 6,498 |

* Includes amount nil (31 March 2019: ₹ 97 lacs) advanced to related party

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| 21. Equity share capital | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Authorised** | | |
| 6,50,00,00,000 (31 March 2019: 6,50,00,00,000) equity shares of ₹ 1 each | **65,000** | 65,000 |
| Increased during the year nil (31 March 2019: nil) equity shares of ₹ 1 each | **-** | - |
| 6,50,00,00,000 (31 March 2019: 6,50,00,00,000) equity shares of ₹ 1 each | **65,000** | 65,000 |
| **Issued** | | |
| 1,92,38,16,997 (31 March 2019: 1,92,38,16,997) equity shares of ₹ 1 each, fully paid up | **19,238** | 19,238 |
| **Subscribed and fully paid up*** | | |
| 1,84,12,53,953 (31 March 2019: 1,84,12,53,953) equity shares of ₹ 1 each, fully paid up | **18,413** | 18,413 |
| **Subscribed but not fully paid up** | | |
| 33,561 (31 March 2019: 33,561) equity shares of ₹ 1 each, fully called up (refer footnote b) | **0** | 0 |
| Less: calls in arrears (other than from directors/ officers)** | **(0)** | (0) |
| | **18,413** | 18,413 |

* Difference in number of shares issued and number of shares subscribed is on account of shares held in abeyance (refer footnote h below)

** ₹ 13,169 (₹ 13,169 as on 31 March 2019)

**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 | **1,841,287,514** | 1,841,270,434 |
| Add: Issued during the year under employees stock option plan | **-** | 17,080 |
| Shares at the end of the year | **1,841,287,514** | 1,841,287,514 |

**b) Detail of shares not fully paid-up**

14,446 (31 March 2019: 14,446) equity shares of ₹ 1 each, ₹ 0.75 paid up

19,115 (31 March 2019: 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, 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 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|---|
| | | Number of shares | % holding in the Company | Number of shares | % holding in the Company |
| (i) | World Crest Advisors LLP | **502,605,389** | **27.30%** | 524,872,409 | 28.51% |
| (ii) | Direct Media Distribution Ventures Private Limited | **360,858,748** | **19.60%** | 427,803,288 | 23.23% |
| (iii) | Deutsche Bank Trust Company Americas* | **114,737,928** | **6.23%** | 189,185,772 | 10.27% |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

Shareholding disclosed above does not include shares issued but kept in abeyance as at the balance sheet date due to the reasons stated in foot note (h) below

* In terms of the Scheme, the Board of Directors of the Company at their meeting held on 26 March 2018 issued and allotted equity shares to the shareholders of Videocon D2H Limited (D2H), including Deutsche Bank Trust Company Americas, which held the underlying equity shares of D2H against which American Depository Shares ("ADSs") were issued and listed on Nasdaq Global Market ("Nasdaq"). In terms of the Scheme, the said ADSs were to be voluntarily delisted from Nasdaq. Accordingly, the said ADS were delisted from Nasdaq and in terms of the Scheme, the ADS holders of D2H were issued Global Depositary Receipts (the "GDRs") of Dish TV India Limited.

**e) Subscribed but fully paid up shares include:**

2,623,960 (31 March 2019: 2,623,960) equity shares of ₹ 1 each, fully paid up, issued to the employees, under Employee Stock Option Plan, i.e., ESOP 2007.

**f)** 18,000,000 equity shares of ₹ 1 each are reserved for issue under Employee Stock Option Plan 2018. (refer note 47 for terms and amount etc.)

**g) Aggregate number of bonus share issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date**

(i) The Company has issued 857,785,642 numbers of shares under the scheme of merger, out of which 775,256,159 numbers of shares have been allotted during the previous year without payment being received in cash (also refer footnote (h) below); and

(ii) Other than aforementioned, no share has been allotted by way of bonus issues and no share has been bought back in the current year and preceding five years

**h)** The allotment of 82,529,483 equity shares of the Company has been kept in abeyance, due to litigation, till such time the claim over the title of the share is ascertained by appropriate statutory or judicial bodies.

| **22. Other equity** | **As at 31 March 2020** | As at 31 March 2019 |
|---|---|---|
| **Retained earnings** | | |
| Balance at the beginning of the year | **(121,418)** | 18,427 |
| Add: Profit/ (loss) for the year | **(139,409)** | (128,942) |
| Less: Dividend paid during the year | **-** | (9,206) |
| Less: Dividend distribution tax on dividend | **-** | (1,892) |
| | **(260,827)** | (121,613) |
| **Items of the other comprehensive income recognised directly in retained earnings** | | |
| -Remeasurement of post employment benefits (net of taxes) | **60** | 195 |
| Balance at the end of the year | **(260,767)** | (121,418) |
| **Securities premium** | | |
| Balance at the beginning of the year | **633,613** | 633,598 |
| Add: Addition during the year | **-** | 15 |
| **Balance at the end of the year** | **633,613** | 633,613 |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**22. Other equity (Contd.)**

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **General reserves** | | |
| Balance at the beginning and end of the year | **1,849** | 1,849 |
| **Shares options outstanding account** | | |
| Balance at the begining of the year | **198** | 93 |
| Add: Share based payments to employees during the year | **134** | 107 |
| Add: Share based payments to employees of subsidiary company | **-** | 4 |
| Less: Transferred to securities premium | **-** | (6) |
| Balance at the end of the year | **332** | 198 |
| **Other components of equity** | | |
| Shares kept in abeyance (refer note 21 (h)) | **825** | 825 |
| | **375,852** | 515,067 |

**Nature and purpose of other reserves**

**Retained earnings**

Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

**Securities premium**

Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**General reserve**

Balance pursuant to the scheme of arrangement and re organisation of share capital as approved by Hon'ble high court of judicature at Bombay and high court of judicature at New Delhi vide their order dated 12 January 2007 and 19 January 2007 respectively.

**Share options outstanding account**

The reserve account is used to recognise the amortisation of grant date fair value of options issued to employees (including employees of subsidiary company) under employee stock option plan over the vesting period.

**Other component of equity**

The shares issued under merger but not allotted are kept in abeyance.

**23. Other financial liabilities (non-current)**

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Financial guarantee contracts (refer note 65) | **701** | 1,998 |
| Lease liability (refer note 56) | **177** | - |
| | **878** | 1,998 |

**24. Provisions (non-current)**

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Provisions for employee benefits | | |
| Leave encashment (refer note 49) | **389** | 390 |
| Gratuity (refer note 49) | **611** | 700 |
| | **1,000** | 1,090 |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**25. Other non current liabilities**

| | **As at 31 March 2020** | As at 31 March 2019 |
|---|---|---|
| Income received in advance | **2,066** | 1,509 |
| | **2,066** | 1,509 |

**26. Borrowings (current)**

| | **As at 31 March 2020** | As at 31 March 2019 |
|---|---|---|
| **Secured** | | |
| **From banks** | | |
| - Term loan | **22,240** | 24,603 |
| - Cash credits | **7,605** | 25,788 |
| | **29,845** | 50,391 |

**A) Short term loan**

Term loan of ₹ 11,740 lacs from Yes Bank (31 March 2019: ₹ 11,804 lacs), balance amount is repayable in two equal monthly instalments. Last instalment is due in May 2020. The rate of interest is 12 month marginal cost of funds-based lending rate (MCLR) + 0.80%.

Term loan of ₹ 10,500 lacs from Yes Bank (31 March 2019: ₹ 12,799 lacs), balance amount is repayable in four equal monthly instalment. Last instalment is due in March 2021. The rate of interest is 12 month MCLR+ 0.80%.

Above facility is secured by:

(a) First pari-passu charges on Company's current assets (both present and future);

(b) Personal guarantee of Mr. Jawahar Lal Goel, Chairman and Manging Director of the Company.

(c) No objection certificate (NOC) cum letter ceding pari passu charge from existing lenders to be obtained within 180 days from the date of first disbursement.

**B) Cash credits**

The Company has taken cash credit facility of ₹ 7,605 lacs (31 March 2019: ₹ 25,788) for meeting temporary cash flow mismatches/vendor payments from Yes Bank. The rate of interest is 12 month MCLR+ 0.80% .

Above facility is secured by:

(a) First pari-passu charges on Company's current assets (both present and future);

(b) Personal guarantee of Mr. Jawahar Lal Goel, Chairman and Manging Director of the Company.

(c) No objection certificate (NOC) cum letter ceding pari passu charge from existing lenders to be obtained within 180 days from the date of first disbursement.

**26.1 Reconciliation of liabilities arising from financing activities**

| **Particulars** | **Borrowings (current)** |
|---|---|
| **As at 1 April 2018** | **12,403** |
| Cash flows: | |
| Repayment of borrowings | (12,403) |
| Proceeds from borrowings | 50,391 |
| **As at 31 March 2019** | **50,391** |
| Cash flows: | |
| Repayment of borrowings | (20,546) |
| Proceeds from borrowings | - |
| **As at 31 March 2020** | **29,845** |

**27. Trade payables**

| | **As at 31 March 2020** | As at 31 March 2019 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises | **23** | 80 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | **115,841** | 123,982 |
| | **115,864** | 124,062 |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

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 2020 | As at 31 March 2019 |
|---|---|---|
| i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; | **23** | 80 |
| ii) the amount of interest paid by the buyer under MSMED Act 2006, 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 (whose payment have been made 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 | **-** | - |

# 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, dues towards micro and small enterprises that are reportable under the MSMED Act, 2006 have been disclosed above.

**28. Other financial liabilities (current)***

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Interest accrued but not due on borrowings | **309** | 223 |
| Lease liability (refer note 56) | **14** | - |
| Unpaid dividend** | **63** | 63 |
| Security deposit received | **120** | 108 |
| Financial guarantee contracts (refer note 65) | **1,301** | 2,608 |
| Employee related payables | **913** | 898 |
| Capital creditors | **325** | 1,194 |
| Book overdraft | **8,137** | 5,037 |
| | **11,182** | 10,131 |

* The carrying values are considered to be reasonable approximation of fair values.
** Not due for deposit to the Investor Education and Protection Fund.

**29. Other current liabilities**

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Income received in advance | **12,249** | 13,187 |
| Statutory dues payable | **19,230** | 15,632 |
| Other advance from customers | **3,104** | 5,050 |
| Money received against partly paid up shares* | **0** | 0 |
| | **34,583** | 33,869 |

* ₹ 42,451 as on 31 March 2020 and ₹ 42,451 as on 31 March 2019 (rounded off to ₹ lacs)

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**30. Provisions (current)**

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Provisions for employee benefits** | | |
| Leave encashment (refer note 49) | **83** | 82 |
| Gratuity (refer note 49) | **222** | 197 |
| **Others provisions** | | |
| License fees including interest (refer note 57) | **357,577** | 325,648 |
| | **357,882** | 325,927 |

**31. Revenue from operations**

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| Sale of services | | |
| Subscription revenue from direct to home subscribers (refer note 42) | **113,141** | 367,722 |
| Performance incentive | **12,328** | - |
| Teleport services | **1,394** | 2,280 |
| Bandwidth charges | **-** | 14,464 |
| Marketing and promotional fee | **19,220** | - |
| Advertisement income | **5,705** | 8,633 |
| Other operating revenue | **12** | 689 |
| | **151,800** | 393,788 |

**Disclosure of revenue pursuant to Ind AS 115- Revenue from contract with customers**

**A. Reconciliation of revenue from rendering of service with the contracted price**

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| Contracted price | **151,800** | 393,788 |
| | **151,800** | 393,788 |

**B. Disaggregation of revenue**

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| **Revenue from operation*** | | |
| Subscription revenue from direct to home subscribers | **113,141** | 367,722 |
| Performance incentive | **12,328** | - |
| Teleport services | **1,394** | 2,280 |
| Bandwidth charges | **-** | 14,464 |
| Marketing and promotional fee | **19,220** | - |
| Advertisement income | **5,705** | 8,633 |
| **Operating revenue** | **151,788** | 393,099 |
| **Other operating revenue (service spares revenue)** | **12** | 689 |
| **Total revenue covered under Ind AS 115** | **151,800** | 393,788 |

* The Company has disaggregated the revenue from contracts with customers on the basis of nature of services. The Company believes that the disaggregation of revenue on the basis of nature of services have no impact on the nature, amount, timing and uncertainity of revenue and cash flows.

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**C. Contract balances**

The following table provides information about receivables and contract liabilities from contract with customers

| | **Year ended 31 March 2020** | Year ended 31 March 2019 |
|---|---|---|
| **Contract liabilities** | | |
| Advance from customer (income received in advance and other advance) | **17,419** | 19,746 |
| | **17,419** | 19,746 |
| **Receivables** | | |
| Trade receivables | **13,601** | 15,849 |
| Less: allowances for expected credit loss | **(7,056)** | (4,865) |
| | **6,545** | 10,984 |

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance.

**D. Significant changes in the contract liabilities balances during the year are as follows:**

| | **Year ended 31 March 2020** | Year ended 31 March 2019 |
|---|---|---|
| Opening balance | **19,746** | 37,576 |
| Addition during the year | **15,910** | 18,342 |
| Revenue recognised during the year | **18,237** | 36,172 |
| Closing balance | **17,419** | 19,746 |

**E. The Company has applied Ind AS 115 with modified retrospective approach from 1 April, 2018 and the adoption of this standard did not have any impact on the standalone financial statements of the Company**

**32. Other income**

| | **Year ended 31 March 2020** | Year ended 31 March 2019 |
|---|---|---|
| Interest income on: | | |
| - investments | **-** | 1,187 |
| - fixed deposits/ margin money accounts | **299** | 1,221 |
| - financial asset measured at amortised cost | **43** | 55 |
| - loans to related parties | **1,954** | 1,584 |
| - income-tax refund | **76** | 244 |
| Foreign exchange fluctuation (net) | **-** | 862 |
| Gain on mutual funds (net) | **-** | 7 |
| Liabilities written back | **52** | 81 |
| Income from financial guarantee contracts and deferred payments | **12,911** | 4,540 |
| Miscellaneous income | **713** | 1,438 |
| | **16,048** | 11,219 |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**33. Operating expenses**

| | **Year ended 31 March 2020** | Year ended 31 March 2019 |
|---|---|---|
| Transponder lease | **27,901** | 28,957 |
| License fees | **16,497** | 41,007 |
| Uplinking charges | **588** | 572 |
| Programming and other costs | **10,677** | 227,849 |
| Other operating expenses | **17** | 676 |
| | **55,680** | 299,061 |

**34. Employee benefits expense**

| | **Year ended 31 March 2020** | Year ended 31 March 2019 |
|---|---|---|
| Salaries | **7,495** | 9,045 |
| Contribution to provident and other funds | **353** | 438 |
| Share based payments to employees | **134** | 107 |
| Staff welfare expenses | **132** | 399 |
| | **8,114** | 9,989 |

**35. Finance costs**

| | **Year ended 31 March 2020** | Year ended 31 March 2019 |
|---|---|---|
| Interest on: | | |
| - Term loans from banks | **2,368** | 840 |
| - Overdraft facility from banks | **2,894** | - |
| - Regulatory dues | **26,476** | 22,459 |
| - Others | **450** | 475 |
| Guarantee and other finance charges | **1,647** | 1,282 |
| | **33,835** | 25,056 |

**36. Depreciation and amortisation expenses**

| | **Year ended 31 March 2020** | Year ended 31 March 2019 |
|---|---|---|
| Depreciation | **19,308** | 20,050 |
| Amortisation | **11,917** | 11,978 |
| | **31,225** | 32,028 |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**37. Other expenses**

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| Electricity charges | **871** | 1,064 |
| Rent | **339** | 523 |
| Repairs and maintenance | | |
| - Plant and equipments | **816** | 958 |
| - Building | **14** | 15 |
| - Others | **571** | 307 |
| Insurance | **149** | 142 |
| Rates and taxes | **207** | 61 |
| Legal and professional fees (refer note 58) | **4,618** | 5,744 |
| Director's sitting fees | **48** | 28 |
| Corporate social responsibility activity expenses | **-** | 447 |
| Printing and stationery | **30** | 58 |
| Communication expenses | **1,127** | 1,486 |
| Travelling and conveyance | **181** | 454 |
| Service and hire charges | **504** | 411 |
| Advertisement and publicity expenses | **7,161** | 12,541 |
| Business promotion expenses | **11** | 14 |
| Infra support service fees | **8,405** | 8,400 |
| Bad debts and balances written off | **272** | 25 |
| Provision for expected credit loss | **4,146** | 3,233 |
| Foreign exchange fluctuation (net) | **66** | - |
| Loss on disposal of property, plant and equipment | **192** | 4 |
| Loss on sale/discard of capital work in progress (net) | **504** | - |
| Miscellaneous expenses | **673** | 1,055 |
| | **30,905** | 36,970 |

**38. Exceptional items**

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| Impairment of goodwill (refer note 7) | **191,550** | 154,300 |
| Impairment of loans (refer note 45) | **366** | 14,199 |
| Impairment of other recoverable | **-** | 1,954 |
| | **191,916** | 170,453 |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**39. Group structure**

| Particulars | Country of incorporation | Percentage of ownership |
|---|---|---|
| **Names of the subsidiary companies** | | |
| Dish Infra Services Private Limited (refer note 44) | India | 100% |
| Dish TV Lanka Private Limited | Sri Lanka | 70% |
| C&S Medianet Private Limited (refer note 43) | India | 51% |

**40.** The Company as at 31 March 2020, has non-current investments (including equity component of long term loans and guarantees) in and non-current loans to its wholly owned subsidiary, Dish Infra Services Private Limited ('Dish Infra'), amounting to ₹ 515,340 lacs and ₹ 64,951 lacs respectively. Dish Infra's net worth is positive although it has incurred losses in the current year. Based on internal assessment, the management believes that the realisable amount from Dish Infra will be higher than the carrying value of the non-current investments and other non-current loans. Hence, no impairment has been considered. The internal assessment is based on the ability of Dish Infra to monetise its assets including investments in new age technologies, which will generate sufficient cash flows in the future.

**41.** Subsequent to the outbreak of Coronavirus (COVID-19) and consequential lock down across the Country, the Company has continued to operate and provide 'Direct to Home' (DTH) services to its customer without any disruptions. The Company has evaluated its liquidity position and recoverability and carrying value of its assets, including planned investments and has concluded that no material adjustments is required at this stage in the financial statements. However, given the uncertainties in the economic environment, management's impact assessment is subject to significant estimation uncertainties, and accordingly, the actual results in future may be different from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to the future economic conditions and consequential impact on its business/operations.

**42.** Pursuant to the new tariff order, the Company has entered into revised agreements with the broadcasters. In accordance with Ind AS 115 on Revenue from Contracts with Customers, the Company has considered services including network capacity fee, distributor margins on channel subscriptions and incentives from broadcasters as revenue from operations. Had the Company continued to account for revenues and costs in terms with the erstwhile regime and/or contractual obligations, the impact on revenue from operations as per financial statements for the year ended 31 March 2020 would have been:

| **Particulars** | **Year ended 31 March 2020** | |
|---|---|---|
| | New regime | Previous regime |
| Revenue from operations | 151,800 | 376,939 |
| Operating expenses | 55,680 | 303,333 |

**43.** During the year ended 31 March 2019, the Company had acquired substantial control over C&S Medianet Private Limited (erstwhile joint venture) from 48% to 51% by acquiring additional 300 equity shares at fair market value of ₹ 10 per share.

**44.** During the year ended 31 March 2019, the Company has increased investment in its wholly owned subsidiary, Dish Infra Services Private Limited, by acquiring additional 3,00,00,00,000 equity shares at face value of ₹ 10 per share. The consideration payable against allotment of the aforementioned shares was settled by set-off/adjusting the amount payable by Dish Infra Services Private Limited to the Company.

**45.** The Company has advanced loans, classified under long term loans and advances, to Dish TV Lanka Private Limited ("Dish Lanka"), its subsidiary company, which has incurred losses and its net worth has been eroded. The management of the Company is in the process of implementing certain changes to the

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

business strategy related to this subsidiary in Sri Lanka. However, considering the uncertainty involved in successful implementation of the new business strategy, and the economic and social conditions in Sri Lanka, the management of the Company has decided to recognise a provision for expected credit loss for total loan outstanding of ₹ 21,371 lacs as on 31 March 2020. Out of the total provision of ₹ 21,371 lacs, an amount of ₹ 366 lacs has been recognised during financial year 2019-20 and balance amount was recognised in earlier years. Same has been shown as exceptional item in the statement of profit and loss.

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.

**46. Segmental information**

In line with the provisions of Ind AS 108 "Operating segments" and based on review of the operations done by the chief operating decision maker (CODM), the operations of the Company fall under Direct to Home ('DTH') and teleport services, which is considered to be the only reportable segment by the CODM.

**47. Employee stock option plan (ESOP) 2018**

At the board meeting held on 25 October 2018, the board of directors of the Company had approved Employee Stock Option Plan, i.e., ESOP 2018 ("the Scheme"). The Scheme provided for issuance of 1,80,00,000 stock options (underlying fully paid equity share of ₹1 each) to all the permanent employees or Directors of the Company, whether whole-time or not, or to employee of a subsidiary company or of a holding company or of an associate company except an employee who is a Promoter or belongs to the Promoter Group, a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed shares of the Company and the Independent Director at an exercise price equal to the 'market price 'which shall be the latest available closing price, prior to the date of the meeting of the nomination and remuneration committee, in which options are granted on the stock exchange on which the shares of the Company are listed.

The options will be granted at an exercise price equal to the 'market price 'which shall be the latest available closing price, prior to the date of the meeting of the nomination and remuneration committee, in which options are granted on the stock exchange on which the shares of the Company are listed.

Under ESOP 2018, the Company will issue fresh equity shares as and when the Vested Options are exercised by the option grantees. Each option shall be convertible into one Share of the Company upon exercise.

The total number of options that may be granted to any specific employee under one or more tranches during any one year shall not exceed 10,00,000 stock options and options that may be granted to any specific employee in aggregate shall not exceed 50,00,000 stock options

Options granted under ESOP 2018 would vest not earlier than one year and not later than four years from the date of Grant of such Options. The vesting shall happen every year equally i.e. 25% of the number of options granted, for 4 years from the date of grant of the options.

The Nomination and Remuneration Committee of the Company at its meeting held on 25 October 2018 has approved the grant of 33,60,000 stock option at an exercise price of ₹ 44.85 per option to the eligible employees under the scheme having weighted average fair value of ₹ 13.87. Further, on 24 May 2019, the Nomination and Remuneration Committee of the Company has approved the grant of additional 8,60,000 stock option at an exercise price of ₹ 30.45 per option to eligible employees under ESOP Plan 2018 having weighted average fair value of ₹ 15.20.

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

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

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|---|---|---|---|---|
| | **Weighted Avg. Price** | **(Nos.)** | Weighted Avg. Price | (Nos.) |
| Options outstanding at the beginning of the year | | **3,298,000** | - | - |
| Add: Options granted | **30.45** | **860,000** | 44.85 | 3,360,000 |
| Less: Lapsed | **43.25** | **973,000** | 44.85 | 62,000 |
| Options outstanding at the end of the year | | **3,185,000** | | 3,298,000 |

**The following table summarises information on the share options outstanding as of 31 March 2020:**

| Particulars | Date of grant | Number of shares remaining out of options | Remaining contractual life (year) | Exercise price (₹) |
|---|---|---|---|---|
| Lot 1 | 25 October 2018 | 2,433,000 | 6.08 | 44.85 |
| Lot 2 | 24 May 2019 | 752,000 | 6.66 | 30.45 |
| Options outstanding at the end of the year | | **3,185,000** | **6.21#** | **41.45#** |

# on a weighted average basis.

The fair value of the options granted has been calculated on the date of grant using Black Scholes option pricing model with the following assumptions:

| Particulars | As at 31 Mar 2020 | As at 31 Mar 2019 |
|---|---|---|
| Date of grant | **24 May 2019** | 25 October 2018 |
| Number of options granted | **860,000** | 3,360,000 |
| Fair value on grant date (₹ per share) | **15.20** | 13.87 |
| Share price at grant date (₹ per share) | **31.20** | 36.95 |
| Expected volatility (%) | **47.98** | 39.75 |
| Expected life (no. of years) | **4.50** | 4.50 |
| Expected dividends (in %) | **-** | - |
| Risk-free interest rate (in %)(based on government bonds) | **6.91** | 7.74 |

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. Each vest has been considered as a separate grant. The volatility for periods corresponding to the respective expected lives of the different vests, prior to the grant date has been considered. The daily volatility of the Company's stock price on NSE over these years has been considered.

**48. 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 Company as well as that of its subsidiaries companies 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

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

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, it was decided by the Nomination and Remuneration Committee at its meeting held on 17 August 2017, that new Stock options shall not be granted under the ESOP 2007 Scheme of the Company. Accordingly, it was proposed to withdraw the existing Scheme and cancel the remaining options which are yet to be granted and, for the employees who have been granted the Stock Options (whether vested or not) shall be granted Options under the new Scheme. However, the employees who have been granted the Stock Options (whether vested or not) shall be allowed to exercise those stock options.

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

| Particulars | **For the year ended 31 March 2020** | | For the year ended 31 March 2019 | |
|---|---|---|---|---|
| | **Weighted Avg. Price** | **(Nos.)** | Weighted Avg. Price | (Nos.) |
| Options outstanding at the beginning of the year | **94.28** | **258,690** | 94.81 | 374,850 |
| Add: Options granted | **-** | **-** | - | - |
| Less: Exercised | **-** | **-** | 54.87 | 17,080 |
| Less: Lapsed | **-** | **-** | 103.09 | 99,080 |
| Options outstanding at the end of the year | | **258,690** | | 258,690 |

**The following table summarises information on the share options outstanding as of 31 March 2020:**

| Particulars | Date of grant | Number of shares remaining out of options | Remaining contractual life (year) | Exercise price (₹) |
|---|---|---|---|---|
| Lot 1 | 21 August 2007 | - | - | - |
| Lot 2 | 24 April 2008 | - | - | - |
| Lot 3 | 28 August 2008 | - | - | - |
| Lot 4 | 28 May 2009 | - | - | - |
| Lot 5 | 27 October 2009 | - | - | - |
| Lot 6 | 26 October 2010 | - | - | - |
| Lot 7 | 21 January 2011 | - | - | - |
| Lot 8 | 20 July 2011 | - | - | - |
| Lot 9 | 19 July 2012 | - | - | - |
| Lot 10 | 23 May 2013 | 28,290 | 2.65 | 68.00 |
| Lot 11 | 26 July 2013 | - | - | - |
| Lot 12 | 27 May 2014 | - | - | - |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | Date of grant | Number of shares remaining out of options | Remaining contractual life (year) | Exercise price (₹) |
|---|---|---|---|---|
| Lot 13 | 29 October 2014 | - | - | - |
| Lot 14 | 20 March 2015 | 40,000 | 2.97 | 79.35 |
| Lot 15 | 26 May 2015 | - | - | - |
| Lot 16 | 28 July 2015 | - | - | - |
| Lot 17 | 23 May 2016 | 55,400 | 4.15 | 93.90 |
| Lot 18 | 24 March 2017 | 95,000 | 4.99 | 108.15 |
| Lot 19 | 24 May 2017 | 40,000 | 5.15 | 95.40 |
| **Options outstanding at the end of the year** | | **258,690** | **4.27#** | **94.28#** |

**The following table summarises information on the share options outstanding as of 31 March 2019:**

| Particulars | Date of grant | Number of shares remaining out of options | Remaining contractual life (year) | Exercise price (₹) |
|---|---|---|---|---|
| Lot 1 | 21 August 2007 | - | - | - |
| Lot 2 | 24 April 2008 | - | - | - |
| Lot 3 | 28 August 2008 | - | - | - |
| Lot 4 | 28 May 2009 | - | - | - |
| Lot 5 | 27 October 2009 | - | - | - |
| Lot 6 | 26 October 2010 | - | - | - |
| Lot 7 | 21 January 2011 | - | - | - |
| Lot 8 | 20 July 2011 | - | - | - |
| Lot 9 | 19 July 2012 | - | - | - |
| Lot 10 | 23 May 2013 | 28,290 | 3.65 | 68.00 |
| Lot 11 | 26 July 2013 | - | - | - |
| Lot 12 | 27 May 2014 | - | - | - |
| Lot 13 | 29 October 2014 | - | - | - |
| Lot 14 | 20 March 2015 | 40,000 | 3.97 | 79.35 |
| Lot 15 | 26 May 2015 | - | - | - |
| Lot 16 | 28 July 2015 | - | - | - |
| Lot 17 | 23 May 2016 | 55,400 | 5.15 | 93.90 |
| Lot 18 | 24 March 2017 | 95,000 | 5.99 | 108.15 |
| Lot 19 | 24 May 2017 | 40,000 | 6.15 | 95.40 |
| **Options outstanding at the end of the year** | | **258,690** | **5.27#** | **94.28#** |

# on a weighted average basis.

**49. Disclosure pursuant to Indian Accounting Standard 19 on "Employee Benefits"**

**Defined contribution plans**

An amount of ₹ 337 lacs (previous year ₹ 415 lacs) and ₹ 2 lacs (previous year ₹ 5 lacs) for the year, have been recognised as expenses in respect of the Company'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".

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**Defined benefit plans**

Gratuity is payable to all eligible employees of the Company on superannuation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act or as per the Company's Scheme, whichever is more beneficial. The gratuity plan is partly funded and the Company has made contribution to the recognised funds in India.

**Risk exposure**

The defined benefit plans are typically based on certain assumptions and expose the Company to various risk as follows:

a) Salary risk - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b) Investment risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

c) Discount rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.

d) Mortality – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

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

**i) Changes in present value of obligation**

| **Particulars** | **31 March 2020** | 31 March 2019 |
|---|---|---|
| Present value of obligation as at the beginning of the year | **1,205** | 1,528 |
| Interest cost | **92** | 119 |
| Current service cost | **136** | 147 |
| Benefits paid | **(190)** | (289) |
| Actuarial gain on obligation | **(80)** | (300) |
| Present value of obligation as at the end of the year | **1,163** | 1,205 |

**ii) Changes in fair value of plan assets**

| **Particulars** | **31 March 2020** | 31 March 2019 |
|---|---|---|
| Fair value of plan assets at the beginning of period | **308** | 375 |
| Actual return on plan assets | **23** | 21 |
| Employer contribution | **-** | - |
| Benefits paid | **(1)** | (88) |
| Fair value of plan assets as at end of the year | **330** | 308 |

**iii) Major categories of plan assets :**

The Company's plan assets primary comprise of qualifying insurance policies issued by life insurance corporation of India amounting to ₹ 330 lacs (previous year ₹ 308 lacs) for defined benefit obligation.

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**iv) Amount of provision recognised in Balance Sheet**

| **Particulars** | **31 March 2020** | **31 March 2019** |
|---|---|---|
| Present value of obligation as at end of the year | **1,163** | 1205 |
| Fair Value of plan assets as at end of the year | **330** | 308 |
| Unfunded liability/provision in balance sheet | **833** | 897 |
| Current | **222** | 197 |
| Non-current | **611** | 700 |

**v) Amount recognised in the Statement of profit and loss:**

| **Particulars** | **As at 31 March 2020** | **As at 31 March 2019** |
|---|---|---|
| Current service cost | **136** | 147 |
| Interest cost on benefit obligation | **92** | 119 |
| | **228** | 266 |

**vi) Amount recognised in the Statement of other comprehensive income:**

| **Particulars** | **As at 31 March 2020** | As at 31 March 2019 |
|---|---|---|
| Net actuarial gain recognised in the year | **(80)** | (300) |
| | **(80)** | (300) |
| **Bifurcation of actuarial Gain** | | |
| Actuarial (gain)/loss arising from change in demographic assumption | **1** | (180) |
| Actuarial loss arising from change in financial assumption | **63** | 25 |
| Actuarial gain arising from experience adjustment | **(144)** | (145) |

**vii) The principal assumptions used in determining gratuity for the Company's plans are shown below:**

| **Particulars** | **As at 31 March 2020** | **As at 31 March 2019** |
|---|---|---|
| **Retirement age (years)** | **60** | 60 |
| Discount rate | **6.80%** | 7.65% |
| Salary escalation rate (per annum) | **10.00%** | 10.00% |
| **Withdrawal rates** | | |
| Age- Upto 30 years | **20.00%** | 20.00% |
| 31-44 years | **12.50%** | 12.50% |
| Above 44 years | **8.00%** | 8.00% |
| Mortality rate | **100% of IALM (2012-14)** | 100% of IALM (2006-08) |

These assumptions were developed by the management with the assistance of independent actuarial appraisers.

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.

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**viii) Maturity profile of defined benefit obligation:**

| Year | | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| a) | 0 to 1 | **222** | 197 |
| b) | 1 to 2 | **97** | 94 |
| c) | 2 to 3 | **92** | 106 |
| d) | 3 to 4 | **78** | 78 |
| e) | 4 to 5 | **130** | 82 |
| f) | 5 to 6 | **65** | 70 |
| g) | 6 year onwards | **480** | 578 |

**ix) Sensitivity analysis of the defined benefit obligation for significant actuarial assumptions**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Impact of the change in discount rate** | | |
| Present value of obligation at the end of the year | **1,163** | 1,205 |
| Decrease in liability due to increase of 0.5 % | **(38)** | (39) |
| Increase in liability due to decrease of 0.5 % | **41** | 42 |
| **Impact of the change in salary escalation rate** | | |
| Present value of obligation at the end of the year | **1,163** | 1,205 |
| Increase in liability due to increase of 0.5% | **39** | 41 |
| Decrease in liability due to decrease of 0.5% | **(37)** | (39) |

**Other long term employment benefits**

The liability towards compensated absence for the year ended 31 March 2020 based on the actuarial valuation carried out by using projected unit credit method stood at ₹ 472 lacs (previous year ₹ 472 lacs).

**The principal assumptions used in determining compensated absences are shown below:**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Retirement age (years)** | **60** | 60 |
| **Mortality rate** | **100% of IALM (2012-14)** | 100% of IALM (2006-08) |
| **Ages** | | |
| Withdrawal rates | | |
| Age- Upto 30 years | **20.00%** | 20.00% |
| 31-44 years | **12.50%** | 12.50% |
| Above 44 years | **8.00%** | 8.00% |
| **Leave** | | |
| Leave availment rate | **3.00%** | 3.00% |
| Leave lapse rate while in service | **Nil** | Nil |
| Leave lapse rate on exit | **Nil** | Nil |
| Leave encashment rate while in service | **5.00%** | 5.00% |

**50. Financial instruments measured at fair value**

**A. Fair value hierarchy**

The financial assets and liabilities measured at fair value in the statement of financial position are divided in to three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: the fair value of financial instruments that are not traded in active market is determined using valuation technique which maximise the use of observable market data rely as low as possible on entity specific estimate.

Level 3: if one or more of the significant inputs are not based on observable market data, the instrument is included in level 3

**B. Fair value of financial assets measured at fair value through Other Comprehensive Income**

| | Level | 31 March 2020 | 31 March 2019 |
|---|---|---|---|
| **Financial assets** | | | |
| Equity shares Dr. Subhash Chandra Foundation** | Level 3 | **0** | 0 |

(**The carrying value of ₹ 10 as on 31 March 2020 (previous year ₹ 10), rounded off to ₹ lacs, represents the best estimate of fair value.)

**51. A. Financial instruments by category**

| **Particulars** | **31 March 2020** | | | 31 March 2019 | | |
|---|---|---|---|---|---|---|
| | **FVOCI** | **FVTPL** | **Amortised Cost** | FVOCI | FVTPL | Amortised Cost |
| Financial assets | | | | | | |
| Investment* | **#** | **-** | **515,343** | # | - | 340,068 |
| Security deposits | **-** | **-** | **2,285** | - | - | 1,783 |
| Trade receivables | **-** | **-** | **6,545** | - | - | 10,984 |
| Cash and cash equivalents | **-** | **-** | **602** | - | - | 6,562 |
| Other financial assets | **-** | **-** | **67,832** | - | - | 194,240 |
| **Total financial assets** | **-** | **-** | **592,608** | **-** | **-** | **553,637** |
| **Financial liabilities** | | | | | | |
| Borrowings (including interest) | **-** | **-** | **30,154** | - | - | 50,614 |
| Financial guarantee liability | **-** | **-** | **2,002** | - | - | 4,606 |
| Trade payables | **-** | **-** | **115,864** | - | - | 124,062 |
| Other financial liabilities | **-** | **-** | **9,749** | - | - | 7,300 |
| **Total financial liabilities** | **-** | **-** | **157,769** | **-** | **-** | **186,582** |

(# ₹ 10)

* Investment in subsdiaries amounting to ₹ 311,804 lacs are carried at historical cost as per the exemption availed by the Company

The carrying value of financial assets and liabilities (Investment, security deposits, cash and cash equivalents, trade receivables, other financial assets, borrowings, financial guarantee liability, trade payables and other financial liabilities) recorded at amortised cost, considered to be a reasonable approximation of fair value.

**B. Financial risk management**

The Company is exposed to various risks and the main types of risks are credit risk, liquidity risk and market risk.

The Company's risk management is coordinated in close co-operation with the board of directors, and focuses on securing Company's short to medium term cash flows.

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in these standalone financial statements.

**Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation to the Company causing a financial loss. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost.

**Credit risk management**

**Credit risk rating**

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets. The Company continuously monitors defaults of the counterparties and incorporates this information into its credit risk controls.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

| Asset group | Basis of categorization | Provision for expected credit loss |
|---|---|---|
| Low credit risk | Investment other than subsidiaries, cash and cash equivalents, security deposits, other bank balances and other financial assets | 12 month expected credit loss |
| Moderate credit risk | Investment in and loan to subsidiaries and trade receivable | Life time expected credit loss |
| High credit risk | Trade receivables and other financial assets | Life time expected credit loss or fully provided for |

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

| Credit rating | Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|---|
| Low credit risk | Investment other than subsidiaries, cash and cash equivalents, security deposits, other bank balances and other financial assets | **586,063** | 542,653 |
| Moderate credit risk | Investment in and loan to subsidiaries and trade receivable | **6,545** | 10,984 |
| High credit risk | Trade receivables and other financial assets | **32,551** | 26,343 |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**Concentration of trade receivables**

The Company has widespread customers and there is no concentration of trade receivables.

**a) Expected credit losses**

Provision for expected credit losses

The Company recognises lifetime expected credit losses on trade receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables.

Expected credit loss for trade receivables and other financial assets under simplified approach

**As at 31 March 2020**

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|
| Trade receivables | 13,601 | (7,056) | 6,545 |
| Loans and other financial assets | 93,328 | (25,495) | 67,832 |

**As at 31 March 2019**

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|
| Trade receivables | 15,849 | (4,865) | 10,984 |
| Loans and other financial assets | 215,718 | (21,478) | 194,240 |

Reconciliation of loss allowance provision – Trade receivables & other financial assets

| Particulars | Carrying amount net of impairment provision |
|---|---|
| **Loss allowance on 31 March 2019** | **(26,343)** |
| Changes in loss allowance | (6,208) |
| **Loss allowance on 31 March 2020** | **(32,551)** |

**b) Liquidity risk**

Liquidity risk is the risk that suitable sources of funding for the Company's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. Short term liquidity requirements comprises mainly of trade payables and employee dues arising during normal course of business as on each balance sheet date. Long- term liquidity requirement is assessed by the management on periodical basis and is managed through internal accruals and through funding commitments from shareholders.

**c) Financing arrangements**

| **Fixed rate** | **31 March 2020** | **31 March 2019** |
|---|---|---|
| Expiring within one year (cash credit and other facilities) | - | - |
| Expiring beyond one year (loans) | - | - |
| | - | - |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**d) Maturity of financial liabilities**

| 31 March 2020 | Less than 1 year | 1 to 5 years | Later than 5 years | Total |
|---|---|---|---|---|
| | ₹ in lacs | ₹ in lacs | ₹ in lacs | ₹ in lacs |
| Borrowings (including interest) | 30,154 | - | - | **30,154** |
| Trade payable | 115,864 | - | **-** | **115,864** |
| Financial guarantee liability | 1,301 | 701 | **-** | **2,002** |
| Other financial liabilities | 9,572 | 10 | **167** | **9,749** |

| 31 March 2019 | Less than 1 year | 1 to 5 years | Later than 5 years | Total |
|---|---|---|---|---|
| | ₹ in lacs | ₹ in lacs | ₹ in lacs | ₹ in lacs |
| Borrowings (including interest) | 50,614 | - | - | **50,614** |
| Trade payable | 124,062 | - | - | **124,062** |
| Financial guarantee liability | 2,608 | 1,998 | **-** | **4,606** |
| Other financial liabilities | 7,300 | - | - | **7,300** |

**e) Market Risk**

**i. Foreign currency risk**

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

| Particulars | As at 31 March 2020 | |
|---|---|---|
| | Currency type | |
| | EURO | USD |
| Loans and advances recoverable | **-** | **21,393** |
| Trade receivables | **-** | **42** |
| **Financial assets (A)** | **-** | **21,435** |
| Advances/ deposits received | **-** | **66** |
| Trade payables | **1,980** | **201** |
| **Financial liabilities (B)** | **1,980** | **267** |
| **Net exposure (A-B)** | **(1,980)** | **21,168** |

| Particulars | As at 31 March 2019 | | |
|---|---|---|---|
| | Currency type | | |
| | AUD | EURO | USD |
| Loans and advances recoverable | 1 | - | 17,376 |
| Trade receivables | - | - | 358 |
| **Financial assets (A)** | **1** | **-** | **17,734** |
| Advances/ deposits received | - | - | 61 |
| Trade payables | - | 1,484 | 165 |
| **Financial liabilities (B)** | **-** | **1,484** | **226** |
| **Net exposure (A-B)** | **1** | **(1,484)** | **17,508** |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particu;ars | 31 March 2020 | |
|---|---|---|
| | Currency type | |
| | EURO | USD |
| Foreign exchange rate increased by 5% (previous year 5%) | **(99)** | **1,058** |
| Foreign exchange rate decreased by 5% (previous year 5%) | **99** | **(1,058)** |

| Particu;ars | 31 March 2019 | |
|---|---|---|
| | Currency type | |
| | EURO | USD |
| Foreign exchange rate increased by 5% (previous year 5%) | **(74)** | **875** |
| Foreign exchange rate decreased by 5% (previous year 5%) | **74** | **(875)** |

ii. **Interest rate risk**

**Liabilities**

a) **Interest rate risk exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Variable rate borrowings | **29,845** | 50,391 |
| **Total borrowings** | **29,845** | 50,391 |

b) **Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates

| Particulars | Increase/(decrease) in profit before tax | |
|---|---|---|
| | 31 March 2020 | 31 March 2019 |
| Interest rates – increase by 50 basis points (31 March 2019 50 bps) | **(149)** | (252) |
| Interest rates – decrease by 50 basis points (31 March 2019 50 bps) | **149** | 252 |

**Assets**

The Company's fixed deposits are carried at fixed rate. Therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

iii. **Price risk**

The exposure to price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

Further the Company is not exposed to any price risk as none of the equity securities held by the Company are classified as fair value through profit and loss or fair value through OCI.

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

## 52. Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31 March, 2020, the Company has only one class of equity shares and has reasonable debt. The Company's net debt consists interest bearing borrowings. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The gearing ratios were as follows:

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Net debt | **29,845** | 50,391 |
| Total equity | **394,265** | 533,480 |
| **Net debt to equity ratio** | **0.08** | 0.09 |

## 53. Dividend

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| **Proposed dividend** | | |
| Interim dividend for the financial year* | - | **9,206** |
| Dividend distribution tax on interim dividend* | - | **1,892** |
| **Total** | - | **11,098** |
| **Paid dividend** | | |
| Interim dividend for the financial year | - | **9,143** |
| Dividend distribution tax on interim dividend | - | **1,892** |
| **Total** | - | **11,035** |

* During the previous year, the board of directors at its meeting held on 25 October 2018, proposed an interim dividend of ₹ 0.50 per share amounting a total payout of ₹ 11,098 lacs including dividend distribution tax of ₹ 1,892 lacs. An amount of ₹ 63 lacs remain unpaid at the end of the financial year. Same has been shown as unpaid dividend under other current liabilities.

## 54. Taxation

The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from the current financial year. Accordingly, the Company have re-measured the deferred tax assets/liabilities on the basis of the rates prescribed in that section. This has resulted in a reversal of deferred tax assets to the extent of ₹ 4,590 lacs on account of re-measurement of deferred tax assets/ liabilities pertaining to the previous period. Additionally MAT credit entitlement of ₹ 579 has been reversed due to implementation of tax ordinance.

| Particulars | For the year ended | |
|---|---|---|
| | 31 March 2020 | 31 March 2019 |
| **Income tax recognised in statement of profit and loss** | | |
| Current tax expense (including earlier years) | - | 2,059 |
| Deferred tax (including earlier years) | **(44,418)** | (41,667) |
| **Total income tax expense recognised in the current year** | **(44,418)** | (39,608) |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of 25.168% and the reported tax expense in statement of profit or loss are as follows:

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Income tax recognised in statement of profit and loss** | | |
| Profit before tax | **(183,827)** | (168,550) |
| Income tax using company's domestic tax rate* | **25.168%** | 34.944% |
| **Expected tax expense (A)** | **(46,266)** | (58,898) |
| **Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense** | | |
| Tax impact of expenses on account of permanent differences | **329** | 371 |
| Adjustments in respect of capital gain tax rate | **(3,281)** | (2,652) |
| Tax impact on allowances in current year on actual basis | **-** | (9,017) |
| Tax pertaining to prior years and pursuant to adoption of the option permitted under section 115BAA of the Income-tax Act 1961 | **4,590** | 540 |
| Tax impact on unabsorbed depreciation** | **-** | 28,549 |
| Tax impact on MAT-credit restricted | **579** | 1,519 |
| Others | **(369)** | (20) |
| **Total Adjustments (B)** | **1,848** | 19,290 |
| **Total Income tax expense (A+B)** | **(44,418)** | (39,608) |

* Domestic tax rate applicable to the Company has been computed as follows:

| | | |
|---|---|---|
| Basic tax rate | 22.00% | 30.00% |
| Surcharge (% of tax) | 10.00% | 12.00% |
| Cess (% of tax) | 4.00% | 4.00% |
| Applicable rate | 25.168% | 34.944% |

** Deferred tax assets on unabsorbed depreciation/ brought forward losses is recognised only to the extent of probability of availability and certainty of future taxable profits with convincing evidence.

**55. Related party disclosures**

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related parties, related party relationships, transactions and outstanding balances are as follows:

**a) Related parties where control exists:**

**Subsidiary companies:**
Dish TV Lanka (Private) Limited.
Dish Infra Services Private Limited
C&S Medianet Private Limited

**b) Other related parties with whom the Company had transactions:**

| | |
|---|---|
| **Key management personnel (KMP)** | Mr. Jawahar Lal Goel, Chairman and Managing Director<br>Mr. Ashok Mathai Kurien, Non Executive Director<br>Dr. Rashmi Aggarwal, Independent Director<br>Mr. Bhagwan Das Narang, Independent Director<br>Mr. Arun Duggal, Independent Director (up to 17 May 2018)<br>Mr. Shankar Aggarwal, Independent Director (with effect from 25 October 2018)"<br>Mr. Anil Dua, Executive Director and Chief Executive Officer<br>Mr. Rajeev Dalmia, Chief Financial Officer<br>Mr. Ranjit Singh, Company Secretary |
| **Relative of key management personnel** | Mr. Gaurav Goel (up to 30 June 2018) |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| | |
|---|---|
| **Enterprises over which key management personnel/ their relatives have significant influence** | ATL Media Limited<br>Asia Today Limited<br>Diligent Media Corporation Limited<br>E-City Property Management & Services Private Limited<br>E-City Bioscope Entertainment Private Limited<br>Essel Corporate LLP (formerly, known as Essel Corporate Resources Private Limited )<br>Interactive Financial & Trading Services Private Limited<br>Media Pro Enterprise India Private Limited<br>PAN India Network Infravest Limited (formerly, known as PAN India Network Infravest Private Limited)<br>Sarthak Entertainment Pvt. Ltd.<br>Living Entertainment Enterprises Limited<br>Living Entertainment Limited<br>Evenness Business Excellence Services Ltd. (formerly, known as Essel Business Excellence Services Limited)<br>Zee Akaash News Private Limited<br>SITI Networks Limited (up to 31 March 2019)<br>Zee Entertainment Enterprises Limited (up to 31 March 2019)<br>Zee Media Corporation Limited<br>Zee Learn Limited |

c) **Transactions during the year with related parties:**

| **Particulars** | **For the year ended 31 March 2020** | For the year ended 31 March 2019 |
|---|---|---|
| **(i) With key management personnel** | | |
| **Remuneration paid to KMPs** | | |
| Salaries, wages and bonus | **1,115** | 1,086 |
| Post-employment benefits | **56** | 56 |
| Sitting Fee | **48** | 28 |
| **Personal guarantee taken** | | |
| Mr. Jawahar Lal Goel | **-** | 45,000 |
| **(ii) Remuneration to KMP relative** | | |
| Salaries, wages and bonus | **-** | 65 |
| Post-employment benefits | **-** | 23 |
| **(iii) With subsidiary companies** | | |
| **Interest received** | | |
| Dish TV Lanka (Private) Limited | **1,954** | 1,584 |
| **Revenue from operations and other income (net of taxes)** | | |
| Dish Infra Services Private Limited | **5,160** | 5,160 |
| **Purchase of services** | | |
| Dish Infra Services Private Limited | **8,405** | 8,400 |
| C&S Medianet Private Limited | **280** | 660 |
| **Purchase of property, plant and equipment** | | |
| Dish Infra Services Private Limited | **3,149** | 712 |
| C&S Medianet Private Limited | **2** | - |
| **Sale of property, plant and equipment** | | |
| Dish Infra Services Private Limited | **5** | - |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| C&S Medianet Private Limited | 1 | - |
| **Transfer of assets and liability (net consideration)** | | |
| Dish Infra Services Private Limited* | - | (12,033) |
| **Reimbursement of expenses paid** | | |
| Dish Infra Services Private Limited | 532 | 425 |
| **Loans (current/non current) repaid** | | |
| Dish TV Lanka (Private) Limited | 703 | 34 |
| **Loans (current/non current) given** | | |
| Dish TV Lanka (Private) Limited | 1,069 | 1,343 |
| C&S Medianet Private Limited | - | 66 |
| **Allowance for expected credit loss** | | |
| Dish TV Lanka (Private) Limited | 4,018 | 15,783 |
| **Recoverable balance transferred** | | |
| Dish Infra Services Private Limited | 123,107 | 90,559 |
| **Amount (paid) / received against other recoverable balance** | | |
| Dish Infra Services Private Limited | - | (19,535) |
| C&S Medianet Private Limited | 96 | - |
| **Collection on behalf of Company (net)** | | |
| Dish Infra Services Private Limited | 62,303 | 27,847 |
| **Conversion of recoverable into loan** | | |
| Dish Infra Services Private Limited | 245,023 | - |
| **Remittance received out of collections on behalf of Company (net)** | | |
| Dish Infra Services Private Limited | 42,479 | 38,641 |
| **Investment in equity shares** | | |
| Dish Infra Services Private Limited | - | 300,000 |
| C&S Medianet Private Limited | - | |
| **Corporate Guarantees given/(surrendered) on behalf of** | | |
| Dish Infra Services Private Limited (net) | (81,044) | (215,402) |
| **Income from financial guarantee contract and deferred payments** | | |
| Dish Infra Services Private Limited | 12,911 | 4,538 |
| **ESOP expenses charged to investment** | | |
| Dish Infra Services Private Limited | 35 | (12) |
| **(iv) With other related parties:** | | |
| **Revenue from operations and other income (net of taxes)** | | |
| Zee Entertainment Enterprises Limited | - | 1,517 |
| ZEE Media Corporation Limited | 1,826 | 1,469 |
| Zee Akaash News Private Limited | 108 | 115 |
| Siti Networks Limited | - | 156 |
| Other related parties | 229 | 524 |
| **Purchase of services** | | |
| Zee Entertainment Enterprises Limited | - | 47,087 |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Other related parties | **2,900** | 1,864 |
| **Rent paid** | | |
| Zee Entertainment Enterprises Limited | | 255 |
| Essel Corporate Resources Private Limited (# ₹ 30,000) | **#** | # |
| Zee Media Corporation Limited | **1** | 4 |
| **Reimbursement of expenses paid** | | |
| Zee Entertainment Enterprises Limited | **-** | 405 |
| E-City Bioscope Entertainment Private Limited | **3** | 15 |
| ZEE Media Corporation Limited | **1** | 3 |
| **Refunds received against advances made** | | |
| E-City Bioscope Entertainment Private Limited | **1** | 8 |
| **Purchase of property, plant and equipment** | | |
| Zee Learn Limited | **-** | 5 |
| Evenness Business Excellence Services Ltd. | **6** | - |

* Adjustment of Deferred tax asset on account of sale made in previous year

**d) Balances at the year end:**

**Balances at the year end:**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **With key management personnel** | | |
| **Personal guarantee** | | |
| Mr. Jawahar Lal Goel | **45,000** | 45,000 |
| **With subsidiary companies:** | | |
| **Investments** | | |
| Dish TV Lanka (Private) Limited | **3** | 3 |
| Dish Infra Services Private Limited | **311,801** | 311,801 |
| C&S Medianet Private Limited | **1** | 1 |
| **Equity portion of corporate guarantee given, share based payment and interest free non current loan** | | |
| Dish Infra Services Private Limited | **203,539** | 28,263 |
| **Deposits-Current** | | |
| Dish TV Lanka (Private) Limited | **66** | 61 |
| **Loans** | | |
| Dish TV Lanka (Private) Limited | **21,371** | 17,353 |
| C&S Medianet Private Limited | **-** | 96 |
| Dish Infra Services Private Limited | **64,951** | - |
| **Allowance for expected credit loss** | | |
| Dish TV Lanka (Private) Limited | **21,371** | 17,353 |
| **Amount recoverable** | | |
| Dish Infra Services Private Limited | **-** | 86,959 |
| **Corporate Guarantees on behalf of** | | |
| Dish Infra Services Private Limited (net) | **384,796** | 465,840 |
| **Trade payables (including provisions)** | | |
| C&S Medianet Private Limited | **2** | - |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **With other related parties:** | | |
| **Advances** | | |
| Interactive Financial & Trading Services Private Limited | **1** | 1 |
| E-City Bioscope Entertainment Private Limited | **-** | 1 |
| Media Pro Enterprise India Private Limited | **15** | 15 |
| **Security deposit given** | | |
| Zee Entertainment Enterprises Limited | **-** | 54 |
| Evenness Business Excellence Services Limited | **433** | 433 |
| **Trade payables (including provisions)** | | |
| Zee Entertainment Enterprises Limited | **-** | 27,583 |
| Evenness Business Excellence Services Limited | **65** | 15 |
| Other related parties | **924** | 602 |
| **Trade receivables** | | |
| ATL Media Limited | **13** | 288 |
| ZEE Media Corporation Limited | **960** | 1,604 |
| Zee Entertainment Enterprises Limited | **-** | 383 |
| Zee Akaash News Private Limited | **-** | 127 |
| SITI Networks Limited | **-** | 345 |
| Others related parties | **206** | 237 |

**e)** The Company shall be seeking the necessary approval at the next general meeting for the managerial remuneration paid to one of the directors for the period from 17 December 2019 to 31 March 2020. The same has been approved by the board of directors and nomination and remuneration committee vide their meeting dated 12 December 2019.

**56. Leases**

**Company as a lessee**

The Company has entered into lease arrangements for land and various offices that are renewable on a periodic basis with approval of both lessor and lessee.

The Company does not have any lease commitments towards variable rent as per the contract.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

**A. The following is a reconciliation of the financial statement line items from Ind AS 17 to Ind AS 116 as at 1st April 2019**

| Particulars | Carrying amount as at 31 March 2019 | Reclassi-fication | Application of Ind AS 116 | Carrying amount as at 1 April 2019 |
|---|---|---|---|---|
| Property, plant and equipment | - | - | 2,607 | 2,607 |
| Prepaid expense | 2,426 | - | (2,426) | - |
| Lease liability | - | - | (181) | (181) |
| **Total** | **2,426** | **-** | **-** | **2,426** |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**B. The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements to 31 March 2019) to the lease liabilities recognised:**

| Particulars | Amount |
|---|---|
| **Total operating lease commitments disclosed at 31 March 2019** | - |
| Recognition exemptions: | |
| Operating lease liabilities before discounting | **4,403** |
| Discounted using incremental borrowing rate* | **4,222** |
| **Operating lease liabilities** | **181** |
| Reasonably certain extension options | - |
| **Total lease liabilities recognised under Ind AS 116 at 1 April 2019** | **181** |

* Weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 10.84% p.a.

**C. The table below describes the nature of the Company's leasing activities by type of right of use asset recognized on balance sheet:**

| Right of use assets | Number of leases (no.) | Range of remaining term (years) | Average remaining lease term (years) | Number of leases with extension option (no.) | Number of leases with purchase option (no.) | Number of leases with termination option (no.) |
|---|---|---|---|---|---|---|
| Leasehold land | 1 | 70 | 70 | 1 | - | 1 |

**D. Additional information on the 'Right of Use' assets by class of assets is as follows:**

| Right of use assets | Carrying amount as at 1 April 2019 | Additions | Depreciation | Impairment | Carrying amount as at 31 March 2020 |
|---|---|---|---|---|---|
| Leasehold land | 2,607 | - | 37 | - | 2,570 |

**E. Lease liabilities are presented in the statement of financial position as follows:**

| Particulars | As at 31 March 2020 |
|---|---|
| Current | **14** |
| Non-current | **177** |
| **Total** | **191** |

**F. The Company had not committed to leases which had not commenced as on 31 March 2020.**

**G. The undiscounted maturity analysis of lease liabilities at 31 March 2020 is as follows:**

| Particulars | Within 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|---|
| Lease payments | 14 | 14 | 14 | 14 | 14 | 4,326 | 4,394 |
| Finance charges | - | 3 | 4 | 5 | 6 | 4,187 | 4,203 |
| **Net present values** | 14 | 11 | 10 | 9 | 8 | 139 | 191 |

**H.** The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**I.** The Company had total cash outflows for leases of ₹ 9 lacs during the financial year ended 31 March 2020.

The following are the amounts recognised in the statement of profit and loss:

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Depreciation expense of right of use assets | **37** | - |
| Interest expense on lease liabilities | **19** | - |
| Expense relating to short-term leases (included in other expenses) | **28,113** | 29,128 |
| **Total amount recognized in profit or loss** | **28,168** | 29,128 |

Note:

Leasehold land disclosed above is located at Plot No. 1D, Udyog Vihar Industrial Area, Greater Noida, Dist. Gautam Budh Nagar, U.P.-201301,was acquired pursuant to business combination. Title deeds of which are in the name of Videocon d2h Limited (erstwhile Company) and the Company is in the process of getting the registration transferred in its name.

**Company as a lessor**

The Company has leased out assets by way of operating lease. Lease income recognised in the statement of profit and loss is below:

| Particulars | For the year ended | |
|---|---|---|
| | **31 March 2020** | 31 March 2019 |
| Sub-lease rental income (being shared cost) | **715** | 668 |

**57. a)** The Company is in the litigation towards computation and payment of license fees on adjusted gross revenue basis with the Ministry of Information and Broadcasting ("Regulatory Authority"). This matter continues to be sub-judiced before the Hon'ble High Court of Jammu and Kashmir. The Company continues to be legally advised that on the merits of its submissions and that the matter was decided by the TDSAT in favour of the Company, it has a strong case. Using the principle of prudence in accounting standards, the Company, in prior years, made a provision for disputed portion amounting to ₹ 296,931 lacs in its books of account, which in the current year has been increased by ₹ 27,190 lacs primarily towards interest as a time value of money charge.

**Provision for regulatory dues (including interest)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Opening provision | **325,648** | 278,528 |
| Add: created during the year | **41,829** | 62,120 |
| Less: payment during the year | **9,900** | 15,000 |
| **Closing provision** | **357,577** | 325,648 |

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 classified under the 'Provisions (current)'

**b)** In continuation to the matter described in note a above, 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

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

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 2003-04 to 2012-13. The matter is pending before the Hon'ble TDSAT.

Further pursuant to scheme of merger, Company has assumed deemed liability of ₹ 13,104 lacs and interest liability of ₹ 2,724 lacs which was raised by the MIB on transferor company by way of demand letter dated 24 March 2014 towards alleged short payment of license fee for the period 2009-10 to 2012-13. Transferor company had filed petition (204(C) of 2014) before the Hon'ble TDSAT against Union of India challenging the propriety and legality of the demand. The matter is also pending before the Hon'ble TDSAT.

**58. Payment to auditors:**

| Particulars | For the year ended | |
|---|---|---|
| | 31 March 2020 | 31 March 2019 |
| As auditors | | |
| - Statutory audit and limited review of quarterly results | **105** | 101 |
| - Other services including certifications | **35** | 29 |
| - For reimbursement of expenses | **7** | 8 |
| **Total** | **147** | 138 |

**59. Earnings per share**

**a) Basic earnings per share**

| Particulars | For the year ended | |
|---|---|---|
| | 31 March 2020 | 31 March 2019 |
| Profit for the year attributable to equity shareholders (A) | **(139,409)** | (128,942) |
| Weighted average number of equity shares (B) | **1,923,803,828** | 1,923,797,362 |
| Nominal value of equity share (in ₹) | **1** | 1 |
| **Basic earnings per share (in ₹) (A/B)** | **(7.25)** | (6.70) |

**b) Diluted earnings per share**

| Particulars | For the year ended | |
|---|---|---|
| | 31 March 2020 | 31 March 2019 |
| Profit for the year attributable to equity shareholders | **(139,409)** | (128,942) |
| Net profit adjusted for diluted earnings per share (A) | **(139,409)** | (128,942) |
| Weighted average number of equity and potential equity shares (nos) (B) | **1,923,803,828** | 1,923,797,362 |
| Nominal value of equity share (in ₹) | **1** | 1 |
| **Diluted earnings per share (in ₹) (A/B)** | **(7.25)** | (6.70) |

Note: The incremental shares from assumed exercise of share options were not included in calculating the diluted earning per share amount as these were anti-dilutive in nature.

**60. 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:

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| 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 2020, 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 518,116,031 (previous year 518,116,031) 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 Application money received against partly paid shares under 'Other current liability'.

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 utilisation of the rights issue proceeds as per the revised usage aggregating to ₹ 113,989 lacs (previous year ₹ 113,989 lacs) is as under.

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

| Particulars | Up to | |
|---|---|---|
| | 31 March 2020 | 31 March 2019 |
| **Amount utilised** | - | |
| 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 utilised** | **113,989** | 113,989 |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**61. 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 Receipts 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 GDR issued. The GDR's were listed at the Luxembourg Stock Exchange.

During the year ended 31 March 2013, 32,000 GDRs were cancelled and converted in to 32,000,000 equity shares of ₹ 1 each by the holder and during the year ended 31 March 2016, 85,035 GDRs were sold in 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 | Up to 31 March 2020 | Up to 31 March 2019 |
|---|---|---|
| **Amount utilised** | | |
| 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 | **51,369** | 51,369 |
| **Total** | **60,195** | **60,195** |

Also, refer footnote 1 to note 21 (d) related to issue of global depository receipts pursuant to the scheme of amalgamation.

**62. Contingent liabilities, litigations and commitments**

**a) Claims against the Company (including unasserted claims) not acknowledged as debt:**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Income tax | **1** | 1 |
| Sales tax, value added tax and entry tax | **45,279** | 41,674 |
| Customs duty | **23,738** | 11,846 |
| Service tax | **30,572** | 35,787 |
| Wealth tax | **1** | 1 |
| Entertainment tax | **20,496** | 20,332 |
| Other claims | **59** | 59 |

Other than above, penalty, if any, levied on conclusion of above matters 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 believes that no material liability will devolve on the Company in respect of these litigations.

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**Income-tax**

In earlier years, the Company had received demand notices for tax deducted at source ('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 years 2009-10 to 2013-14. Out of the cases mentioned above, Company has received favourable orders in the matter of assessment year 2010-11 and 2011-12. The balance demands amounting to ₹ 348 lacs relates to matters pertaining to alleged short deduction of tax at source on certain payments for the assessment years 2009-10, 2012-13 and 2013-14. In respect of the demand received the Company had made payment under protest of ₹ 348 lacs which 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. However, the Company has disputed all these matters and filed appeal against the above said demands with the tax authorities

**Sales tax, value added tax, entry tax, service tax, entertainment tax, custom duty 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 Forums / Courts and the matter is subjudice. Further, Company has assumed the contingent liability in relation to above-mentioned taxes as part of the merger with Videocon d2h Limited.

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) Guarantees**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Guarantee issued by the Company on behalf of:** | | |
| Dish Infra Service Private Limited | **384,796** | 465,840 |

**c) Commitments**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account (net of advances) | **28** | 517 |

**d) Others**

i) In August 2016, the Hon'ble Delhi High Court (HC) passed an order restraining the Company from operation in MENA (Middle East and North Africa) region, on a plea brought by the UAE-based company Gulf DTH FZ LLC, 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 was further confirmed by Division Bench of Hon'ble 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 claim will devolve upon the Company and no provision has been recognised.

ii) During the financial ended 31 March 2018, the Directorate of Revenue Intelligence (DRI), Bangalore, under section 108 of the Customs Act, 1962, had inquired about the classification of viewing cards for applicability of customs duty. The Company had, suo-moto, paid ₹ 600 lacs under protest. Further,

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

during the previous financial year, the Company has received a demand notice for ₹11,846 lacs. The Company has paid an additional amount of ₹ 1,000 lacs under protest and contested against this notice. Further, ADG (Adj.) DRI Delhi has confirmed the demand vide order dated 27 April 2020 and 28 April 2020 and imposed applicable interest and penalty of an equivalent amount. The Company has preferred appeals before CESTAT, Delhi against the said orders. The Company is confident that the demand will not be sustained therefore, no provision has been made in these financial statements and the amount demanded has been shown as a contingent liability.

iii) The Hon'ble Supreme Court of India has pronounced a ruling dated 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. Petitions have been filed with Hon'ble Supreme Court of India seeking additional clarification with respect to the application of this ruling. As this ruling does not prescribe any clarification with respect to its application, the Company, based on legal advice and management assessment has applied the aforesaid ruling prospectively. Management believes that this will not result in any material liability on the Company.

**63. Bank balances include:-**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Provided as security to Government authorities | **17** | 17 |
| Held as margin money for bank guarantees | **2,737** | 1,203 |

**64.** In accordance with the provisions of Section 135 of the Act, 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 nil during the year ended 31 March 2020 (previous year ₹ 447 lacs) towards CSR activities. The details of amount actually paid by the Company are:

| Particulars | Amount paid | Amount yet to be paid | Total |
|---|---|---|---|
| **31 March 2020** | | | |
| Amount spent during the year on the following: | | | |
| (a) Construction/acquisition of any asset | - | - | - |
| (b) On purposes other than (a) above | - | - | - |
| **31 March 2019** | | | |
| Amount spent during the year on the following: | | | |
| (a) Construction/acquisition of any asset | - | - | - |
| (b) On purposes other than (a) above | 447 | - | 447 |

**65. Particulars of loans, guarantee or investment under section 186(4) of the Act.**

The Company has provided following loans, guarantee or investment pursuant to section 186 of the Act.

| Name of the entity | As at 31 March 2019 | Given | Repaid | Provided for | As at 31 March 2020 |
|---|---|---|---|---|---|
| **Loan given:** | | | | | |
| Dish TV Lanka (Private) Limited (includes foreign currency realignment of ₹ 1,697 lacs) | - | 2,766 | 703 | 2,063 | - |
| Dish Infra Services Private Limited | - | 245,023 | - | - | 245,023 |

# STANDALONE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**Security or guarantee against loan**

During the current year Company has given guarantees on behalf of Dish Infra Services Private Limited to various banks amounting to ₹ 384,796 lacs (Previous year ₹ 465,840 lacs) for loan facility obtained by Dish Infra Services Private Limited.

**Investment**

There are no investments by the Company other than those stated under note 9 in the financial statements.

**Note**

All the loans are provided for business purposes of respective entities.

**66. Disclosure pursuant to schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) Regulations, 2015.**

| Name of the enterprise | Rate of Interest | Secured/ Unsecured | Balance as at 31 March 2020 | Maximum Outstanding during the year 2019-20 | Balance as at 31 March 2019 | Maximum Outstanding during the year 2018-19 |
|---|---|---|---|---|---|---|
| **Loans and advances in the nature of loan given to subsidiaries** | | | | | | |
| Dish TV Lanka (Private) Limited | 10.50% | Unsecured | - | 2,766 | - | 14,199 |
| Dish Infra Services Private Limited* | Interest free | Unsecured | 245,023 | 245,023 | - | - |

* repayable after 10 years from the date of grant

Note: In accordance with the guidance given in Ind AS 109, present value of the loan amount is shown in as the loan receivable in note 10 of ₹ 64,951 lacs and the balance amount of ₹ 180,072 is shown as equity portion of investment in note 9.

**67.** Vide interim extension letter dated 25 June 2019 of the Ministry of Information and Broadcasting, Government of India ("MIB"), the Company's DTH License was valid upto 31 December 2019 and the Company had duly filed the requisite applications for extension of the DTH License. Further, on 25 June 2020 the Company has received interim extension of the DTH License from the MIB with a validity till 31 March 2021 or till the date of notification of 'New DTH guidelines', whichever is earlier

**This is the standalone summary of significant accounting policies and other explanatory information referred to in our report of even date.**

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

**Ashish Gupta**
*Partner*
Membership No. 504662

**Place:** New Delhi
**Date:** 23 July 2020

**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

**Anil Kumar Dua**
*Group Chief Executive Officer and Executive Director*
DIN: 03640948

**Rajeev K. Dalmia**
*Chief Financial Officer*

**Ranjit Singh**
*Company Secretary*
Membership No: A15442

**Place:** Noida
**Date:** 23 July 2020

# INDEPENDENT AUDITOR'S REPORT

**To the Members of Dish TV India Limited**

**Report on the Audit of the Consolidated Financial Statements**

**Qualified Opinion**

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'), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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 except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group as at 31 March 2020, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

**Basis for Qualified Opinion**

3. We report the following qualification to the audit opinion of the standalone financial statements for the year ended 31 March 2020 of Dish Infra Services Private Limited, a wholly owned subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its audit report dated 23 July 2020 reproduced by us as under:

   As stated in note 9 to the accompanying financial statements, the Company has invested in new technologies, recorded as, intangible assets under development and related capital advances amounting to Rs. 52,500 lacs and Rs. 69,300 lacs respectively. In accordance with Indian Accounting Standard – 36, "Impairment of Assets", the management is required to carry out impairment test of intangible assets under development annually. The management has not carried out a detailed impairment testing for intangible assets under development and related advances, inter alia, involving independent valuation experts, evaluating impact of competition on related business plans and performing sensitivity analysis of future cash flows expected from these assets. In the absence of such aforementioned impairment assessment, we are unable to comment upon adjustments, if any, that may be required to the carrying values of such intangible assets under development and the related advances.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.

**Key Audit Matters**

5. Key audit matters are those matters that, in our professional judgment 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, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our and component auditor's report.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **A. Impairment assessment of Intangible assets including Goodwill**<br><br>As detailed in note 7 and 8 of the consolidated financial statements, the Group has intangible assets, including Goodwill of ₹ 281,692 lacs (net of provision for impairment of ₹ 345,850 lacs), Trademark/Brand of ₹ 102,909 lacs and Customer and distributor relationship of ₹ 94,628 lacs, arising out of business combinations. | Our audit procedures and those of the component auditors to address this key audit matter included, but were not limited to the following:<br><br>a) Obtained an understanding from the management through detailed discussions with respect to its impairment assessment process, assumptions used and estimates made by management and tested the operating effectiveness of the controls related to the aforementioned impairment assessment; |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| In terms with Indian Accounting Standard 36, Impairment of Assets, the management has carried out an impairment analysis of goodwill and other intangible assets, which requires significant estimations and judgement with respect to inputs used and assumptions made to prepare the forecasted financial information, used to determine the fair value of such intangibles, using discounted cash flow model.<br>Key assumptions used in management's assessment of the carrying amount of goodwill and other intangible assets includes the expected growth rates, estimates of future financial performance, market conditions, capital expenditure and discount rates, among others. Consequent to such impairment assessment, the Holding Company has recorded an impairment charge of ₹ 191,550 lacs against goodwill.<br>Considering the materiality of the amount involved and significant degree of judgement and subjectivity involved in the estimates and assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of such goodwill and other intangible assets arising from the business combination as a key audit matter. | b) Obtained the impairment analysis carried out by the management and reviewed the valuation report obtained by management from an independent valuer;<br>c) Assessed the professional competence, objectivity and capabilities of the independent expert considered by the management for performing the required valuations to estimate the recoverable value of the goodwill and other intangible assets;<br>d) Involved experts within the audit team to assess the appropriateness of the valuation model used by the management and reasonableness of assumptions made by the management relating to discount rate, risk premium, industry growth rate etc.;<br>e) Evaluated the inputs used by the management with respect to revenue and cost growth trends, among others, for reasonableness thereof;<br>f) Evaluated the sensitivity analysis performed by the management in respect of the key assumptions used such as discount and growth rates to ensure that there would be no major impact on the valuation; and<br>g) Evaluated the adequacy of disclosures made by the Group in the consolidated financial statements in view of the requirements as specified in the Indian Accounting Standards. |
| **B. Amounts recoverable and provision for expected credit losses**<br>Refer note 4(j) for significant accounting policy and note 49(B) for credit risk disclosures.<br>Trade receivables and other amounts recoverable comprise a significant portion of the current financial assets of the Group. As at 31 March 2020 trade receivables aggregate ₹ 8,684 lacs (net of provision for expected credit losses of ₹ 8,039 lacs).<br>In accordance with Ind AS 109, the Group applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires lifetime expected credit losses to be recognised from the date of initial recognition of receivables. The Group has analysed the trend of trade receivables under different ageing bracket for last three years and calculated credit loss rate basis such ageing.<br>The complexity in calculation of ECL is mainly related to calculations performed for different type of revenue streams in which the Group operates and the different recovery period for different categories of customers. Additional provision is recognised for the receivables which are specifically identified as doubtful or non-recoverable. | Our audit procedures and those of the component auditors, to address this key audit matter included, but were not limited to the following:<br>a) Obtained an understanding the process adopted by the Group for calculation, recording and monitoring of the impairment loss recognised for expected credit loss;<br>b) Assessed and tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognised. Also, evaluated the controls over the modelling process, validation of data and related approvals;<br>c) Discussed with the management about the conditions leading to, and their assessment of recoverability of dues from the parties and also referred to the available communication, if any, between them;<br>d) Referred to the aging of trade and other receivables and discussed the key balances to establish the management's assessment of recoverability of such dues;<br>e) Analysed the methodology used by the management and considered the credit and payment history of specific parties to determine the trend used for arriving at the expected credit loss provision; and<br>f) Assessed the adequacy of disclosures made by the management in the consolidated financial statements to reflect the expected credit loss provision, trade and other receivables. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **C. Revenue recognition in terms with Ind AS 115 "Revenue from contracts with Customers" under the New tariff order**<br><br>We refer to summary of significant accounting policies and note 44 of the consolidated financial statements of the Group for the year ended 31 March 2020 disclosures related to Revenue Recognition under Ind AS 115.<br><br>During the previous year the Telecom Regulatory Authority of India ("TRAI") has implemented a new regulatory framework for the television broadcasting industry in India which is known as New tariff order, 2017 ("NTO"). The NTO has been implemented from 1 Feb 2019. During the previous year, owing to the practical difficulties, there were delay in implementation of the tariff order in its entirety. The distributors were in transition from previous regime to the new regime and were in the process of implementation of content cost agreements with the Broadcasters. From the current year, the Group has entered into revised agreements with the broadcasters. In terms of the provisions of the new tariff order, the Group re-assessed its performance obligations and relationship between broadcaster and Group in the light of principal and agent concept. Such assessment involved further evaluation of terms of Group's contract with subscriber, role in re-transmission of content, control over content, rights of establishing of maximum retail price ("MRP") and various other responsibilities and liabilities. Such evaluation has resulted in Group being agent of the broadcaster.<br><br>These agreements with broadcaster as per new regime involves detailed analysis under the accounting standard which is complex in nature and resulted in significant impact on revenue recognition as per Ind AS 115, due to which this matter has been considered as a key audit matter. | Our audit procedures included, but were not limited to the following:<br><br>a) We obtained an understanding of management's processes and internal controls around Ind AS 115. We sought explanations from the management for areas involving complex judgements or interpretations to assess their appropriateness;<br><br>b) We tested the operating effectiveness of internal controls established by management to ensure completeness, accuracy and timing of revenue recognised during the year;<br><br>c) We obtained the underlying contractual arrangements entered into by the Group with its subscribers and broadcasters in light of NTO;<br><br>d) We held detailed discussions with the management and obtained management's assessment of the impact of the NTO on the operations and revenue recognition policy of the Group;<br><br>e) We have assessed the existing arrangements with the broadcasters and contracts entered between the Group and the customers, considering the requirements of the NTO;<br><br>f) We have evaluated the completeness and arithmetical accuracy of these adjustments and evaluated the appropriateness of adjustments as per Ind AS 115 by assessing whether all agreements entered with the broadcasters have been considered in such assessment;<br><br>g) We also involved experts within the audit team to evaluate the impact of new NTO, revision of agreement with the broadcaster on the revenue recognition policy of the Group as per Ind AS 115; and<br><br>h) We have assessed the appropriateness and adequacy of disclosures with respect to the revenue recognition policy of the Group, and related disclosures made in the consolidated financial statements in accordance with the requirements of Ind AS 115. |

**Information other than the Consolidated Financial Statements and Auditor's Report thereon**

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of

affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

**Auditor's Responsibilities for the Audit of the Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matter**

16. We did not audit the financial statements of 3 subsidiaries, whose financial statements reflects total assets of ₹ 748,407 lacs and net assets of ₹ 432,202 lacs as at 31 March 2020, total revenues of ₹ 217,319 lacs and net cash inflows amounting to ₹ 8,029 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 our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

    Further, of these subsidiaries, 1 subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in that respective country and which has been audited by other auditor under generally accepted auditing standards applicable in that respective country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that respective country to accounting principles generally accepted in India. Another firm of Chartered Accountants have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiary located outside India, is based on the report of the other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by another 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**

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries, we report that the Holding Company has paid remuneration to its directors for the period from 1 April 2019 to 16 December 2019 in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. However, as also further described in note 54(d) of the accompanying consolidated financial statements, upon re-appointment of the managing director of the Holding Company with effect from 17 December 2019 in accordance with the provisions of Section 196(4) of the Act, the Holding Company has paid managerial remuneration to such managing director amounting to ₹ 116 lacs for the period from 17 December 2019 to 31 March 2020 which is in excess of the limits laid down in Schedule V by ₹ 76 lacs, on the basis of approval of board of directors and nomination and remuneration committee, subject to approval from the shareholders by way of a special resolution in the ensuing annual general meeting, as required under Section 197 of the Act read with Schedule V of the Act. Further, we report that 2 subsidiary companies covered under the Act have not paid or provided for any managerial remuneration during the year and 1 subsidiary company is not covered under the Act. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.

18. 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, we report, to the extent applicable, that:

    a) we have sought and except for the matter described in the Basis for Qualified Opinion section, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section with respect to the financial statements of Dish Infra Service Private Limited, a subsidiary of the Holding Company;

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) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

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 statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;

f) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section with respect to Dish Infra Service Private Limited, a subsidiary of the Holding Company;

g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; and

h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) 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 subsidiaries:

   i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in note 56 and 61 to the consolidated financial statements;

   ii. provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in note 61(c)(ii) 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 companies covered under the Act, during the year ended 31 March 2020; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

**Ashish Gupta**
Partner
Membership No.: 504662
UDIN: 20504662AAAACG2851

**Place:** New Delhi
**Date:** 23 July 2020

**Annexure I to the Independent Auditor's Report to the members of Dish TV India Limited, on the consolidated financial statements for the year ended 31 March 2020**

# ANNEXURE I

**List of subsidiary companies**

1. Dish Infra Services Private Limited;
2. Dish TV Lanka (Private) Limited; and
3. C&S Medianet Private Limited

**Annexure II 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 2020**

# ANNEXURE II

**Independent Auditor's Report on the internal financial controls with reference to financial statements 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 Dish TV India Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 its 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.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements include 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 with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matter**

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to 2 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of 746,757 lacs and net assets of 454,426 lacs as at 31 March 2020, total revenues of 216,828 and net cash inflows amounting to 8,385 lacs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

**Ashish Gupta**
Partner
Membership No.: 504662
UDIN: 20504662AAAACG2851

**Place:** New Delhi
**Date:** 23 July 2020

# CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | Notes | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 5 | **284,880** | 334,886 |
| Capital work in progress | 6 | **62,272** | 76,660 |
| Goodwill | 7 | **281,699** | 473,249 |
| Other intangible assets | 8 | **201,554** | 215,383 |
| Intangible assets under development | 9 | **52,500** | - |
| Financial Assets | | | |
| Investments | 10 | **0** | 0 |
| Loans | 11 | **1,079** | 1,129 |
| Others financial assets | 12 | **45** | 1,217 |
| Deferred tax assets (net) | 13 | **114,776** | 101,550 |
| Current tax assets (net) | 14 | **9,897** | 8,083 |
| Other non-current assets | 15 | **83,821** | 17,976 |
| | | **1,092,523** | 1,230,133 |
| **Current assets** | | | |
| Inventories | 16 | **2,201** | 2,471 |
| Financial assets | | | |
| Trade receivables | 17 | **8,684** | 14,059 |
| Cash and cash equivalents | 18 | **11,271** | 9,203 |
| Other bank balances | 19 | **3,355** | 7,865 |
| Loans | 20 | **1,607** | 1,197 |
| Other financial assets | 21 | **131** | 105,673 |
| Other current assets | 22 | **41,112** | 63,957 |
| | | **68,361** | 204,425 |
| **Total assets** | | **1,160,884** | 1,434,558 |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 23 | **18,413** | 18,413 |
| Other equity | 24 | **366,568** | 530,585 |
| **Equity attributable to owners of Holding Company** | | **384,981** | 548,998 |
| Non-controlling interest | | **(5,207)** | (3,458) |
| | | **379,774** | 545,540 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 25 | **56,044** | 123,927 |
| Other financial liabilities | 26 | **177** | - |
| Provisions | 27 | **2,592** | 2,728 |
| Other non-current liabilities | 28 | **3,184** | 3,628 |
| | | **61,997** | 130,283 |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 29 | **43,696** | 69,142 |
| Trade payables | 30 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | **109** | 224 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | **128,999** | 138,768 |
| Other financial liabilities | 31 | **107,722** | 145,838 |
| Other current liabilities | 32 | **80,564** | 78,671 |
| Provisions | 33 | **358,023** | 326,092 |
| | | **719,113** | 758,735 |
| **Total equity and liabilities** | | **1,160,884** | 1,434,558 |

Significant accounting policies and other explanatory information forming part of the consolidated financial statements (1-64)
This is the Consolidated Balance Sheet referred to in our report of even date.

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

**Ashish Gupta**
*Partner*
Membership No. 504662

**Place:** New Delhi
**Date:** 23 July 2020

**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

**Anil Kumar Dua**
*Group Chief Executive Officer and Executive Director*
DIN: 03640948

**Rajeev K. Dalmia**
*Chief Financial Officer*

**Ranjit Singh**
*Company Secretary*
Membership No: A15442

**Place:** Noida
**Date:** 23 July 2020

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | Notes | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 34 | **355,634** | 616,613 |
| Other income | 35 | **1,361** | 5,215 |
| **Total income** | | **356,995** | 621,828 |
| **Expenses** | | | |
| Purchases of stock-in-trade | | **75** | 2,239 |
| Changes in inventories of stock-in-trade | 36 | **270** | (1,337) |
| Operating expenses | 37 | **78,730** | 338,280 |
| Employee benefits expense | 38 | **19,311** | 24,751 |
| Finance costs | 39 | **56,522** | 62,865 |
| Depreciation and amortisation expenses | 40 | **142,621** | 144,092 |
| Other expenses | 41 | **46,651** | 48,253 |
| **Total expenses** | | **344,180** | 619,143 |
| **Profit before exceptional items and tax** | | **12,815** | 2,685 |
| Exceptional items | 42 | **191,550** | 156,254 |
| **(Loss) before tax** | | **(178,735)** | (153,569) |
| **Tax expense:** | | | |
| Current tax | | **-** | 2,844 |
| Current tax -prior years | | **-** | 921 |
| Deferred tax | | **(13,251)** | (40,993) |
| **(Loss) after tax** | | **(165,484)** | (116,341) |
| **Other comprehensive income:** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurement of gains on defined benefit plan | | **95** | 817 |
| Income-tax relating to items that will not be reclassified to profit or loss | | **(24)** | (286) |
| **Items that will be reclassified to profit or loss** | | | |
| Foreign currency translation reserve | | **(488)** | 669 |
| Income-tax relating to items that will be reclassified to profit or loss | | **-** | - |
| **Other comprehensive income for the year** | | **(417)** | 1,200 |
| **Total comprehensive income for the year** | | **(165,901)** | (115,141) |
| **Profit is attributable to :** | | | |
| Owners of the holding Company | | **(163,882)** | (114,490) |
| Non - controlling interests | | **(1,602)** | (1,851) |
| **Other comprehensive income is attributable to :** | | | |
| Owners of the holding Company | | **(271)** | 999 |
| Non - controlling interests | | **(146)** | 201 |
| **Total comprehensive income is attributable to :** | | | |
| Owners of the holding Company | | **(164,153)** | (113,491) |
| Non controlling interest | | **(1,748)** | (1,650) |
| **Earning per share (EPS) (face value Re 1) (not annualised)** | | | |
| Basic | 58 | **(8.52)** | (5.95) |
| Diluted | 58 | **(8.52)** | (5.95) |

Significant accounting policies and other explanatory information forming part of the consolidated financial statements (1-64)

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

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

**Ashish Gupta**
*Partner*
Membership No. 504662

**Place:** New Delhi
**Date:** 23 July 2020

**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

**Anil Kumar Dua**
*Group Chief Executive Officer and Executive Director*
DIN: 03640948

**Rajeev K. Dalmia**
*Chief Financial Officer*

**Ranjit Singh**
*Company Secretary*
Membership No: A15442

**Place:** Noida
**Date:** 23 July 2020

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**A. Equity share capital**

| | Amount |
|---|---|
| **Balance as at 1 April 2018** | 18,413 |
| Changes in equity share capital during the year* | 0 |
| **Balance as at 31 March 2019** | **18,413** |
| Changes in equity share capital during the year | - |
| **Balance as at 31 March 2020** | **18,413** |

* ('0' represent amount less than ₹ 50,000 rounded off to ₹ lacs)

**B. Other equity**

| Particulars | Attributable to owners of holding company | | | | | | | Non-controlling interest | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Reserves and surplus | | | | Other components of equity | | Total other equity | | |
| | Securities premium | Retained earnings | General reserves | Share option outstanding account | Shares issued but allotment kept in abeyance (refer note 23 h) | Foreign currency translation reserve | | | |
| **Balance as at 1 April 2018** | 633,598 | 20,233 | 1,849 | 93 | 825 | 402 | 657,000 | (1,808) | 655,192 |
| Restatement pursuant to Ind AS 115 (refer note 34) | - | (1,943) | - | - | - | - | (1,943) | - | (1,943) |
| **Restated balance as at 1 April 2018** | **-** | **(1,943)** | **-** | **-** | **-** | **-** | **(1,943)** | **-** | **(1,943)** |
| Loss for the year | - | (114,490) | - | - | - | - | (114,490) | (1,851) | (116,341) |
| Other comprehensive income for the year (net of taxes) | - | 531 | - | - | - | 468 | 999 | 201 | 1,200 |
| **Total comprehensive income for the year** | **-** | **(113,959)** | **-** | **-** | **-** | **468** | **(113,491)** | **(1,650)** | **(115,141)** |
| Issue of equity shares under employee stock option | 9 | - | - | - | - | - | 9 | - | 9 |
| Share based payment to employees | - | - | - | 108 | - | - | 108 | - | 108 |
| Transfer to security premium on exercise of options | 6 | - | - | (6) | - | - | - | - | - |
| Transaction with owners in their capacity as owners: | | | | | | | | - | |
| Dividend paid during the year | - | (9,206) | - | - | - | - | (9,206) | - | (9,206) |
| Dividend distribution tax on dividend | - | (1,892) | - | - | - | - | (1,892) | - | (1,892) |
| **Balance as at 31 March 2019** | **633,613** | **(106,767)** | **1,849** | **195** | **825** | **870** | **530,585** | **(3,458)** | **527,127** |
| Loss for the year | - | (163,882) | - | - | - | - | (163,882) | (1,602) | (165,484) |
| Other comprehensive income for the year (net of taxes) | - | 71 | - | - | - | (342) | (271) | (146) | (417) |
| **Total comprehensive income for the year** | **-** | **(163,811)** | **-** | **-** | **-** | **(342)** | **(164,153)** | **(1,748)** | **(165,901)** |
| Share based payment to employees | - | - | - | 136 | - | - | 136 | - | 136 |
| **Balance as at 31 March 2020** | **633,613** | **(270,578)** | **1,849** | **331** | **825** | **528** | **366,568** | **(5,207)** | **361,361** |

Significant accounting policies and other explanatory information forming part of the consolidated financial statements (1-64)
This is the Consolidated Statement of Changes In Equity referred to in our report of even date.

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

**Ashish Gupta**
*Partner*
Membership No. 504662

**Place:** New Delhi
**Date:** 23 July 2020

**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

**Anil Kumar Dua**
*Group Chief Executive Officer and Executive Director*
DIN: 03640948

**Rajeev K. Dalmia**
*Chief Financial Officer*

**Ranjit Singh**
*Company Secretary*
Membership No: A15442

**Place:** Noida
**Date:** 23 July 2020

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net loss before tax | **(178,735)** | (153,569) |
| **Adjustments for :** | | |
| Depreciation and amortisation expenses | **142,621** | 144,092 |
| Loss on sale/ discard of property, plant and equipment and capital work-in-progress | **1,260** | 1,024 |
| Gain on redemption of units of mutual funds | **-** | (32) |
| Share based payment to employees | **169** | 102 |
| Impairment on financial assets | **3,132** | 1,586 |
| Interest income on financial assets measured at amortised cost | **(43)** | (55) |
| Bad debts and balances written off | **272** | 22 |
| Exceptional items | **191,550** | 156,254 |
| Liabilities written back | **(69)** | (132) |
| Foreign exchange fluctuation (net) | **1,581** | 54 |
| Interest expense | **53,484** | 50,961 |
| Interest income | **(701)** | (3,377) |
| **Operating profit before working capital changes** | **214,521** | 196,930 |
| **Changes in working capital** | | |
| Decrease in inventories | **270** | 1,334 |
| Decrease/(increase) in trade receivables | **2,097** | (1,068) |
| Decrease/(increase) in other financial assets | **104,759** | (89,516) |
| (Increase) in other assets | **(98,210)** | (36,526) |
| (Decrease)/increase in trade payables | **(9,884)** | 71,973 |
| Increase in provisions | **5,414** | 24,229 |
| Increase/(decrease) in other liabilities | **3,236** | (55,353) |
| **Cash generated from operations** | **222,203** | 112,003 |
| Income-taxes (paid) (net of refund) | **(1,814)** | (2,977) |
| **Net cash generated from operating activities (A)** | **220,389** | 109,026 |
| **Cash flows from investing activities** | | |
| Purchases of property, plant and equipment (including adjustment for creditors for fixed assets, work in progress and capital advances) | **(100,420)** | (83,206) |
| Proceeds from sale of property plant and equipment | **1,049** | 13 |
| Purchase of current investments | **-** | (27,415) |
| Proceeds from sale of current investments | **-** | 27,447 |
| Proceeds from sale of non-current investment | **-** | 15,000 |
| Net decrease in fixed deposits | **5,682** | 19,412 |
| Interest received | **1,103** | 3,584 |
| **Net cash (used in) investing activities (B)** | **(92,586)** | (45,165) |

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Cash flows from financing activities** | | |
| Interest paid | **(28,334)** | (32,988) |
| Proceeds from issue of capital / call money received | **-** | 13 |
| Proceeds from long term borrowings | **-** | 217,535 |
| Repayments of long term borrowings | **(71,955)** | (282,199) |
| (Repayment of)/proceeds from short term borrowings(net) | **(25,446)** | 23,820 |
| Dividend paid to shareholders | **-** | (9,143) |
| Dividend distribution tax paid | **-** | (1,892) |
| **Net cash (used in) financing activities (C)** | **(125,735)** | (84,854) |
| **Net increase/(decrease) in cash and cash equivalents (A+B+C)** | **2,068** | (20,993) |
| **Cash and cash equivalents at the beginning of the year** | **9,203** | 30,196 |
| **Cash and cash equivalents at the end of the year** | **11,271** | 9,203 |
| Cash and cash equivalents includes: | | |
| Balances with scheduled banks : | | |
| - in current accounts | **11,269** | 4,587 |
| - in saving accounts | **-** | 96 |
| - deposits with maturity of upto 3 months | **-** | 4,516 |
| Cash on hand | **2** | 4 |
| **Cash and cash equivalents (refer note 18)** | **11,271** | 9,203 |

(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statements of Cash Flows"

(b) Figures in brackets indicate cash outflow.

(c) Additions to property, plant and equipment and intangible assets include movements of capital work-in-progress, intangible assets under development, capital advances and creditors for capital goods respectively during the year.

(d) Refer note 29.1 for reconciliation of liabilities arising from financing activities as set out in Ind AS-7

Significant accounting policies and other explanatory information forming part of the consolidated financial statements (1-64)

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

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

**Ashish Gupta**
*Partner*
Membership No. 504662

**Place:** New Delhi
**Date:** 23 July 2020

**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

**Anil Kumar Dua**
*Group Chief Executive Officer and Executive Director*
DIN: 03640948

**Rajeev K. Dalmia**
*Chief Financial Officer*

**Ranjit Singh**
*Company Secretary*
Membership No: A15442

**Place:** Noida
**Date:** 23 July 2020

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**1. Background**

Dish TV India Limited ('Dish TV' or 'the Company' or 'the parent company') and its subsidiaries [refer to note 4(c) below], together referred as 'the Group', is engaged in the business of providing Direct to Home ('DTH') and Teleport services.

**2. General information and statement of compliance with Indian Accounting Standards (Ind AS)**

These consolidated financial statements of the Group have been prepared in accordance with Ind AS as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other provisions of the Act . The Group has uniformly applied the accounting policies during the periods presented.

The consolidated financial statement for the year ended 31 March 2020 were authorised and approved for issue by Board of Directors on 23 July 2020.

**3. Recent accounting pronouncement**

*Standard issued but not yet effective*

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. However, there are no such notifications which have been issued but not yet effective or applicable from 1 April 2020.

**4. Significant accounting policies**

**a) Overall considerations**

These consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

These accounting policies have been used throughout all periods presented in these consolidated financial statements.

**b) Basis of preparation of financial statements**

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets, financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

Further the 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.

**c) Principles of consolidation**

The consolidated financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules 2015. The consolidated financial statements are prepared on the following basis:

***Subsidiaries***

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss balance (including other comprehensive income ('OCI')) is attributed to the equity holders of the Holding Company and to the non-controlling interests on the basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

***Joint ventures***

Interest in joint venture are accounted for using the equity method, after initially being recognized at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss (including the other comprehensive income) includes the Group's share of the results of the operations of the investee. Dividends received or receivable from joint ventures are recognized as a reduction in the carrying amount of the investment.

The companies considered in the consolidated financial statements are:

| **Name of the company** | **Nature** | **Country of incorporation** | **% shareholding** | **% shareholding** |
|---|---|---|---|---|
| | | | **As at 31 March 2020** | **As at 31 March 2019** |
| Dish TV India Limited | Holding Company | India | **-** | - |
| Dish T V Lanka (Private) Limited | Subsidiary Company | Sri Lanka | **70** | 70 |
| Dish Infra Services Private Limited | Subsidiary Company | India | **100** | 100 |
| C&S Medianet Private Limited | Subsidiary Company | India | **51** | 51 |

d) **Current versus non-current classification**

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Group and other criteria set out in the Act. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

e) **Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, the equity interests issued and fair value of contingent consideration issued. Acquisition-related costs are expensed as and when incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to OCI. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

Goodwill is measured as excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the resulting gain on bargain purchase is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

**f) Property, plant and equipment and capital work in progress**

**Property, plant and equipment**

***Recognition and initial measurement***

Property, plant and equipment are recorded at the cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use upto the date when the assets are ready for use. Any trade discount, recoverable taxes and rebates are deducted in arriving at the purchase price. All other repairs and maintenance are recognized in statement of profit and loss as incurred.

Consumer premises equipments (CPE) including viewing cards (VC) are treated as part of capital work in progress till the time of activation thereof, post which the same gets depreciated. Capital work in progress is valued at cost.

***Subsequent measurement (Depreciation and useful lives)***

Property, plant and equipment are subsequently measured at cost less depreciation and impairment loss. Depreciation on property, plant and equipment is provided on straight line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II, of the Act, as under:

| Asset category | Useful life (in years) |
|---|---|
| Plant and equipments | 7.5 |
| Building | 30 |
| Office equipments except mobile | 5 |
| Mobiles | 2.5 |
| Furniture and fixtures | 10 |
| Electrical installations | 10 |
| Vehicles | 8 |
| ***Computers*** | |
| Laptops, desktops and other devices | 3 |
| Servers and networks | 6 |

In case of following category, 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 Viewing Cards (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.

***De-recognition***

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition (calculated as the difference between the net disposal proceeds and its carrying amount) is included in the statement of profit and loss when the respective asset is derecognised.

**g) Goodwill**

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**h) Other intangible assets**

***Recognition and initial measurement***

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.

Customer and distributor relationships are recorded at the cost of acquisition. Cost of acquisition has been determined as the fair market value assessed by independent valuer based on projected economic income attributable to the Group as per valuation of merger scheme.

Brand is recorded at the cost of acquisition. Cost of acquisition has been determined as the fair market value assessed by independent valuer based on projected economic income attributable to the Group as per valuation of merger scheme.

Cost of computer software includes license fees, cost of implementation and directly attributable system integration expenses. These costs are capitalized as intangible assets in the year in which related software is implemented.

***Subsequent measurement (amortisation)***

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) The economic life of customer and distributor relationship assets are usually determined by estimating future loyalty of customers. Management has assessed that the economic useful life of the customer and distributor relationship to be of ten years.

iii) The brands have been acquired for a perpetual period. Based on all the factors the Group has considered life of brand till perpetuity.

iv) Software are amortised over an estimated life of one year to five years.

**i) Impairment of non-financial assets**

At each reporting date, the Group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

**j) Impairment of financial assets**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group is required to consider –

i) All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.

ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

**Trade receivables**

The Group applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires lifetime expected credit losses to be recognised from the date of initial recognition of receivables.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**Other financial assets**

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

**k) Inventories**

Inventories of customer premises equipment (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. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

**l) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received/receivable net of rebates and applicable taxes. The Group applies the revenue recognition criteria to each nature of the sales and services transaction as set out below, pursuant to Indian Accounting Standard -115 "Revenue from contracts with customers" (Ind AS 115) which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

i) Revenue from rendering of services

- Revenue from subscription services is recognized upon transfer of control of promised products or services to customers over the time in an amount that reflects the consideration we expect to receive in exchange for those products or services. Revenue is recognised net of taxes collected from the customer, collection charges and any discount given. Consideration received in advance for subscription services is initially deferred and included in other liabilities.
- Lease rental is recognized as revenue as per the terms of the contract over the period of lease contract 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.
- Revenue from other services (viz Bandwidth charges, teleport services, field repairs of CPE, advertisement income) are recognized on rendering of the services.
- Infrastructure support fees is recognised on the basis of fixed rate agreement on the basis of active customers.

ii) Revenue from 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 and the Group has transferred to the buyer the significant risks and rewards.
- Sales are stated net of rebates, trade discounts, sales returns and taxes on sales.

iii) Interest income

- Income from deployment of surplus funds is recognised on accrual basis using the effective interest rate (EIR) method.

**m) Foreign currency translation**

***Functional and presentation currency***

The financial statements are presented in Indian Rupees (₹) which is also the functional and presentation currency of the Group.

***Transactions and balances***

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

Non-monetary items denominated in a foreign currency are converted in functional currency at the rate prevailing on the date of transactions and the same are carried at historical cost.

Foreign currency monetary items are converted to functional currency using the closing rate.

Exchange differences arising on such conversion and settlement at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

**n) Borrowing Costs**

Borrowing costs include interest and other costs that the Group incurs in connection with the borrowing of funds.

In case of significant long-term loans, other costs incurred in connection with the borrowing of funds are amortised over the period of respective loan.

**o) Employee benefits**

Employee benefits include provident fund, pension fund, gratuity and compensated absences

*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 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 recognised immediately in the Statement of Other Comprehensive Income. The Group has done contribution to the Gratuity plan with LIC partially.

*Other long term employee benefits*

Benefits under the Group'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.

*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 statement of profit and loss in the period in which the employee renders the related service.

**p) Employee stock option scheme**

The fair value of options granted under Employee Stock Option Plan of the Group is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**q) Leases**

*Company as a lessee*

***Accounting policy till 31 March 2019***

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis.

Leases which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items are classified as 'Finance Leases'. Assets acquired on 'Finance Lease' which transfer risk and rewards of the ownership to the Group are capitalized as the assets by the Group.

***Changes in accounting policy***

The Group's lease asset classes primarily consist of leases for land. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset, (2) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease, and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a Right of use (ROU) asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases. For short-term leases and low value leases, the Group recognizes the lease payments as an expense on a straight-line basis over the term of the lease.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the date of commencement of the lease on a straight -line basis over the shorter of the lease term and the useful life of the underlying asset

The lease liability is initially measured at amortized cost at the present value of the future lease payments. For leases under which the rate implicit in the lease is not readily determinable, the Group uses its incremental borrowing rate based on the information available at the date of commencement of the lease in determining the present value of lease payments. Lease liabilities are re measured with a corresponding adjustment to the related ROU asset if the Group changes its assessment as to whether it will exercise an extension or a termination option.

ROU assets has been disclosed under property plant and equipements and corresponding lease liability has been shown under financial liability in the Balance sheet.

*Transition*

Effective 1 April 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method, on the date of initial application. This new standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. Ind AS 116 supersedes Ind AS 17 and its associated interpretative guidance. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and Right-of-use assets were measured at the amount of the lease liability (adjusted for any prepaid or accrued lease expenses). Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) (an amount equal to the lease liability, adjusted by the prepaid lease rent) of ₹ 2,607 lacs. The impact on the loss of the Group for the year ended 31 March 2020 is not material.

The following is the summary of practical expedients elected on initial application:

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 10.84% p.a.

*Company as a lessor*

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The respective leased assets are included in the balance sheet based on their nature. Rental income is recognized on straight line basis over the lease term.

**r) Earnings per share**

Basic earning 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.

**s) Equity, reserves and dividend payment**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Retained earnings include current and prior period retained profits. All transactions with owners of the Parent Company are recorded separately within equity.

**t) Taxation**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised either in other comprehensive income or in equity.

Unused tax credit such as (Minimum alternate tax ('MAT') credit entitlement) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income-tax during the specified period. In the year in which such credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as unused tax credit. The Group reviews the same at each balance sheet date and writes down the carrying amount of unused tax credit to the extent it is not reasonably certain that the Group will pay normal income-tax during the specified period.

**u) Operating cycle**

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the aquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

**v) Operating expenses**

Operating expenses are recognised in statement of profit or loss upon utilisation of the service or as incurred.

**w) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Basis the review of operations being done by the CODM, the operations of the Group fall under Direct to Home ('DTH') and teleport services, which is considered to be the only reportable segment.

**x) Provisions, contingent liabilities, commitments and contingent assets**

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 discounted to their present value (where time value of money is material) 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.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

**y) Financial instruments**

***Initial recognition and measurement***

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

***Financial assets***

*Subsequent measurement*

**Financial asset at amortised cost –** the financial instrument is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**Investments in equity instruments of subsidiaries and joint ventures**

Investments in equity instruments of subsidiaries and joint ventures are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

Investments in other equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

**Investments in mutual funds**

Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

**Derivative instruments –** derivatives such as options and forwards are carried at fair value through profit and loss with fair gains/losses recognised in statement of profit and loss.

**De-recognition of financial assets**

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

**Financial liabilities**

***Subsequent measurement***

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

***De-recognition of financial liabilities***

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**z) Fair value measurement**

The Group measures financial instruments such as investments, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**aa) Cash and cash equivalents**

Cash and cash equivalents comprises cash at bank and in hand, cheques in hand and short term investments that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

**ab) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

**ac) Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of 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 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.

***Significant management judgements***

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

**Recognition of deferred tax assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

**Evaluation of indicators for impairment of assets:** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Contingent liabilities:** At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from this judgement.

***Significant estimates***

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be different.

**Impairment of financial assets:** At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables.

**Defined benefit obligation (DBO):** Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements:** Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

**Useful lives of depreciable/amortisable assets:** Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

## 5. Property, plant and equipment

| Particulars | Building | ROU assets (refer note 55) | Plant and equipments | Consumer premises equipment | Computers | Office equip-ments | Furniture and fixtures | Vehicles | Leasehold improve-ments | Electrical Installa-tions | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | | | | | | |
| As at 1 April 2018 | 2,881 | - | 38,640 | 865,557 | 3,479 | 820 | 581 | 3,712 | 48 | 524 | 916,242 |
| Additions | - | - | 2,793 | 97,087 | 687 | 466 | 45 | 83 | 11 | 118 | 101,290 |
| Disposal / adjustments | - | - | - | - | 47 | 1 | - | - | 11 | - | 59 |
| Foreign currency translation (gain)/loss | (13) | - | (137) | (19) | 0 | (1) | (1) | (1) | (0) | - | (172) |
| **As at 31 March 2019** | **2,868** | **-** | **41,296** | **962,625** | **4,119** | **1,284** | **625** | **3,794** | **48** | **642** | **1,017,301** |
| Adjustment on transition to Ind AS 116 | - | 2,607 | - | - | - | - | - | - | - | - | 2,607 |
| Additions | 103 | - | 2,798 | 71,040 | 293 | 902 | 414 | 5 | 0 | 15 | 75,570 |
| Disposal/ adjustments | - | - | 4 | - | 10 | 1 | 2 | 3,378 | - | - | 3,395 |
| Foreign currency translation (gain)/loss | (0) | - | (6) | (0) | (1) | (1) | (0) | (0) | (0) | - | (8) |
| **As at 31 March 2020** | **2,971** | **2,607** | **44,084** | **1,033,665** | **4,401** | **2,184** | **1,037** | **421** | **48** | **657** | **1,092,075** |
| **Accumulated depreciation** | | | | | | | | | | | |
| As at 1 April 2018 | 215 | - | 18,133 | 529,609 | 1,809 | 562 | 228 | 2,044 | 48 | 214 | 552,862 |
| Charge for the year | 361 | - | 4,624 | 123,256 | 709 | 136 | 110 | 377 | - | 89 | 129,662 |
| Disposal / adjustments | - | - | - | - | 35 | 1 | - | 6 | - | - | 42 |
| Foreign currency translation (gain)/loss | (2) | - | (50) | (14) | (0) | (1) | (0) | (0) | (0) | - | (67) |
| **As at 31 March 2019** | **574** | **-** | **22,707** | **652,851** | **2,483** | **696** | **338** | **2,415** | **48** | **303** | **682,415** |
| Charge for the year | 371 | 37 | 4,885 | 120,548 | 634 | 274 | 85 | 237 | - | 95 | 127,166 |
| Disposal/ adjustments | - | - | 0 | - | 8 | 1 | 0 | 2,368 | - | - | 2,377 |
| Foreign currency translation (gain)/loss | (0) | - | (7) | (0) | (1) | (1) | (0) | (0) | (0) | - | (9) |
| **As at 31 March 2020** | **945** | **37** | **27,585** | **773,399** | **3,108** | **968** | **423** | **284** | **48** | **398** | **807,195** |
| Net block as at 31 March 2019 | 2,294 | - | 18,589 | 309,774 | 1,636 | 588 | 287 | 1,379 | - | 339 | 334,886 |
| Net block as at 31 March 2020 | 2,026 | 2,570 | 16,499 | 260,266 | 1,293 | 1,216 | 614 | 137 | - | 259 | 284,880 |

('0' represent the amount less than ₹ 50,000 rounded off to ₹ lacs)

**Property, plant and equipment pledged as security**

Refer note 25 and 29 for information on property, plant and equipment pledged as security by the Group.

**Contractual obligation**

Refer note 61 (b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**Capitalised borrowing cost**

No borrowing cost has been capitalised during the year ended 31 March 2020 and 31 March 2019

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**6. Capital work in progress**

| Particulars | Amount |
|---|---|
| **Gross carrying value** | |
| As at 1 April 2018 | 67,806 |
| Additions | 111,164 |
| Disposal/adjustment | (1,020) |
| Transfer to property, plant and equipment | (101,290) |
| **As at 31 March 2019** | **76,660** |
| Additions | 62,266 |
| Disposal/adjustment | (1,084) |
| Transfer to property, plant and equipment | (75,570) |
| **As at 31 March 2020** | **62,272** |

**Capital work in progress pledged as security**

Refer note 25 and 29 for information on property, plant and equipment pledged as security by the Group.

**7. Goodwill**

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| **Opening balance** | **473,249** | 627,542 |
| Addition pursuant to increase in investment in C&S Medianet Private Limited | **-** | 7 |
| Impairment of goodwill (refer note 42) | **(191,550)** | (154,300) |
| **Closing balance** | **281,699** | 473,249 |

**Impairment tests for goodwill**

Goodwill is monitored by management at the level of D2h division acquired pursuant to merger of the Company with erstwhile Videocon D2h Limited

A summary of goodwill allocation and carrying value is presented below:

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| D2h CGU | **45,288** | 236,838 |
| Dish Infra CGU | **236,404** | 236,404 |
| **Total** | **281,692** | 473,242 |

Impairment testing of the goodwill (allocated to the D2H CGU) is being performed at each balance sheet date. The recoverable amount of cash generating unit is determined based on the higher of value-in-use and fair value less cost to sell. Value in use is determined basis cash flow projections which is being prepared taking in to account past experience and represent the management's best estimate about future developments. Cash flow projections based on financial budgets are approved by management. Key assumptions on which the management has based its determination of recoverable amount include estimated long-term growth rates, weighted average cost of capital and estimated operating margins. The impairment loss, if any, determined as a result of the assessment is first applied to the carrying value of Goodwill allocated to D2h CGU and then to the other assets consisting in the CGU in accordance with the manner prescribed in Ind AS 36. Based on above, at the current reporting date, an impairment loss amounting to ₹ 191,550 lacs (previous year ₹ 154,300 lacs) has been determined in respect of D2h CGU. The entire impairment loss has been applied to and adjusted against the carrying value of goodwill allocated to the CGU in the manner prescribed in Ind AS 36.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

A summary of value in use and amount of impairment of D2h division during the financial year is given below,

| | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | **D2h Infra CGU** | **D2h CGU** | D2h Infra CGU | D2h CGU |
| Present value of discounted cash flows over 5 years | **180,527** | **157,745** | 180,466 | 207,973 |
| Present value of terminal cash flow | **301,134** | **223,218** | 240,839 | 290,348 |
| **Total value in use** | **481,661** | **380,963** | 421,305 | 498,321 |
| Less: Contingent liability | **-** | **20,250** | - | 14,655 |
| Less: Borrowing and license fees payable | **77,597** | **175,829** | 123,990 | 177,968 |
| Less: Net working capital | **(17,662)** | **(67,916)** | (131,644) | (158,718) |
| Less: Carrying value of PPE and intangible asset at reporting date | **116,335** | **207,512** | 143,394 | 227,578 |
| **Net recoverable amount** | **305,391** | **45,288** | 285,565 | 236,838 |
| Opening carrying value of goodwill of D2h CGU | **236,404** | **236,838** | 236,404 | 391,138 |
| **Provision for impairment (refer note 42)** | **-** | **(191,550)** | - | (154,300) |
| **Closing carrying value of goodwill** | **236,404** | **45,288** | 236,404 | 236,838 |

**Key assumptions used for value in use calculation are as follows:**

- The Group prepares its cash flow forecast based on the most recent financial budget approved by management with projected revenue growth rate. average monthly revenue per user is expected to grow at 3% till 2022 and at 4% post 2022.
- Terminal growth rate is assumed at 4% and is based on industry growth rate and projected growth of Indian economy.
- The EBIDTA margin is expected to be at the same level through out the projected period.
- The free cash flow arrived at were discounted to present value using weighted average cost of capital (WACC). The sum of the discounted cash flows along with the discounted terminal value is the estimated enterprise value.

## 8 Other intangible assets

| Particulars | Trademark / Brand | License fee | Software | Customer and Distributor Relationship | Total |
|---|---|---|---|---|---|
| **Gross carrying value** | | | | | |
| As at 1 April 2018 | 102,909 | 1,704 | 8,822 | 126,134 | 239,569 |
| Additions | - | 509 | 1,735 | - | 2,244 |
| Foreign currency translation (gain)/loss | - | (0) | - | - | (0) |
| **As at 31 March 2019** | **102,909** | **2,213** | **10,557** | **126,134** | **241,813** |
| Additions | - | 650 | 408 | 775 | 1,833 |
| Disposal/ adjustments | - | - | 264 | - | 264 |
| Foreign currency translation (gain)/loss | - | (1) | - | - | (1) |
| **As at 31 March 2020** | **102,909** | **2,862** | **10,701** | **126,909** | **243,381** |
| **Accumulated amortisation** | | | | | |
| As at 1 April 2018 | - | 1,417 | 4,297 | 6,286 | 12,000 |
| Charge for the year | - | 130 | 1,693 | 12,607 | 14,430 |
| Foreign currency translation (gain)/loss | - | (0) | - | - | (0) |
| **As at 31 March 2019** | **-** | **1,547** | **5,990** | **18,893** | **26,430** |
| Charge for the year | - | 347 | 1,720 | 13,388 | 15,455 |
| Disposal/ adjustments | - | - | 57 | - | 57 |
| Foreign currency translation (gain)/loss | - | (1) | - | - | (1) |
| **As at 31 March 2020** | **-** | **1,893** | **7,653** | **32,281** | **41,827** |
| Net block as at 31 March 2019 | 102,909 | 666 | 4,567 | 107,241 | 215,383 |
| Net block as at 31 March 2020 | 102,909 | 969 | 3,048 | 94,628 | 201,554 |

('0' represent amount less than ₹ 50,000 rounded off to ₹ lacs)

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**Contractual obligation**

Refer note 61 (b) for disclosure of contractual commitments for the acquisition of intangible assets.

Please refer to Note 7, impairment testing of goodwill includes other intangible assets also and consequently the impact of impairment assessment as mentioned in said note on the D2H CGU, has been allocated to the related goodwill and accordingly no adjustment is required on account of impairment loss in the carrying value of the other assets belonging to D2H CGU including the indefinite life intangible assets namely 'Trademarks' and 'Customer and distributor relationship'.

**9. Intangible assets under development**

During the year, in line with the business plan of investing in new age technologies, *inter alia*, Watcho the OTT platform of the wholly owned subsidiary company, networking equipments and customer premises equipments (CPE), Dish Infra Services Private Limited, a wholly owned subsidiary company has made significant progress in augmenting these new age technologies. The subsidiary company has contracted with aggregators for content and related infrastructure and recorded ₹ 52,500 lacs as intangible assets under development and ₹ 69,300 lacs as related capital advances as of 31 March 2020. The management is confident of concluding all the planned investments by the first half of FY 2020-21. As further described in note 43, the management is confident of the view that COVID-19 will not have any significant negative impact on the ability of the subsidiary company to implement the business plans related to these new investments and therefore has concluded that no material adjustments is required in the carrying value of intangible assets under development and the related capital advances.

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **10. Investment (non-current)** | | |
| **In equity instruments** | | |
| **Equity shares fully paid up of other companies carried at fair value through other comprehensive income (unquoted)** | | |
| Dr. Subhash Chandra Foundation* | | |
| 1 (31 March 2019: 1) equity shares of ₹ 10, each fully paid up | **0** | 0 |
| (* ₹ 10 as on 31 March 2020 (31 March 2019: ₹ 10), rounded off to ₹ lacs) | | |
| | **0** | 0 |
| Aggregate amount of quoted investments and market value thereof | **-** | - |
| Aggregate amount of unquoted investments | **0** | 0 |
| Aggregate amount of impairment in the value of investments | **-** | - |
| | **0** | 0 |

('0' represents the amount less than ₹ 50,000 rounded off to ₹ lacs)

| **11. Loans (non-current)** | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Unsecured, considered good unless otherwise stated** | | |
| Security deposit* | | |
| - to related parties (refer note 54 c) | **368** | 433 |
| - to others | **711** | 696 |
| | **1,079** | 1,129 |

| **12. Other financial assets (non-current)** | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Others** | | |
| Bank deposits with of more than 12 months maturity | **45** | 1,217 |
| | **45** | 1,217 |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**13. Deferred tax assets**

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Deferred tax assets / (liabilities) arising on account of :** | | |
| Provision for employee benefits and others provisions/liabilities deductible on actual payment | **3,351** | 4,008 |
| Allowances for expected credit loss- trade receivables and advances/loans | **8,095** | 9,367 |
| Expense disallowed u/s 35DD of Income Tax Act, 1961 | **988** | 1,817 |
| Unabsorbed depreciation | **52,507** | 58,081 |
| MAT credit entitlement | **-** | 1,902 |
| Receivables, financial assets and liabilities at amortised cost | **817** | (341) |
| Unamortised borrowing costs | **-** | 488 |
| Property, plant and equipment and intangible assets | **49,018** | 26,228 |
| | **114,776** | 101,550 |

| Movement in deferred tax assets/(liabilities) for the year ended 31 March 2020 | As at 1 April 2019 | Recognised / reversed through profit and loss (refer note below) | Recognised / reversed through OCI | As at 31 March 2020 |
|---|---|---|---|---|
| **Deferred tax assets/(liabilities) arising on account of :** | | | | |
| Provision for employee benefits and others provision/ liabilities deductible on actual payment | 4,008 | (633) | (24) | **3,351** |
| Allowances for expected credit loss- trade receivables and advances/loans | 9,367 | (1,272) | - | **8,095** |
| Expense disallowed u/s 35DD of Income Tax Act, 1961 | 1,817 | (829) | - | **988** |
| Unabsorbed depreciation* | 58,081 | (5,574) | - | **52,507** |
| MAT credit entitlement | 1,902 | (1,902) | - | **-** |
| Receivables, financial assets and liabilities at amortised cost | (341) | 1,158 | - | **817** |
| Unamortised borrowing costs | 488 | (488) | - | **-** |
| Property, plant and equipment and intangible assets | 26,228 | 22,790 | - | **49,018** |
| | **101,550** | **13,251** | **(24)** | **114,776** |

| Movement in deferred tax assets/(liabilities) for the year ended 31 March 2019 | As at 1 April 2018 | Recognised / reversed through profit and loss | Recognised / reversed through OCI | As at 31 March 2019 |
|---|---|---|---|---|
| **Deferred tax assets/(liabilities) arising on account of :** | | | | |
| Provision for employee benefits and others provision/ liabilities deductible on actual payment | 2,568 | 1,726 | (286) | 4,008 |
| Allowances for expected credit loss- trade receivables and advances/loans | 1,963 | 7,404 | - | 9,367 |
| Expense disallowed u/s 35DD of Income Tax Act, 1961 | 1,691 | 126 | - | 1,817 |
| Unabsorbed depreciation* | 46,414 | 11,667 | - | 58,081 |
| MAT credit entitlement | 579 | 1,323 | - | 1,902 |
| Receivables, financial assets and liabilities at amortised cost | (1,332) | 991 | - | (341) |
| Unamortised borrowing costs | 312 | 176 | - | 488 |
| Property, plant and equipment and intangible assets | 8,648 | 17,580 | - | 26,228 |
| | **60,843** | **40,993** | **(286)** | **101,550** |

* Deferred tax assets on unabsorbed depreciation/ brought forward losses is recognised only to the extent of probability of availability and certainty of future taxable profits with convincing evidence

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**Note:**

The Group has elected to exercise the option permitted under section 115BAA of the Income-tax Act 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from the current financial year. Accordingly, the Group has re-measured the deferred tax assets/liabilities on the basis of the rates prescribed in that section. This has resulted in a reversal of deferred tax assets to the extent of ₹ 27,957 lacs on account of re-measurement of deferred tax assets/ liabilities pertaining to the previous period. Additionally MAT credit entitlement of ₹ 1,902 has been reversed due to implementation of tax ordinance.

**14. Current tax assets (net)**

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Income-tax (net of provision of ₹ 9,632 lacs, 31 March 2019: ₹ 18,478 lacs) | **9,897** | 8,083 |
| | **9,897** | 8,083 |

**15. Other non current assets**

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Capital advances (refer note 9) | **69,527** | 610 |
| Advances other than capital advances: | | |
| Balance with statutory authorities* | **14,215** | 13,898 |
| Prepaid expenses | **79** | 3,468 |
| | **83,821** | 17,976 |

* Includes amount paid under protest netted off provision recognised ₹ 609 lacs (31 March 2019: ₹ 609 lacs)

**16. Inventories (valued at the lower of cost and net realisable value)**

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Customer premises equipment related accessories and spares | **2,201** | 2,471 |
| | **2,201** | 2,471 |

**17. Trade receivables**

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Trade receivables - considered good, unsecured | **8,684** | 14,059 |
| Trade receivables - credit impaired | **8,039** | 4,908 |
| | **16,723** | 18,967 |
| Less: allowances for expected credit loss (refer note 49B) | **(8,039)** | (4,908) |
| | **8,684** | 14,059 |

Trade receivable have been pledged as security for borrowings, refer note 25 and 29.

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

**18. Cash and cash equivalents**

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Balances with banks:- | | |
| In current accounts | **11,269** | 4,587 |
| In saving accounts | **-** | 96 |
| In deposit accounts with original maturity of less than three months | **-** | 4,516 |
| Cash on hand | **2** | 4 |
| | **11,271** | 9,203 |

Note: There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| 19. Other bank balances | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| In current accounts # | **0** | 0 |
| Deposits with maturity of more than 3 months but less than 12 months | **3,292** | 7,802 |
| Unpaid dividend account * | **63** | 63 |
| | **3,355** | 7,865 |

# ₹ 0.42 lacs ( 31 March 19: ₹ 0.42 lacs) in share call money accounts in respect of right issue (refer note 59).
* Not due for deposit to the Investor Education and Protection Fund

| 20. Loans (current) | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Security deposits (unsecured, considered good)*** | | |
| Related parties (refer note 54 (c)) | **-** | 54 |
| Others | **1,607** | 1,143 |
| | **1,607** | 1,197 |

* The carrying values are considered to be reasonable approximation of fair values.

| 21. Other financial assets (current) | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Unsecured, considered good unless otherwise stated** | | |
| Interest accrued but not due on fixed deposits | **131** | 533 |
| Amount recoverable# | | |
| Considered good | **-** | 1,05,140 |
| **Others** | | |
| Considered doubtful | **4,125** | 4,125 |
| Less: provision for expected credit loss | **(4,125)** | (4,125) |
| | **131** | 1,05,673 |

# The carrying values are considered to be reasonable approximation of fair values.

| 22. Other current assets | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Advances other than capital advances: | | |
| Balance with statutory authorities | **6,209** | 8,731 |
| Prepaid expenses | **1,713** | 4,357 |
| Amount recoverable in cash or in kind* | **33,190** | 50,869 |
| | **41,112** | 63,957 |

* Includes amount ₹ 1,410 lacs (31 March 2019: ₹ 1,418 lacs) advanced to related party

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| 23. Equity share capital | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Authorised** | | |
| 6,50,00,00,000 (31 March 2019: 6,50,00,00,000) equity shares of ₹ 1 each | **65,000** | 65,000 |
| Increased during the year nil (31 March 2019: nil) equity shares of ₹ 1 each | **-** | - |
| 6,50,00,00,000 (31 March 2019: 6,50,00,00,000) equity shares of ₹ 1 each | **65,000** | 65,000 |
| **Issued** | | |
| 1,92,38,16,997 (31 March 2019: 1,92,38,16,997) equity shares of ₹ 1 each, fully paid up | **19,238** | 19,238 |
| **Subscribed and fully paid up*** | | |
| 1,84,12,53,953 (31 March 2019: 1,84,12,53,953) equity shares of ₹ 1 each, fully paid up | **18,413** | 18,413 |
| **Subscribed but not fully paid up** | | |
| 33,561 (31 March 2019: 33,561) equity shares of ₹ 1 each, fully called up (refer footnote b) | **0** | 0 |
| Less: calls in arrears (other than from directors/ officers)** | **(0)** | (0) |
| | **18,413** | 18,413 |

* Difference in number of shares issued and number of shares subscribed is on account of shares held in abeyance (refer footnote h below)

** ₹ 13,169 (₹ 13,169 as on 31 March 2019)

**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 | **1,841,287,514** | 1,841,270,434 |
| Add: Issued during the year under employees stock option plan | **-** | 17,080 |
| Shares at the end of the year | **1,841,287,514** | 1,841,287,514 |

**b) Detail of shares not fully paid-up**

14,446 (31 March 2019: 14,446) equity shares of ₹ 1 each, ₹ 0.75 paid up
19,115 ( 31 March 2019: 19,115) equity shares of ₹ 1 each, ₹ 0.50 paid up.

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

The Parent 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, the equity shareholders are eligible to receive the remaining assets of the Parent Company after distribution of all preferential amounts, in proportion to their shareholding.

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

| Name | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Number of shares | % holding in the Company | Number of shares | % holding in the Company |
| World Crest Advisors LLP | **502,605,389** | **27.30%** | 524,872,409 | 28.51% |
| Direct Media Distribution Ventures Private Limited | **360,858,748** | **19.60%** | 427,803,288 | 23.23% |
| Deutsche Bank Trust Company Americas* | **114,737,928** | **6.23%** | 189,185,772 | 10.27% |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

Shareholding disclosed above does not include shares issued but kept in abeyance as at the balance sheet date due to the reasons stated in foot note (h) below

* In terms of the Scheme, the Board of Directors of the Parent Company at their meeting held on 26 March 2018 issued and allotted equity shares to the shareholders of Videocon D2H Limited (D2H), including Deutsche Bank Trust Company Americas, which held the underlying equity shares of D2H against which American Depository Shares ("ADSs") were issued and listed on Nasdaq Global Market ("Nasdaq"). In terms of the Scheme, the said ADSs were to be voluntarily delisted from Nasdaq. Accordingly, the said ADS were delisted from Nasdaq and in terms of the Scheme, the ADS holders of D2H were issued Global Depositary Receipts (the "GDRs") of Dish TV India Limited.

**e) Subscribed but fully paid up shares include:**

26,23,960 (31 March 2019: 26,23,960) equity shares of ₹ 1 each, fully paid up, issued to the employees, under Employee Stock Option Plan, i.e., ESOP 2007.

**f)** 1,80,00,000 equity shares of ₹ 1 each are reserved for issue under Employee Stock Option Plan 2018. (refer note 45 for terms and amount etc.)

**g)** Aggregate number of bonus share issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

(i) The Parent Company has issued 85,7785,642 numbers of shares under the scheme of merger, out of which 775,256,159 numbers of shares have been allotted during the previous years without payment being received in cash (also refer footnote (h) below); and

(ii) Other than aforementioned, no share has been allotted by way of bonus issues and no share has been bought back in the current year and preceding five years

**h)** The allotment of 82,529,483 equity shares of the Parent Company has been kept in abeyance, due to litigation, till such time the claim over the title of the share is ascertained by appropriate statutory or judicial bodies.

| **24. Other equity** | **As at 31 March 2020** | As at 31 March 2019 |
|---|---|---|
| **Retained earnings** | | |
| Balance at the beginning of the year | **(106,767)** | 20,233 |
| Restatement pursuant to Ind AS 115 (refer note 34) | **-** | (1,943) |
| (Loss) for the year | **(163,882)** | (114,490) |
| Less: Dividend paid during the year | **-** | (9,206) |
| Less: Dividend distribution tax on dividend | **-** | (1,892) |
| | **(270,649)** | (107,298) |
| Items of the other comprehensive income recognised directly in retained earnings | | |
| Add: Remeasurement of post employment benefits (net of taxes) | **71** | 531 |
| Balance at the end of the year | **(270,578)** | (106,767) |
| **Securities premium** | | |
| Balance at the beginning of the year | **633,613** | 633,598 |
| Add: Addition during the year | **-** | 15 |
| Balance at the end of the year | **633,613** | 633,613 |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| 24. Other equity (Contd.) | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **General reserves** | | |
| Balance at the beginning and end of the year | **1,849** | 1,849 |
| **Shares Options Outstanding Account** | | |
| Balance at the beginning of the year | **195** | 93 |
| Add: Share based payments to employees during the year | **136** | 107 |
| Add: Share based payments to employees | **-** | 1 |
| Less: Transferred to securities premium | **-** | (6) |
| Balance at the end of the year | **331** | 195 |
| **Other components of equity** | | |
| Shares kept in abeyance (refer note 23 (h)) | **825** | 825 |
| **Foreign Currency Translation Reserve** | | |
| Balance at the beginning of the year | **870** | 402 |
| Foreign Currency Translation adjustments | **(488)** | 669 |
| Non Controlling interest share in translation difference | **146** | (201) |
| Balance at the end of the year | **528** | 870 |
| | **366,568** | 530,585 |

**Nature and purpose of other reserves**

**Retained earnings**

Retained earnings are created from the profit / loss of the Group, as adjusted for distributions to owners, transfers to other reserves, etc.

**Securities premium**

Securities premium reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

**General reserve**

Balance pursuant to the scheme of arrangement and re organisation of share capital as approved by Hon'ble high court of judicature at Bombay and high court of judicature at New Delhi vide their order dated 12 January 2007 and 19 January 2007 respectively.

**Shares options outstanding account**

The reserve account is used to recognise the amortisation of grant date fair value of options issued to employees (including employees of subsidiary company) under employee stock option plan over the vesting period.

**Other component of equity**

The shares issued under merger but not allotted are kept in abeyance.

**Foreign currency translation reserve**

Exchange differences relating to the translation of the results and net liabilities of foreign subsidiary from their functional currency to the group's presentation currency (the INR) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserves.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| 25. Borrowings (non-current) | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **From banks (Secured)** | | |
| - Term loan | **120,101** | 171,450 |
| - Buyers' credit | **14,647** | 35,232 |
| | **134,748** | 206,682 |
| Less: Current maturities of long term borrowings (refer note 31.1) | **(78,704)** | (82,755) |
| | **56,044** | 123,927 |

Repayment terms, rate of interest and nature of security for the outstanding long term borrowing as on 31 March 2020 and 31 March 2019

**Nature of security**

**A) Term loans-secured**

Term loan of ₹ 120,101 lacs (31 March 2019: ₹ 171,450 lacs)

(i) Term loan of ₹ 38,652 lacs from Axis Bank (31 March 2019: ₹ 44,066 lacs), balance amount is repayable in 13 quarterly instalments. Last instalment due in the month of June 2023. The rate of interest is linked to 12 months marginal cost of funds-based lending rate (MCLR) plus a spread of 1% per annum.

(ii) Term loan of ₹ 25,648 lacs from Axis Bank (31 March 2019: ₹ 51,795 lacs), balance amount is repayable in 4 quarterly instalments. Last instalment due in the month of March 2021. The rate of interest is linked to 12 months MCLR plus a spread of 1% per annum.

(iii) Term loan of ₹ 31,085 lacs from Axis Bank (31 March 2019: ₹ 36,147 lacs), balance amount is repayable in 13 quarterly instalments. Last instalment due in the month of June 2023. The rate of interest is linked to 12 months MCLR plus a spread of 1% per annum.

(iv) Term loan of ₹ 10,067 lacs from RBL Bank (31 March 2019: 20,910), balance amount is repayable in 4 quarterly instalments. Last instalment due in the month of March 2021. The rate of interest is linked to 1 month MCLR.

(v) Term loan of ₹ 14,649 lacs from RBL Bank (31 March 2019: 17,925), balance amount is repayable in 13 quarterly instalments. Last instalment due in the month of June 2023. The rate of interest is linked to 1 month MCLR.

Above facilities (i) to (v) are secured by:

(a) First pari passu charge over all, present future, moveable fixed assets and current assets of the borrower subject to a minimum asset cover ratio of 1.25 time.

(b) Unconditional and Irrevocable Corporate Guarantee of Parent Company.

(c) Charge on debt service reserve account

(d) In future, if the gross block of immovable properties crosses ₹ 50 crore, the same shall be charged to be lenders on pari passu basis. The charges to be created in favour of the Security Trustee for the benefit of the lenders and the Trustee would give NOC for creating first/second charge to the other lenders after taking necessary approval from lenders. Any additional collateral security other those mentioned herein above offered by borrower to other lenders (in case of pari passu charge) shall also be available to the bank.

(vi) Term loan of Nil from ING Vysya Bank, (31 March 2019: ₹ 607 Lac) was repayable in 2 equal quarterly instalment of ₹ 313 lacs (including interest) each with last instalment payable on September 2019. The rate of interest was base rate plus 1.75% per annum.

Above facility were secured by:

(a) First pari-passu charges on consumer premises equipment (CPE), (both present and future), of the Group.

(b) First pari-passu charges on all current assets and fixed assets of the Group (both present and future).

(c) Assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets of the Group.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

(d) DSRA to be created upfront for one quarter interest.

(e) Unconditional and Irrevocable corporate guarantee is given by the Parent Company.

**B) Buyer's credits-Secured**

(i) Facility of ₹ 13,559 lacs from ICICI Bank (31 March 2019: ₹ 24,767 lacs)

**For the year ended 31 March 2020**

Buyer's credit of ₹ 13,559 lacs comprises of several loan transactions starts ranging between December 2015 to September 2017 and repayable in full on maturity dates falling between April 2020 to September 2020. Interest on buyer's credit is payable in half yearly instalments ranging from Libor plus 64 bps to Libor plus 85 bps.

**For the year ended 31 March 2019**

Buyer's credit of ₹ 24,767 lacs comprises of several loan transactions starts ranging between December 2015 to September 2017 and repayable in full on maturity dates falling between April 2020 to September 2020. Interest on buyer's credit is payable in half yearly instalments ranging from Libor plus 64 bps to Libor plus 85 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 subsidiary 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 Group.

(d) Assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets.

(e) Corporate guarantee is given by Parent Company.

(ii) Facility of ₹ 1,088 lacs from Yes Bank ( 31 March 2019: ₹ 5,003 lacs)

**For the year ended 31 March 2020**

Buyer's credit of ₹ 1,088 lacs comprises of several loan transactions ranging between April 2017 to September 2017 and repayable in full on maturity dates falling ranging between December 2019 to April 2020. Interest on buyer's credit is payable in half yearly instalments ranging from Libor plus 65 bps to Libor plus 75 bps.

**For the year ended 31 March 2019**

Buyer's credit of ₹ 5,003 lacs comprises of several loan transactions ranging between April 2017 to September 2017 and repayable in full on maturity dates falling ranging between December 2019 to April 2020. Interest on buyer's credit is payable in half yearly instalments ranging from Libor plus 65 bps to Libor plus 75 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 Parent Company.

## CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

(iii) Facility of Nil from Kotak Mahindra Bank (31 March 2019: ₹ 2,311 lacs)

**For the year ended 31 March 2019**

Buyer's credit of ₹ 2,311 lacs comprises of several loan transactions ranging between May 2017 to June 2017 was repaid in full on maturity dates falling between March 2020 to April 2020.

Interest on buyer's credit was payable in half yearly instalments ranging from Libor plus 64 bps to Libor plus 65 bps.

Above facility is secured by:

(a) First pari-passu charges on consumer premises equipment (CPE), (both present and future), of the Group.

(b) First pari-passu charges on all current assets and fixed assets of the Group (both present and future).

(c) Assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets of the Group.

(d) DSRA to be created upfront for one quarter interest;

(e) Corporate guarantee is given by Parent Company.

(iv) Facility of Nil from IndusInd Bank ( 31 March 2019: ₹ 3,151 lacs)

**For the year ended 31 March 2019**

Buyer's credit of ₹ 3,151 lacs comprises of several loan transactions starting from October 2017 and was repaid in full on maturity dates on April 2019.

Interest on buyer's credit was payable in half yearly instalments ranging from Libor plus 35 bps

Above facility is secured by:

(a) First pari-passu charges on entire current assets and fixed assets of the Group (both present and future).

(b) Corporate guarantee is given by Parent Company.

| **26. Other financial liabilities (non-current)** | **As at 31 March 2020** | As at 31 March 2019 |
|---|---|---|
| Lease liability (refer note 55) | **177** | - |
| | **177** | - |

| **27. Provisions (non-current)** | **As at 31 March 2020** | As at 31 March 2019 |
|---|---|---|
| Provisions for employee benefits | | |
| Leave encashment (refer note 47) | **964** | 957 |
| Gratuity (refer note 47) | **1,628** | 1,771 |
| | **2,592** | 2,728 |

| **28. Other non current liabilities** | **As at 31 March 2020** | As at 31 March 2019 |
|---|---|---|
| Income received in advance | **3,184** | 3,628 |
| | **3,184** | 3,628 |

| **29. Borrowings (current)** | **As at 31 March 2020** | As at 31 March 2019 |
|---|---|---|
| **From banks (Secured)** | | |
| - Term loan | **22,240** | 24,603 |
| - Cash credit | **21,456** | 44,539 |
| | **43,696** | 69,142 |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**A) Short term loan**

Term loan of ₹ 11,740 lacs from Yes Bank (31 March 2019: ₹ 11,804 lacs), balance amount is repayable in two equal monthly instalments. Last instalment is due in May 2020. The rate of interest is 12 month MCLR+ 0.80%.

Term loan of ₹ 10,500 lacs from Yes Bank (31 March 2019: ₹ 12,799 lacs), balance amount is repayable in four equal monthly instalments. Last instalment is due in May 2021. The rate of interest is 12 month MCLR+ 0.80%.

Above facility is secured by:

(a) First pari-passu charges on the Parent Company's current assets (both present and future);

(b) Personal guarantee of Mr. Jawahar Lal Goel, Chairman and Manging Director of the Parent Company.

(c) No objection certificate (NOC) cum letter ceding pari passu charge from existing lenders to be obtained within 180 days from the date of first disbursement.

**B) Cash credit**

(i) The Group has taken cash credit facility of ₹ 4,020 lacs (31 March 2019: ₹ 4,025 lacs) from Axis bank for general business purposes. The rate of interest is 3 month MCLR+ 1.70%.

Above facility is secured by:

(a) First pari-passu charges on all movable and immovable fixed assets (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) Corporate guarantee is given by Parent Company.

(d) Assignment of insurance policies pertaining to CPE charged, current assets and movable fixed assets.

(ii) The Group has taken cash credit facility of ₹ 9,831 lacs from RBL Bank (31 March 2019: ₹ 14,726 lacs) for general business purposes. The rate of interest is 3 months MCLR + 1.00%.

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.

(iii) The Group has taken cash credit facility of ₹ 7,605 lacs (31 March 2019: ₹ 25,788 lacs) for meeting temporary cash flow mismatches/vendor payments from Yes Bank. The rate of interest is 12 month MCLR+ 0.80% .

Above facility is secured by:

(a) First pari-passu charges on company's current assets (both present and future);

(b) Personal guarantee of Mr. Jawahar Lal Goel, Chairman and Manging Director of the Parent Company.

(c) NOC cum letter ceding pari passu charge from existing lenders to be obtained within 180 days from the date of first disbursement.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**29.1 Reconciliation of liabilities arising from financing activities**

| Particulars | Borrowings (non-current) | Borrowings (current) |
|---|---|---|
| **As at 1 April 2018** | **270,068** | **45,322** |
| Cash flows: | | |
| Repayment of borrowings | (282,199) | (37,454) |
| Proceeds from borrowings | 217,535 | 61,274 |
| Non-cash: | | |
| Foreign currency fluctuation impact | 1,446 | - |
| Impact of borrowings measured at amortised cost | (168) | - |
| **As at 31 March 2019** | **206,682** | **69,142** |
| Cash flows: | | |
| Repayment of borrowings | (71,955) | (42,946) |
| Proceeds from borrowings | - | 17,500 |
| Non-cash: | | |
| Foreign currency fluctuation impact | 800 | - |
| Impact of borrowings measured at amortised cost | (779) | - |
| **As at 31 March 2020** | **134,748** | **43,696** |

**30. Trade payables**

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (refer note below) | **109** | 224 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | **128,999** | 138,768 |
| | **129,108** | 138,992 |

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 2020 | As at 31 March 2019 |
|---|---|---|
| i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; | **109** | 224 |
| ii) the amount of interest paid by the buyer under MSMED Act 2006, 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 (whose payment have been made 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 Group. Based on the information available with the Group, as at the year end, dues towards micro and small enterprises that are reportable under the MSMED Act, 2006 have been disclosed above.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| 31. Other financial liabilities (current) # | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Current maturities of long-term borrowings (refer note 25 and 31.1) | **78,704** | 82,755 |
| Interest accrued but not due on borrowings | **1,242** | 1,788 |
| Lease liability (refer note 55) | **14** | - |
| Unpaid dividend* | **63** | 63 |
| Advance from customers | **228** | 305 |
| Security deposit received | **74** | 97 |
| Employee related liabilities | **2,063** | 2,257 |
| Capital creditors | **15,034** | 51,572 |
| Commission accrued | **2,776** | 2,370 |
| Book overdraft | **8,137** | 5,037 |
| Derivatives not designated as hedge | **(613)** | (406) |
| | **107,722** | 145,838 |

# The carrying values are considered to be reasonable approximation fair values.

* Not due for deposit to the Investor Education and Protection Fund.

| 31.1 Current maturities of long term borrowings | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **From banks (secured)** | | |
| Term loans | **64,057** | 56,985 |
| Buyers' credits | **14,647** | 25,770 |
| | **78,704** | 82,755 |

| 32. Other current liabilities | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Income received in advance | **34,654** | 34,875 |
| Statutory dues payable | **22,036** | 17,653 |
| Other advance from customers | **23,874** | 26,143 |
| Money received against partly paid up shares* | **0** | 0 |
| | **80,564** | 78,671 |

* ₹ 42,451 as on 31 March 2020 and ₹ 42,451 as on 31 March 2019 (rounded off to ₹ lacs)

| 33. Provisions (current) | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Provisions for employee benefits** | | |
| Leave encashment (refer note 47) | **144** | 150 |
| Gratuity (refer note 47) | **302** | 294 |
| **Others provisions** | | |
| License fees including interest (refer note 56) | **357,577** | 325,648 |
| | **358,023** | 326,092 |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**34. Revenue from operations**

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| Sale of services: | | |
| Subscription revenue (refer note 44) | **113,605** | 368,896 |
| Infra support service | **193,352** | 197,487 |
| Lease rentals | **3,904** | 7,884 |
| Performance incentive | **12,328** | - |
| Teleport services | **1,394** | 2,280 |
| Bandwidth charges | **-** | 14,464 |
| Marketing and promotional fee | **19,220** | - |
| Advertisement income | **5,517** | 11,128 |
| Other operating revenue | **6,314** | 14,474 |
| | **355,634** | 616,613 |

**Disclosure of revenue pursuant to Ind AS 115- Revenue from contract with customers**

**A. Reconciliation of revenue from rendering of service with the contracted price**

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| Contracted price | **355,634** | 616,613 |
| | **355,634** | 616,613 |

**B. Disaggregation of revenue**

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| **Revenue from operation*** | | |
| Subscription revenue from direct to home subscribers | **113,605** | 368,896 |
| Infra support service | **193,352** | 197,487 |
| Lease rentals | **3,904** | 7,884 |
| Performance incentive | **12,328** | - |
| Teleport services | **1,394** | 2,280 |
| Bandwidth charges | **-** | 14,464 |
| Marketing and promotional fee | **19,220** | - |
| Advertisement income | **5,517** | 11,128 |
| | **349,320** | 602,139 |
| **Other operating revenue (majorly service spares and sale of CPE and accessories revenue)** | **6,314** | 14,474 |
| **Total revenue covered under Ind AS 115** | **355,634** | 616,613 |

* The Group has disaggregated the revenue from contracts with customers on the basis of nature of services. The Group believes that the disaggregation of revenue on the basis of nature of services have no impact on the nature, amount, timing and uncertainty of revenue and cash flows.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**C. Contract balances**

The following table provides information about receivables and contract liabilities from contract with customers

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| **Contract liabilities** | | |
| Advance from customer (income received in advance and other advance) | **61,712** | 64,646 |
| | **61,712** | 64,646 |
| **Receivables** | | |
| Trade receivables | **16,723** | 18,967 |
| Less: allowances for expected credit loss | **(8,039)** | (4,908) |
| | **8,684** | 14,059 |

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance.

**D. Significant changes in the contract liabilities balances during the year are as follows:**

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| Opening balance | **64,646** | 105,248 |
| Addition during the year | **58,084** | 52,507 |
| Revenue recognised during the year | **61,018** | 93,109 |
| Closing balance | **61,712** | 64,646 |

**E. The Group has applied Ind AS 115 with modified retrospective approach from 1 April, 2018 and the adoption of this standard has the following impact on the consolidated financial statements of the Group.**

| **Particulars** | **For the year ended 31 March 2019** | |
|---|---|---|
| | **Amount as per Ind AS 115** | Amount as per Ind AS 18 |
| Revenue from operations (including activation, subscription, bandwidth, advertisement, teleport and other revenue from operation) | **616,613** | 619,592 |

Impact of adoption of Ind AS 115 on retained earning has been seperately disclosed in note 24

**35. Other income**

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| Interest income from: | | |
| - investments | **-** | 1,187 |
| - fixed deposits/ margin accounts | **578** | 1,879 |
| - financial asset measured at amortised cost | **43** | 55 |
| - income-tax refund | **76** | 244 |
| - others | **4** | 12 |
| Gain on mutual funds (net) | **-** | 32 |
| Liabilities written back | **69** | 132 |
| Miscellaneous income | **591** | 1,674 |
| | **1,361** | 5,215 |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**36 Changes in inventories of stock-in-trade (CPE related accessories/ spares)**

| | **Year ended 31 March 2020** | Year ended 31 March 2019 |
|---|---|---|
| .Opening stock | **2,471** | 1,134 |
| Less: Closing stock | **2,201** | 2,471 |
| | **270** | (1,337) |

**37. Operating expenses**

| | **Year ended 31 March 2020** | Year ended 31 March 2019 |
|---|---|---|
| Transponder lease | **29,384** | 31,206 |
| License fees | **16,519** | 41,030 |
| Uplinking charges | **588** | 572 |
| Programming and other costs | **10,771** | 227,883 |
| Call centre service | **19,995** | 24,531 |
| Other operating costs | **1,473** | 13,058 |
| | **78,730** | 338,280 |

**38. Employee benefits expense**

| | **Year ended 31 March 2020** | Year ended 31 March 2019 |
|---|---|---|
| Salaries | **17,930** | 22,829 |
| Contribution to provident and other funds | **854** | 1,132 |
| Share based payments to employees | **169** | 102 |
| Staff welfare expenses | **358** | 688 |
| | **19,311** | 24,751 |

**39. Finance costs**

| | **Year ended 31 March 2020** | Year ended 31 March 2019 |
|---|---|---|
| Interest on: | | |
| - Debentures | **-** | 1,027 |
| - Term loans from banks | **18,500** | 19,713 |
| - Overdraft facility from bank | **2,894** | - |
| - Buyer's credits from banks | **2,366** | 3,828 |
| - Regulatory dues | **26,476** | 22,459 |
| - Others | **3,248** | 3,934 |
| Other finance charges | **3,038** | 11,904 |
| | **56,522** | 62,865 |

**40. Depreciation and amortisation expenses**

| | **Year ended 31 March 2020** | Year ended 31 March 2019 |
|---|---|---|
| Depreciation | **127,166** | 129,662 |
| Amortisation | **15,455** | 14,430 |
| | **142,621** | 144,092 |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**41. Other expenses**

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| Electricity charges | **1,147** | 1,459 |
| Rent | **1,897** | 2,107 |
| Repairs and maintenance | | |
| - Plant and equipments | **890** | 1,050 |
| - Consumer premises equipments | **2,694** | 1,405 |
| - Building | **24** | 39 |
| - Others | **621** | 432 |
| Insurance | **244** | 214 |
| Rates and taxes | **547** | 286 |
| Legal and professional fees (refer note 57) | **4,878** | 6,102 |
| Director's sitting fees | **48** | 28 |
| Corporate social responsibility activity expenses | **-** | 447 |
| Printing and stationery | **150** | 215 |
| Communication expenses | **2,107** | 2,704 |
| Travelling and conveyance | **1,585** | 2,527 |
| Service and hire charges | **1,499** | 2,092 |
| Advertisement and publicity expenses | **7,832** | 13,048 |
| Business promotion expenses | **5,663** | 3,955 |
| Customer support services | **49** | 322 |
| Commission | **7,180** | 5,329 |
| Freight, cartage and demurrage | **-** | 7 |
| Bad debts and balances written off | **272** | 22 |
| Provision for expected credit loss | **3,132** | 1,586 |
| Foreign exchange fluctuation (net) | **1,581** | 54 |
| Loss on disposal of property, plant and equipment (net) | **192** | 4 |
| Loss on sale/ discard of capital work-in-progress (net) | **1,084** | 1,020 |
| Miscellaneous expenses | **1,335** | 1,799 |
| | **46,651** | 48,253 |

**42. Exceptional items**

| | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|
| Impairment of goodwill (refer note 7) | **191,550** | 154,300 |
| Impairment of other recoverable (refer note 49B) | **-** | 1,954 |
| | **191,550** | 156,254 |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**43.** Subsequent to the outbreak of Coronavirus (COVID-19) and consequential lock down across the Country, the Group has continued to operate and provide 'Direct to Home' (DTH) services to its customer without any disruptions. The Group has evaluated its liquidity position and recoverability and carrying value of its assets, including planned investments and has concluded that no material adjustments is required at this stage in the financial statements. However, given the uncertainties in the economic environment, management's impact assessment is subject to significant estimation uncertainties, and accordingly, the actual results in future may be different from those estimated as at the date of approval of these financial statements. The Group will continue to monitor any material changes to the future economic conditions and consequential impact on its business/operations.

**44.** Pursuant to the new tariff order, the Parent Company has entered into revised agreements with the broadcasters. In accordance with Ind AS 115 on Revenue from Contracts with Customers, the Parent Company has considered services including network capacity fee, distributor margins on channel subscriptions and incentives from broadcasters as revenue from operations. Had the Parent Company continued to account for revenues and costs in terms with the erstwhile regime and/or contractual obligations, the impact on revenue from operations as per financial statements for the year ended 31 March 2020 would have been:

| **Particulars** | **Year ended 31 March 2020** | |
|---|---|---|
| | **New regime** | **Previous regime** |
| Revenue from operations | 355,634 | 580,773 |
| Operating expenses | 78,730 | 326,383 |

**45. Employee stock option plan (ESOP) 2018**

At the board meeting held on 25 October 2018, the board of directors of the Parent Company had approved Employee Stock Option Plan, i.e., ESOP 2018 ("the Scheme"). The Scheme provided for issuance of 1,80,00,000 stock options (underlying fully paid equity share of ₹1 each) to all the permanent employees or Directors of the Parent Company, whether whole-time or not, or to employee of a subsidiary company or of a Parent company or of an associate company except an employee who is a Promoter or belongs to the Promoter Group, a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed shares of the Parent Company and the Independent Director at an exercise price equal to the 'market price 'which shall be the latest available closing price, prior to the date of the meeting of the nomination and remuneration committee, in which options are granted on the stock exchange on which the shares of the Parent Company are listed.

The options will be granted at an exercise price equal to the 'market price 'which shall be the latest available closing price, prior to the date of the meeting of the nomination and remuneration committee, in which options are granted on the stock exchange on which the shares of the Parent Company are listed.

Under ESOP 2018, the Parent Company will issue fresh equity shares as and when the Vested Options are exercised by the option grantees. Each option shall be convertible into one Share of the Parent Company upon exercise.

The total number of options that may be granted to any specific employee under one or more tranches during any one year shall not exceed 10,00,000 stock options and options that may be granted to any specific employee in aggregate shall not exceed 50,00,000 stock options

Options granted under ESOP 2018 would vest not earlier than one year and not later than four years from the date of Grant of such Options. The vesting shall happen every year equally i.e. 25% of the number of options granted, for 4 years from the date of grant of the options.

The Nomination and Remuneration Committee of the Parent Company at its meeting held on 25 October 2018 has approved the grant of 33,60,000 stock option at an exercise price of ₹ 44.85 per option to the eligible employees under the scheme having weighted average fair value of ₹ 13.87. Further, on 24 May 2019, the Nomination and Remuneration Committee of the Parent Company has approved the grant of additional 8,60,000 stock option at an exercise price of ₹ 30.45 per option to eligible employees under ESOP Plan 2018 having weighted average fair value of ₹ 15.20.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

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

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|---|---|---|---|---|
| | **Weighted Avg. Price** | **(Nos.)** | **Weighted Avg. Price** | **(Nos.)** |
| Options outstanding at the beginning of the year | **-** | **3,298,000** | - | - |
| Add: Options granted | **30.45** | **860,000** | 44.85 | 3,360,000 |
| Less: Exercised | **-** | **-** | - | - |
| Less: Lapsed | **43.25** | **973,000** | 44.85 | 62,000 |
| Options outstanding at the end of the year | | **3,185,000** | | 3,298,000 |

The following table summarises information on the share options outstanding as of 31 March 2020:

| Particulars | Date of grant | Number of shares remaining out of options | Remaining contractual life (year) | Exercise price (₹) |
|---|---|---|---|---|
| Lot 1 | 25 October 2018 | 2,433,000 | 6.08 | 44.85 |
| Lot 2 | 24 May 2019 | 752,000 | 6.66 | 30.45 |
| Options outstanding at the end of the year | | **3,185,000** | **6.21#** | **41.45#** |

# on a weighted average basis.

The fair value of the options granted has been calculated on the date of grant using Black Scholes option pricing model with the following assumptions:

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Date of grant** | **24 May 2019** | 25 October 2018 |
| **Number of options granted** | **860,000** | 3,360,000 |
| Fair value on grant date (₹ per share) | **15.20** | 13.87 |
| Share price at grant date (₹ per share) | **31.20** | 36.95 |
| Expected volatility (%) | **47.98** | 39.75 |
| Expected life (no. of years) | **4.50** | 4.50 |
| Expected dividends (in %) | **-** | - |
| Risk-free interest rate (in %)(based on government bonds) | **6.91** | 7.74 |

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. Each vest has been considered as a separate grant. The volatility for periods corresponding to the respective expected lives of the different vests, prior to the grant date has been considered. The daily volatility of the Parent Company's stock price on NSE over these years has been considered.

**46. Employee stock option plan (ESOP) 2007**

At the Annual General Meeting held on 3 August 2007, the shareholders of the Parent 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 Parent Company as well as that of its subsidiaries companies 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.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

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, it was decided by the Nomination and Remuneration Committee at its meeting held on 17 August 2017, that new Stock options shall not be granted under the ESOP 2007 Scheme of the Parent Company. Accordingly, it was proposed to withdraw the existing Scheme and cancel the remaining options which are yet to be granted and, for the employees who have been granted the Stock Options (whether vested or not) shall be granted Options under the new Scheme. However, the employees who have been granted the Stock Options (whether vested or not) shall be allowed to exercise those stock options.

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

| **Particulars** | **For the year ended 31 March 2020** | | For the year ended 31 March 2019 | |
|---|---|---|---|---|
| | **Weighted Avg. Price** | **(Nos.)** | Weighted Avg. Price | (Nos.) |
| Options outstanding at the beginning of the year | **94.28** | **258,690** | 94.81 | 374,850 |
| Add: Options granted | **-** | **-** | - | - |
| Less: Exercised | **-** | **-** | 54.87 | 17,080 |
| Less: Lapsed | **-** | **-** | 103.09 | 99,080 |
| Options outstanding at the end of the year | | **258,690** | | 258,690 |

**The following table summarizes information on the share options outstanding as of 31 March 2020:**

| **Particulars** | **Date of grant** | **Number of shares remaining out of options** | **Remaining contractual life (year)** | **Exercise price (Rs)** |
|---|---|---|---|---|
| Lot 1 | 21 August 2007 | - | - | - |
| Lot 2 | 24 April 2008 | - | - | - |
| Lot 3 | 28 August 2008 | - | - | - |
| Lot 4 | 28 May 2009 | - | - | - |
| Lot 5 | 27 October 2009 | - | - | - |
| Lot 6 | 26 October 2010 | - | - | - |
| Lot 7 | 21 January 2011 | - | - | - |
| Lot 8 | 20 July 2011 | - | - | - |
| Lot 9 | 19 July 2012 | - | - | - |
| Lot 10 | 23 May 2013 | 28,290 | 2.65 | 68.00 |
| Lot 11 | 26 July 2013 | - | - | - |
| Lot 12 | 27 May 2014 | - | - | - |
| Lot 13 | 29 October 2014 | - | - | - |
| Lot 14 | 20 March 2015 | 40,000 | 2.97 | 79.35 |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | Date of grant | Number of shares remaining out of options | Remaining contractual life (year) | Exercise price (Rs) |
|---|---|---|---|---|
| Lot 15 | 26 May 2015 | - | - | - |
| Lot 16 | 28 July 2015 | - | - | - |
| Lot 17 | 23 May 2016 | 55,400 | 4.15 | 93.90 |
| Lot 18 | 24 March 2017 | 95,000 | 4.99 | 108.15 |
| Lot 19 | 24 May 2017 | 40,000 | 5.15 | 95.40 |
| Options outstanding at the end of the year | | **258,690** | **4.27#** | **94.28#** |

The following table summarizes information on the share options outstanding as of 31 March 2019:

| Particulars | Date of grant | Number of shares remaining out of options | Remaining contractual life (year) | Exercise price (Rs) |
|---|---|---|---|---|
| Lot 1 | 21 August 2007 | - | - | - |
| Lot 2 | 24 April 2008 | - | - | - |
| Lot 3 | 28 August 2008 | - | - | - |
| Lot 4 | 28 May 2009 | - | - | - |
| Lot 5 | 27 October 2009 | - | - | - |
| Lot 6 | 26 October 2010 | - | - | - |
| Lot 7 | 21 January 2011 | - | - | - |
| Lot 8 | 20 July 2011 | - | - | - |
| Lot 9 | 19 July 2012 | - | - | - |
| Lot 10 | 23 May 2013 | 28,290 | 3.65 | 68.00 |
| Lot 11 | 26 July 2013 | - | - | - |
| Lot 12 | 27 May 2014 | - | - | - |
| Lot 13 | 29 October 2014 | - | - | - |
| Lot 14 | 20 March 2015 | 40,000 | 3.97 | 79.35 |
| Lot 15 | 26 May 2015 | - | - | - |
| Lot 16 | 28 July 2015 | - | - | - |
| Lot 17 | 23 May 2016 | 55,400 | 5.15 | 93.90 |
| Lot 18 | 24 March 2017 | 95,000 | 5.99 | 108.15 |
| Lot 19 | 24 May 2017 | 40,000 | 6.15 | 95.40 |
| Options outstanding at the end of the year | | **258,690** | **5.27#** | **94.28#** |

# on a weighted average basis.

**47. Disclosure pursuant to Indian Accounting Standard 19 on "Employee Benefits"**

**Defined contribution plans**

An amount of ₹ 789 lacs (previous year ₹ 1,041 lacs) and ₹ 5 lacs (previous year ₹ 11 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".

**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 gratuity plan is partly funded and the Group has made contribution to the recognised funds in India.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**Risk exposure**

The defined benefit plans are typically based on certain assumptions and expose the Group to various risk as follows:

a) Salary risk - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b) Investment risk – If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

c) Discount rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.

d) Mortality – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

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

**i) Changes in present value of obligation**

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Present value of obligation as at the beginning of the year | **2,373** | 3,336 |
| Interest cost | **181** | 262 |
| Current service cost | **310** | 329 |
| Benefits paid | **(509)** | (737) |
| Actuarial gain on obligation | **(95)** | (817) |
| Present value of obligation as at the end of the year | **2,260** | 2,373 |

**ii) Changes in fair value of plan assets**

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Fair value of plan assets at the beginning of period | **308** | 375 |
| Actual return on plan assets | **23** | 21 |
| Benefits paid | **(1)** | (88) |
| Fair value of plan assets as at end of the year | **330** | 308 |

**iii) Major categories of plan assets**

The Group's plan assets primary comprise of qualifying insurance policies issued by life insurance corporation of India amounting to ₹ 330 lacs (previous year ₹ 308 lacs) for defined benefit obligation.

**iv) Amount of provision recognised in Balance sheet**

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Present value of obligation as at end of the year | **2,260** | 2,373 |
| Fair value of plan assets as at end of the year | **330** | 308 |
| Unfunded liability/provision in balance sheet | **1,930** | 2,065 |
| | | |
| Current | **302** | 294 |
| Non-current | **1,628** | 1,771 |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**v) Amount recognised in the Statement of profit and loss:**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Current service cost | **310** | 329 |
| Interest cost on benefit obligation | **181** | 262 |
| | **491** | 591 |

**vi) Amount recognized in the statement of other comprehensive income**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Net actuarial gain recognised in the year | **(95)** | (817) |
| | **(95)** | (817) |
| **Bifurcation of actuarial Gain** | | |
| Actuarial (gain)/loss arising from change in demographic assumption | **2** | (413) |
| Actuarial loss arising from change in financial assumption | **135** | 57 |
| Actuarial gain arising from experience adjustment | **(232)** | (461) |

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

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Retirement age (years)** | **60** | 60 |
| Discount rate | **6.80%** | 7.65% |
| Salary escalation rate (per annum) | **10.00%** | 10.00% |
| **Withdrawal rates** | | |
| Age- Upto 30 years | **20.00%** | 20.00% |
| 31-44 years | **12.50%** | 12.50% |
| Above 44 years | **8.00%** | 8.00% |
| Mortality rate | **100% of IALM (2012-14)** | 100% of IALM (2006-08) |

These assumptions were developed by the management with the assistance of independent actuarial appraisers.

**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.

**viii) Maturity profile of defined benefit obligation**

| Year | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| a) 0 to 1 | **302** | 294 |
| b) 1 to 2 | **204** | 200 |
| c) 2 to 3 | **218** | 231 |
| d) 3 to 4 | **178** | 198 |
| e) 4 to 5 | **200** | 157 |
| f) 5 to 6 | **123** | 133 |
| g) 6 year onwards | **1,031** | 1,157 |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**ix) Sensitivity analysis of the defined benefit obligation for significant actuarial assumptions**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Impact of the change in discount rate** | | |
| Present value of obligation at the end of the year | **2,260** | 2,373 |
| Decrease in liability due to increase of 0.5 % | **(82)** | (84) |
| Increase in liability due to decrease of 0.5 % | **88** | 91 |
| **Impact of the change in salary escalation rate** | | |
| Present value of obligation at the end of the year | **2,260** | 2,373 |
| Increase in liability due to increase of 0.5 % | **85** | 88 |
| Decrease in liability due to decrease of 0.5 % | **(80)** | (84) |

**Other long term employment benefits**

The liability towards compensated absence for the year ended 31 March 2020 base on the actuarial valuation carried out by using projected unit credit method stood at ₹ 1,108 lacs (previous year ₹ 1,107 lacs).

**The principal assumptions used in determining compensated absences are shown below**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Retirement age (years)** | **60** | 60 |
| **Mortality rate** | **100% of IALM (2012-14)** | 100% of IALM (2006-08) |
| **Ages** | | |
| Withdrawal rates | | |
| Age- Upto 30 years | **20.00%** | 20.00% |
| 31-44 years | **12.50%** | 12.50% |
| Above 44 years | **8.00%** | 8.00% |
| **Leave** | | |
| Leave availment rate | **3%** | 3% |
| Leave Lapse rate while in service | **Nil** | Nil |
| Leave Lapse rate on exit | **Nil** | Nil |
| Leave encashment rate while in service | **5%** | 5% |

**48. Financial instruments measured at fair value**

**A. Fair value hierarchy**

The financial assets and liabilities measured at fair value in the statement of financial position are divided in to three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: the fair value of financial instruments that are not traded in active market is determined using valuation technique which maximise the use of observable market data rely as low as possible on entity specific estimate.

Level 3: if one or more of the significant inputs are not based on observable market data, the instrument is included in level 3

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**B. Fair value of financial assets measured at fair value through other comprehensive income**

| Particulars | Level | 31 March 2020 | 31 March 2019 |
|---|---|---|---|
| **Financial assets** | | | |
| Equity shares Dr. Subhash Chandra Foundation** | Level 3 | **#** | # |

(# ₹ 10)

(**The carrying value of Rs 10 as on 31 March 2020 (previous year Rs 10), rounded off to Rs lacs, represents the best estimate of fair value.)

**49. A. Financial instruments by category**

| Particulars | 31 March 2020 | | | 31 March 2019 | | |
|---|---|---|---|---|---|---|
| | FVOCI | FVTPL | Amortised Cost | FVOCI | FVTPL | Amortised Cost |
| **Financial assets** | | | | | | |
| Investment | **#** | **-** | **-** | # | - | - |
| Security deposits | **-** | **-** | **2,686** | - | - | 2,326 |
| Trade receivables | **-** | **-** | **8,684** | - | - | 14,059 |
| Cash and cash equivalents | **-** | **-** | **11,271** | - | - | 9,203 |
| Other financial assets | **-** | **-** | **3,531** | - | - | 114,756 |
| **Total financial assets** | **-** | **-** | **26,172** | **-** | **-** | 140,344 |
| **Financial liabilities** | | | | | | |
| Borrowings (including interest) | **-** | **-** | **179,686** | - | - | 277,612 |
| Trade payables | **-** | **-** | **129,108** | - | - | 138,992 |
| Other financial liabilities | **-** | **-** | **27,953** | - | - | 61,295 |
| **Total financial liabilities** | **-** | **-** | **336,747** | - | - | 477,899 |

(# ₹ 10)

The carrying value of financial assets and liabilities (Investment, security deposits, cash and cash equivalents, trade receivables, other financial assets, borrowings, financial guarantee liability, trade payables and other financial liabilities) recorded at amortised cost, considered to be a reasonable approximation of fair value.

**B. Financial risk management**

The Group is exposed to various risks and the main types of risks are credit risk, liquidity risk and market risk.

The Group's risk management is coordinated in close co-operation with the board of directors, and focuses on securing Group's short to medium term cash flows.

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the related impact in these consolidated financial statements.

**Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation to the Group causing a financial loss. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost.

## CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**Credit risk management**

**Credit risk rating**

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets. The Group continuously monitors defaults of the counterparties and incorporates this information into its credit risk controls.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

The Group provides for expected credit loss based on the following:

| Asset group | Basis of categorization | Provision for expected credit loss |
|---|---|---|
| Low credit risk | Investment, cash and cash equivalents, loans, security deposits, other bank balances and other financial assets | 12 month expected credit loss |
| Moderate credit risk | Trade receivables | Life time expected credit loss |
| High credit risk | Trade receivables and other financial assets | Life time expected credit loss or fully provided for |

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

| Credit rating | Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|---|
| Low credit risk | Investment, cash and cash equivalents, loans, security deposits, other bank balances and other financial assets | **17,488** | 126,285 |
| Moderate credit risk | Trade receivables | **8,684** | 14,059 |
| High credit risk | Trade receivables and other financial assets | **12,164** | 9,033 |

**Concentration of trade receivables**

The Group has widespread customers and there is no concentration of trade receivables.

**a) Expected credit losses**

**Provision for expected credit losses**

The Group recognises lifetime expected credit losses on trade receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables.

Expected credit loss for trade receivables under simplified approach

**As at 31 March 2020**

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|
| Trade receivables | 16,723 | (8,039) | 8,684 |
| Other financial assets | 7,656 | (4,125) | 3,531 |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**As at 31 March 2019**

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|
| Trade receivables | 18,967 | (4,908) | 14,059 |
| Other financial assets | 118,881 | (4,125) | 114,756 |

Reconciliation of loss allowance provision – Trade receivable and other financial assets

| Particulars | Carrying amount net of impairment provision |
|---|---|
| **Loss allowance on 31 March 2019** | **(9,033)** |
| Changes in loss allowance | (3,131) |
| **Loss allowance on 31 March 2020** | **(12,164)** |

**b) Liquidity risk**

Liquidity risk is the risk that suitable sources of funding for the Group's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. Short term liquidity requirements comprises mainly of trade payables and employee dues arising during normal course of business as on each balance sheet date. Long-term liquidity requirement is assessed by the management on periodical basis and is managed through internal accruals and through funding commitments from shareholders.

**c) Financing arrangements**

| **Fixed rate** | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Expiring within one year (cash credit and other facilities-fixed rate) | - | - |
| Expiring beyond one year (loans) | - | - |
| | - | - |

**d) Maturity of financial liabilities**

| 31 March 2020 | Less than 1 year | 1 to 5 years | Later than 5 years | Total |
|---|---|---|---|---|
| | ₹ in lacs | ₹ in lacs | ₹ in lacs | ₹ in lacs |
| Borrowings (including interest) | 123,642 | 56,044 | - | **179,686** |
| Trade payables | 129,108 | - | - | **129,108** |
| Other financial liabilities | 27,776 | 10 | 167 | **27,953** |

| 31 March 2019 | Less than 1 year | 1 to 5 years | Later than 5 years | Total |
|---|---|---|---|---|
| | ₹ in lacs | ₹ in lacs | ₹ in lacs | ₹ in lacs |
| Borrowings (including interest) | 153,685 | 123,927 | - | **277,612** |
| Trade payables | 138,992 | - | - | **138,992** |
| Other financial liabilities | 61,295 | - | - | **61,295** |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**e) Market risk**

**i. Foreign currency risk**

The Group has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the Group's functional currency.

| Particulars | As at 31 March 2020 | |
|---|---|---|
| | Currency type | |
| | EURO | USD |
| Advances recoverable | - | 22 |
| Trade receivables | - | 42 |
| **Financial assets (A)** | - | 64 |
| Loans and borrowings | - | 15,611 |
| Trade payables | 3,840 | 201 |
| Other current financial liabilities | - | 1,731 |
| **Financial liabilities (B)** | 3,840 | 17,543 |
| **Net exposure (A-B)** | (3,840) | (17,479) |

| Particulars | As at 31 March 2019 | | |
|---|---|---|---|
| | Currency type | | |
| | AUD | EURO | USD |
| Advances recoverable | 1 | - | 23 |
| Trade receivables | - | - | 358 |
| **Financial assets (A)** | **1** | **-** | **381** |
| Loans and borrowings | - | - | 74,189 |
| Trade payables | - | 2,931 | 165 |
| Other current financial liabilities | - | - | 34,298 |
| **Financial liabilities (B)** | **-** | **2,931** | **108,652** |
| **Net exposure (A-B)** | **1** | **(2,931)** | **(108,271)** |

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars | 31 March 2020 | |
|---|---|---|
| | Currency type | |
| | EURO | USD |
| Foreign exchange rate increased by 5% (previous year 5%) | (192) | (874) |
| Foreign exchange rate decreased by 5% (previous year 5%) | 192 | 874 |

| Particulars | 31 March 2019 | | |
|---|---|---|---|
| | Currency type | | |
| | AUD | EURO | USD |
| Foreign exchange rate increased by 5% (previous year 5%) | - | (147) | (5,414) |
| Foreign exchange rate decreased by 5% (previous year 5%) | - | 147 | 5,414 |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**ii. Interest rate risk**

**Liabilities**

**a) Interest rate risk exposure**

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Variable rate borrowings | **178,444** | 275,824 |
| **Total borrowings** | **178,444** | 275,824 |

**b) Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Interest rates – increase by 50 basis points (31 March 2019 50 bps) | **(892)** | (1,379) |
| Interest rates – decrease by 50 basis points (31 March 2019 50 bps) | **892** | 1,379 |

**Assets**

The Group's fixed deposits are carried at fixed rate. Therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

**iii. Price risk**

**a) Exposure**

The exposure to price risk arises from investments held by the Group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

**b) Sensitivity**

Further the Group is not exposed to any price risk as none of the equity securities held by the Group are classified as fair value through profit and loss or fair value through OCI.

**50. Capital management**

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31 March, 2020, the Group has only one class of equity shares and has reasonable debt. The Group's net debt consists interest bearing borrowings. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The gearing ratios were as follows:

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Net debt | **178,444** | 275,824 |
| Total equity | **379,774** | 545,540 |
| **Net debt to equity ratio** | **0.47** | 0.51 |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**51. Dividend**

| | 31 March 2020 | 31 March 2019 |
|---|---|---|
| **Proposed dividend** | | |
| Interim dividend for the financial year* | - | 9,206 |
| Dividend distribution tax on interim dividend* | - | 1,892 |
| **Total** | - | 11,098 |
| **Paid dividend** | | |
| Interim dividend for the financial year | - | 9,143 |
| Dividend distribution tax on interim dividend | - | 1,892 |
| **Total** | - | 11,035 |

* During the previous year, the board of directors at its meeting held on 25 October 2018, proposed an interim dividend of ₹ 0.50 per share amounting a total payout of ₹ 11,098 lacs including dividend distribution tax of Rs 1,892 lacs. An amount of ₹ 63 lacs remain unpaid at the end of the financial year and same has been shown as unpaid dividend under other current liabilities.

**52. Taxation**

The Group has elected to exercise the option permitted under section 115BAA of the Income-tax Act 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from the current financial year. Accordingly, the Group have re-measured the deferred tax assets/liabilities on the basis of the rates prescribed in that section. This has resulted in a reversal of deferred tax assets to the extent of ₹ 27,957 lacs on account of re-measurement of deferred tax assets/ liabilities pertaining to the previous period. Additionally MAT credit entitlement of ₹ 1,902 has been reversed due to implementation of tax ordinance.

| **Particulars** | **For the year ended** | |
|---|---|---|
| | **31 March 2020** | **31 March 2019** |
| **Income tax recognised in statement of profit and loss** | | |
| Current tax | - | 3,765 |
| Deferred tax | **(13,251)** | (40,993) |
| **Total income tax expense recognised in the current year** | **(13,251)** | (37,228) |

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of 25.168% and the reported tax expense in statement of profit or loss are as follows:

| **Particulars** | **For the year ended** | |
|---|---|---|
| | **31 March 2020** | **31 March 2019** |
| **Income tax recognised in statement of profit and loss** | | |
| Loss before tax | **(178,735)** | (153,569) |
| Income tax using domestic tax rate* | **25.168%** | 34.944% |
| **Expected tax expense (A)** | **(44,984)** | (53,663) |
| **Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense** | | |
| Tax impact of exempted income | - | - |
| Tax impact of expenses on account of permanent differences | **1,056** | 1,785 |
| Adjustments in respect of capital gain tax rate | **(3,281)** | (2,652) |
| Tax impact on allowances in current year on actual basis | - | (9,017) |
| Tax pertaining to prior years and pursuant to adoption of the option permitted under section 115BAA of the Income-tax Act 1961 | **27,957** | (461) |
| Tax impact on unabsorbed depreciation** | - | 28,548 |
| Tax impact on MAT-credit restricted | **1,902** | 1,519 |
| Others | **4,099** | (3,287) |
| **Total adjustments (B)** | **31,733** | 16,435 |
| **Total Income-tax expense (A+B)** | **(13,251)** | (37,228) |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

* Domestic tax rate applicable to the Group has been computed as follows:

| | | |
|---|---|---|
| Basic tax rate | 22.00% | 30.00% |
| Surcharge (% of tax) | 10.00% | 12.00% |
| Cess (% of tax) | 4.00% | 4.00% |
| Applicable rate | 25.168% | 34.944% |

** Deferred tax assets on unabsorbed depreciation/ brought forward losses is recognised only to the extent of probability of availability and certainty of future taxable profits with convincing evidence

**53. Segmental information**

In line with the provisions of Ind AS 108 "Operating segments" and based on review of the operations 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.

As a part of reporting for geographical segments, the Group operates in two principal geographical areas of the world, i.e., within India and outside India. Revenue from external customers within India is ₹ 355,143 lacs (previous year ₹ 615,508 lacs) and from external customer outside India is ₹ 491 lacs (previous year 1,105 lacs). Further, non current assets (excluding financial instruments, deferred tax assets and post employment benefits assets) amounts to ₹ 975,236 lacs (previous year ₹ 1,124,340) for India and ₹ 1,387 lacs (previous year ₹ 1,897 lacs) outside India.

**54. Related party disclosures**

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related parties, related party relationships, transactions and outstanding balances are as follows:

**a) Related parties with whom the Group had transactions:**

| | |
|---|---|
| **Key management personnel (KMP)** | Mr. Jawahar Lal Goel, Chairman and Managing Director<br>Mr. Ashok Mathai Kurien, Non Executive Director<br>Dr. Rashmi Aggarwal, Independent Director<br>Mr. Bhagwan Das Narang, Independent Director<br>Mr. Arun Duggal, Independent Director (up to 17 May 2018)<br>Mr. Shankar Aggarwal, Independent Director (with effect from 25 October 2018)<br>Mr. Anil Dua, Executive Director and Chief Executive Officer<br>Mr. Rajeev Dalmia, Chief Financial Officer<br>Mr. Ranjit Singh, Company Secretary |
| **Relative of key management personnel** | Mr. Gaurav Goel (up to 30 June 2018) |
| **Enterprises over which key management personnel/ their relatives have significant influence** | ATL Media Limited<br>Asia Today Limited<br>Cyquator Media Services Private Limited (referred to as Cyquator)<br>Diligent Media Corporation Limited<br>E-City Property Management & Services Private Limited<br>E-City Bioscope Entertainment Private Limited<br>Essel Corporate LLP (formerly, known as Essel Corporate Resources Private Limited )<br>ITZ Cash Card Limited<br>Interactive Financial & Trading Services Private Limited<br>Media Pro Enterprise India Private Limited<br>PAN India Network Infravest Limited (formerly, known as PAN India Network Infravest Private Limited)<br>Sarthak Entertainment Pvt. Ltd.<br>Living Entertainment Enterprises Limited<br>Living Entertainment Limited<br>Essel Realty Developers Limited (formerly, known as Rama Associates Limited)<br>Evenness Business Excellence Services Ltd. (formerly, known as Essel Business Excellence Services Limited) |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| | |
|---|---|
| | Siti Networks Limited<br>Satnet Private Limited<br>Veena Investment Private Limited<br>Zee Learn Limited<br>Zee Akaash News Private Limited<br>Zee Entertainment Enterprises Limited (up to 31 March 2019)<br>ZEE Media Corporation Limited |

**b) Transactions during the year with related parties:**

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **(i) With key management personnel** | | |
| **Remuneration paid to KMPs** | | |
| Salaries, wages and bonus | **1,115** | 1,086 |
| Post-employment benefits | **56** | 56 |
| Sitting Fee | **48** | 28 |
| **Personal guarantee taken** | | |
| Mr. Jawahar Lal Goel | **-** | 45,000 |
| **(ii) Remuneration to KMPs relative** | | |
| Salaries, wages and bonus | **-** | 65 |
| Post-employment benefits | **-** | 23 |
| **(iii) With other related parties:** | | |
| **Revenue from operations and other income (net of taxes)** | | |
| Zee Entertainment Enterprises Limited | **-** | 1,875 |
| ZEE Media Corporation Limited | **1,833** | 1,469 |
| Zee Akaash News Private Limited | **108** | 115 |
| Siti Networks Limited | **76** | 266 |
| Satnet Private Limited | **-** | 6 |
| Other related parties | **229** | 524 |
| **Purchase of services** | | |
| Zee Entertainment Enterprises Limited | **-** | 47,087 |
| Evenness Business Excellence Services Ltd. | **823** | 1,269 |
| Essel Corporate LLP | **1,020** | 910 |
| ZEE Media Corporation Limited | **1,325** | 204 |
| Satnet Private Limited | **30** | 41 |
| Other related parties | **147** | 132 |
| **Rent paid** | | |
| Zee Entertainment Enterprises Limited | **-** | 507 |
| Essel Corporate LLP (# ₹ 30,000) | **#** | # |
| ZEE Media Corporation Limited | **10** | 4 |
| Evenness Business Excellence Services Ltd. | **-** | 12 |
| Essel Realty Developers Limited (@ ₹ 30,000) | **@** | @ |
| **Reimbursement of expenses paid** | | |
| Zee Entertainment Enterprises Limited | **-** | 628 |
| Evenness Business Excellence Services Ltd. | **66** | 7 |
| E-City Bioscope Entertainment Private Limited | **3** | 15 |
| ZEE Media Corporation Limited | **8** | 3 |
| **Loan received** | | |
| Veena Investment Private Limited | **-** | 1,600 |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Interest on inter company deposit paid** | | |
| Veena Investment Private Limited | **5** | - |
| **Loan given** | | |
| ITZ Cash Card Limited | **-** | 6 |
| Cyquator | | |
| ($$₹ 3,290, $ ₹ 20,610) | **$$** | $ |
| **Loan repaid** | | |
| Veena Investment Private Limited | **600** | 1,000 |
| **Refunds received against loan given made** | | |
| Others related parties | **1** | 17 |
| **Purchase of property, plant and equipment** | | |
| Zee Learn Limited | **-** | 5 |
| Evenness Business Excellence Services Ltd. | **6** | - |

**c) Balances at the year end:**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **With key management personnel:** | | |
| **Personal guarantee** | | |
| Mr. Jawahar Lal Goel | **75,000** | 75,000 |
| **With other related parties:** | | |
| **Advances** | | |
| ITZ Cash Card Limited | **296** | 296 |
| Interactive Financial & Trading Services Private Limited | **1** | 1 |
| E-City Bioscope Entertainment Private Limited | **-** | 1 |
| Satnet Private Limited | **-** | 8 |
| Cyquator | **1,099** | 1,098 |
| Media Pro Enterprise India Private Limited | **15** | 15 |
| **Advances received** | | |
| Veena Investment Private Limited | **-** | 600 |
| **Security deposit given** | | |
| Zee Entertainment Enterprises Limited | **-** | 54 |
| Evenness Business Excellence Services Ltd. | **433** | 433 |
| **Trade payables (including provision)** | | |
| Zee Entertainment Enterprises Limited | **-** | 27,605 |
| Evenness Business Excellence Services Ltd. | **154** | 50 |
| Other related parties | **959** | 605 |
| **Trade receivables** | | |
| ATL Media Limited | **13** | 288 |
| ZEE Media Corporation Limited | **962** | 1,604 |
| Zee Entertainment Enterprises Limited | **-** | 541 |
| Zee Akaash News Private Limited | **-** | 127 |
| SITI Networks Limited | **-** | 364 |
| Others related parties | **206** | 237 |

**d)** The Parent Company shall be seeking the necessary approval at the next general meeting for the managerial remuneration paid to one of the directors for the period from 17 December 2019 to 31 March 2020. The same has been approved by the board of directors and nomination and remuneration committee vide their meeting dated 12 December 2019.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**55. Leases**

**Group as a lessee**

The Group has entered into lease arrangements for land and various offices that are renewable on a periodic basis with approval of both lessor and lessee.

The Group does not have any lease commitments towards variable rent as per the contract.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right of use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

**A. The following is a reconciliation of the financial statement line items from Ind AS 17 to Ind AS 116 as at 1 April 2019**

| Particulars | Carrying amount as at 31 March 2019 | Reclassi-fication | Application of Ind AS 116 | Carrying amount as at 1 April 2019 |
|---|---|---|---|---|
| Property, plant and equipment | - | - | 2,607 | 2,607 |
| Prepaid expense | 2,426 | - | (2,426) | - |
| Lease liability | - | - | (181) | (181) |
| **Total** | **2,426** | **-** | **-** | **2,426** |

**B. The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements to 31 March 2019) to the lease liabilities recognised:**

| Particulars | Amount |
|---|---|
| **Total operating lease commitments disclosed at 31 March 2019** | **-** |
| Recognition exemptions: | |
| Operating lease liabilities before discounting | **4,403** |
| Discounted using incremental borrowing rate* | **4,222** |
| **Operating lease liabilities** | **181** |
| Reasonably certain extension options | **-** |
| **Total lease liabilities recognised under Ind AS 116 at 1 April 2019** | **181** |

* Weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 10.84% p.a.

**C. The table below describes the nature of the Group's leasing activities by type of right of use asset recognized on balance sheet:**

| Right of use assets | Number of leases (no.) | Range of remaining term (years) | Average remaining lease term (years) | Number of leases with extension option (no.) | Number of leases with purchase option (no.) | Number of leases with termination option (no.) |
|---|---|---|---|---|---|---|
| Leasehold land | 1 | 70 | 70 | 1 | - | 1 |

**D. Additional information on the 'Right of Use' assets by class of assets is as follows:**

| Right of use assets | Carrying amount as at 1 April 2019 | Additions | Depreciation | Impairment | Carrying amount as at 31 March 2020 |
|---|---|---|---|---|---|
| Leasehold land | 2,607 | - | 37 | - | 2,570 |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**E. Lease liabilities are presented in the statement of financial position as follows:**

| Particulars | As at 31 March 2020 |
|---|---|
| Current | **14** |
| Non-Current | **177** |
| **Total** | **191** |

**F. The Group had not committed to leases which had not commenced as on 31 March 2020.**

**G. The undiscounted maturity analysis of lease liabilities at 31 March 2020 is as follows:**

| Particulars | Within 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|---|
| Lease payments | 14 | 14 | 14 | 14 | 14 | 4,326 | 4,394 |
| Finance charges | - | 3 | 4 | 5 | 6 | 4,187 | 4,203 |
| **Net present values** | 14 | 11 | 10 | 9 | 8 | 139 | 191 |

**H.** The Group has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

**I.** The Group had total cash outflows for leases of ₹ 9 lacs during the financial year ended 31 March 2020.

The following are the amounts recognised in the statement of profit and loss:

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Depreciation expense of right of use assets | **37** | - |
| Interest expense on lease liabilities | **19** | - |
| Expense relating to short-term leases (included in other expenses) | **29,670** | 30,712 |
| **Total amount recognised in profit or loss** | **29,726** | 30,712 |

Note:

Leasehold land disclosed above is located at Plot No. 1D, Udyog Vihar Industrial Area, Greater Noida, Dist. Gautam Budh Nagar, U.P.-201301, was acquired pursuant to business combination of Parent Company and Videocon d2h Limited. Title deeds of which are in the name of Videocon d2h Limited (erstwhile Company) and the Parent Company is in the process of getting the registration transferred in its name.

**Group as a lessor**

**a)** The Group has leased out assets by way of operating lease. Lease income recognised in the statement of profit and loss is below:

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Sub-lease rental income (being shared cost) | **715** | 668 |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**b) Assets given under operating lease**

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

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Gross value of assets | **211,004** | 208,987 |
| Accumulated depreciation | **124,144** | 88,539 |
| Net block | **86,860** | 120,448 |
| Depreciation for the year | **35,605** | 29,568 |

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 2020** | 31 March 2019 |
| Lease rental income recognised during the year | **3,904** | 7,884 |

| Particulars | Total future minimum lease rentals receivable as at | |
|---|---|---|
| | **31 March 2020** | 31 March 2019 |
| Within one year | **1,373** | 3,888 |
| Later than one year and not later than five years | **564** | 1,820 |

**56. a)** The Parent Company is in the litigation towards computation and payment of license fees on adjusted gross revenue basis with the Ministry of Information and Broadcasting ("Regulatory Authority"). This matter continues to be sub-judiced before the Hon'ble High Court of Jammu and Kashmir. The Parent Company continues to be legally advised that on the merits of its submissions and that the matter was decided by the TDSAT in favour of the Parent Company, it has a strong case. Using the principle of prudence in accounting standards, the Parent Company, in prior years, made a provision for disputed portion amounting to ₹ 296,931 lacs in its books of account, which in the current year has been increased by ₹ 27,190 lacs primarily towards interest as a time value of money charge.

**Provision for regulatory dues (including interest)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Opening provision | **325,648** | 278,528 |
| Add: created during the year | **41,829** | 62,120 |
| Less: payment during the year | **9,900** | 15,000 |
| **Closing provision** | **357,577** | 325,648 |

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 classified under the 'Provision (current)'

**b)** In continuation to the matter described in note (a) above, the Parent 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 2003-04 to 2012-13. The matter is pending before the Hon'ble TDSAT.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

Further pursuant to scheme of merger, Parent Company has assumed deemed liability of ₹ 13,104 lacs and interest liability of ₹ 2,724 lacs which was raised by the MIB on transferor company by way of demand letter dated 24 March 2014 towards alleged short payment of license fee for the period 2009-10 to 2012-13. Transferor company had filed petition (204(C) of 2014) before the Hon'ble TDSAT against Union of India challenging the propriety and legality of the demand. The matter is also pending before the Hon'ble TDSAT.

**57. Payment to auditors (of the Parent Company):**

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| As auditors | | |
| - Statutory audit and limited review of quarterly results | **105** | 101 |
| - Other services including certifications | **35** | 29 |
| - For reimbursement of expenses | **7** | 8 |
| **Total** | **147** | 138 |

**58. Earnings per share**

**a) Basic earnings per share**

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Loss for the year attributable to equity shareholders (A) | **(163,882)** | (114,490) |
| Weighted average number of equity shares (B) | **1,923,803,828** | 1,923,797,362 |
| Nominal value of equity share (in ₹) | **1** | 1 |
| **Basic earnings per share (in ₹) (A/B)** | **(8.52)** | (5.95) |

**b) Diluted earnings per share**

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Loss for the year attributable to equity shareholders | **(163,882)** | (114,490) |
| Net loss adjusted for diluted earnings per share (A) | **(163,882)** | (114,490) |
| Weighted average number of equity and potential equity shares (nos) (B) | **1,923,803,828** | 1,923,797,362 |
| **Nominal value of equity share (in ₹)** | **1** | 1 |
| **Diluted earnings per share (in ₹) (A/B)** | **(8.52)** | (5.95) |

Note: The incremental shares from assumed exercise of share options were not included in calculating the diluted earning per share amount as these were anti-dilutive in nature.

**59. Rights issue**

The Parent 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:

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

| 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 holding 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 2020, the Parent 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 518,116,031 (previous year 518,116,031) equity shares.

The Parent 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 Application money received against partly paid shares under 'Other current liability'.

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 Parent Company, in their meeting held on 28 May 2009. The utilisation of the rights issue proceeds as per the revised usage aggregating to ₹ 113,989 lacs (previous year ₹ 113,989 lacs) is as under.

The details of utilisation of rights issue proceeds by the Parent Company, on an overall basis, are as below:

| Particulars | Up to 31 March 2020 | Up to 31 March 2019 |
|---|---|---|
| **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 |

**60. Issue of Global Depository Receipts (GDR Issue): -**

Pursuant to the approvals obtained by the Parent Company and in accordance with the applicable laws including the Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipts Mechanism)

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

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 Receipts 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 GDR issued. The GDR's were listed at the Luxembourg Stock Exchange.

During the year ended 31 March 2013, 32,000 GDRs were cancelled and converted in to 32,000,000 equity shares of ₹ 1 each by the holder and during the year ended 31 March 2016, 85,035 GDRs were sold in 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 Parent company, on an overall basis, is as below:-

| **Particulars** | **Up to** | |
|---|---|---|
| | **31 March 2020** | **31 March 2019** |
| **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 | **51,369** | 51,369 |
| **Total** | **60,195** | 60,195 |

Also, refer footnote 1 to note 23 (d) related to issue of global depository receipts pursuant to the scheme of amalgamation.

**61. Contingent liabilities, litigations and commitments**

**a) Claims against the Group (including unasserted claims) not acknowledged as debt:**

| **Particulars** | **As at 31 March 2020** | **As at 31 March 2019** |
|---|---|---|
| Income-tax | **1** | 1 |
| Sales tax, value added tax and entry tax | **53,135** | 47,694 |
| Customs duty | **66,425** | 11,846 |
| Service tax | **30,572** | 35,787 |
| Wealth tax | **1** | 1 |
| Entertainment tax | **20,496** | 20,332 |
| Other claims | **483** | 483 |

Other than above, penalty, if any, levied on conclusion of above matters is currently not ascertainable.

Other than above, the Group has certain litigations involving customers and based on the legal advise of in-house legal team, the management believes that no material liability will devolve on the Group in respect of these litigations.

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**Income tax**

In earlier years, the Company had received demand notices for tax deducted at source ('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 years 2009-10 to 2013-14. Out of the cases mentioned above, Company has received favourable orders in the matter of assessment year 2010-11 and 2011-12. The balance demands amounting to ₹ 348 lacs relates to matters pertaining to alleged short deduction of tax at source on certain payments for the assessment years 2009-10, 2012-13 and 2013-14. In respect of the demand received the Company had made payment under protest of ₹ 348 lacs which 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. However, the Company has disputed all these matters and filed appeal against the above said demands with the tax authorities

**Sales tax, value added tax, entry tax, service tax, entertainment tax, custom duty and other claims**

The Company and its subsidiary Company Dish Infra Services Private Limited have received notices/ assessment orders in relation to applicability of above-mentioned taxes. The Companies have contested these notices at various Forums/Courts and the matter is subjudice. Further, the Company has assumed the contingent liability in relation to above-mentioned taxes as part of the merger with Videocon d2h Limited.

Based on the advice from independent tax experts, and development on the appeals, the Group 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 2020 | As at 31 March 2019 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account (net of advances) | **22,388** | 34,981 |

**c) Others**

i) In August 2016, the Hon'ble Delhi High Court (HC) passed an order restraining the Company from operation in MENA (Middle East and North Africa) region, on a plea brought by the UAE-based company Gulf DTH FZ LLC, 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 was further confirmed by Division Bench of Hon'ble 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 claim will devolve upon the Company and no provision has been recognised.

ii) 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/Ind AS for the material foreseeable losses on such long term contract(including derivative contracts) has been made in the books of accounts.

iii) During the financial ended 31 March 2018, the Directorate of Revenue Intelligence (DRI), Bangalore, under section 108 of the Customs Act, 1962, had inquired about the classification of viewing cards for applicability of customs duty. The Company had, suo-moto, paid ₹ 600 lacs under protest. Further, during the previous financial year, the Company has received a demand notice for ₹11,846 lacs. The Company has paid an additional amount of ₹ 1,000 lacs under protest and contested against this notice. Further, ADG (Adj.) DRI Delhi has confirmed the demand vide order dated 27 April 2020 and 28 April 2020 and imposed applicable interest and penalty of an equivalent amount. The Company has

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

preferred appeals before CESTAT, Delhi against the said orders. The Company is confident that the demand will not be sustained therefore, no provision has been made in these financial statements and the amount demanded has been shown as a contingent liability.

iv) During the current year, the wholly owned subsidiary Company, Dish Infra Services Private Limited has received a Show Cause Notice for ₹ 42,686 lacs from the office of the Directorate of Revenue Intelligence (DRI), Bangalore, under section 108 of the Customs Act, 1962. The subsidiary Company has preferred a writ petition for challenging the validity of the show cause notice before the Hon'ble High Court of Delhi. The writ petition has maintained by the Hon'ble High Court and issued a notice to the DRI Bangalore. The subsidiary company is confident that the proposed demand will not be sustained and therefore, no provision has been made in these financial statements and the amount demanded has been shown as a contingent liability.

v) The Hon'ble Supreme Court of India has pronounced a ruling dated 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. Petitions have been filed with Hon'ble Supreme Court of India seeking additional clarification with respect to the application of this ruling. As this ruling does not prescribe any clarification with respect to its application, the Group, based on legal advice and management assessment has applied the aforesaid ruling prospectively. Management believes that this will not result in any material liability on the Group.

**62. Additional information pursuant to schedule III of the Act:**

| Name of the Company | Net assets i.e. total assets minus total liabilities | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | Amount | As a % of consolidated net assets | Amount | As a % of consolidated net profit/(loss) | Amount | As a % of consolidated other comprehensive income | Amount | As a % of consolidated Total comprehensive income |
| **Parent Group** | | | | | | | | |
| Dish TV India Limited | 394,265 | 104% | (139,409) | 84% | 60 | (14%) | (139,349) | 84% |
| **Indian subsidiary** | | | | | | | | |
| Dish Infra Services Private Limited. | 454,444 | 120% | (60,728) | 37% | 11 | (3%) | (60,717) | 37% |
| C&S Medianet Private Limited | (18) | 0% | (5) | 0% | - | - | (5) | 0% |
| **Foreign subsidiary** | | | | | | | | |
| Dish TV Lanka (Private) Limited. | 23,875 | 6% | (5,333) | 3% | (488) | 117% | (5,821) | 4% |
| Intra group elimination | (492,792) | (130%) | 39,991 | (24%) | - | - | 39,991 | (24%) |
| **Grand Total** | **379,774** | **100%** | **(165,484)** | **100%** | **(417)** | **100%** | **(165,901)** | **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 year**

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Loss for the year** | **(165,484)** | (116,341) |
| Loss attributable to owners of the Group | **(163,882)** | (114,490) |
| Loss attributable minority interests | **(1,602)** | (1,851) |
| **Total** | **(165,484)** | (116,341) |

# CONSOLIDATED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in ₹ lacs, unless otherwise stated)

**Other comprehensive income attributable to "minority interest" and to owners of the parent in the Statement of Profit and Loss shall be presented as allocation for the year**

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Profit for the year** | **(417)** | 1,200 |
| Profit attributable to owners of the Group | **(271)** | 999 |
| Profit attributable minority interests | **(146)** | 201 |
| **Total** | **(417)** | 1,200 |

**63.** In accordance with the provisions of Section 135 of the Act, 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 Group was to spend nil during the year ended 31 March 2020 (previous year ₹ 447 lacs) towards CSR activities. The details of amount actually paid by the Group are:

| Particulars | Amount Paid | Amount yet to be paid | Total |
|---|---|---|---|
| **31 March 2020** | | | |
| Amount spent during the year on the following: | | | |
| (a) Construction/acquisition of any asset | - | - | - |
| (b) On purposes other than (a) above | - | - | - |
| **31 March 2019** | | | |
| Amount spent during the year on the following: | | | |
| (a) Construction/acquisition of any asset | - | - | - |
| (b) On purposes other than (a) above | 447 | - | 447 |

**64.** Vide interim extension letter dated 25 June 2019 of the Ministry of Information and Broadcasting, Government of India ("MIB"), the Company's DTH License was valid upto 31 December 2019 and the Company had duly filed the requisite applications for extension of the DTH License. Further, on 25 June 2020 the Company has received interim extension of the DTH License from the MIB with a validity till 31 March 2021 or till the date of notification of 'New DTH guidelines', whichever is earlier

**This is the consolidated summary of significant accounting policies and other explanatory information referred to in our report of even date.**

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

**Ashish Gupta**
*Partner*
Membership No. 504662

**Place:** New Delhi
**Date:** 23 July 2020

**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

**Anil Kumar Dua**
*Group Chief Executive Officer and Executive Director*
DIN: 03640948

**Rajeev K. Dalmia**
*Chief Financial Officer*

**Ranjit Singh**
*Company Secretary*
Membership No: A15442

**Place:** Noida
**Date:** 23 July 2020

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