

# **Videocon d2h Limited**



## **Annual Report 2016-17**

(prepared in accordance with Companies Act, 2013)

## DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2017.

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### FINANCIAL HIGHLIGHTS

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(Amount in Rs. Million)

Particulars	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
Income from Operations	30,641.68	28,375.24
Other Income	52.71	36.64
<b>Total Income</b>	<b>30,694.39</b>	28,411.88
<b>Total Expenses</b>	<b>20,583.09</b>	20,551.57
Profit / (Loss) before Interest, Depreciation / Amortization and Tax	10,111.30	7,860.31
Interest	2,815.88	3,142.83
Depreciation, Amortization and Impairment	6,867.77	6,090.09
<b>Profit/(Loss) after Tax</b>	<b>427.65</b>	(1,372.61)

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### DIVIDEND

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The Board of Directors do not recommend any dividend for the financial year ended on 31<sup>st</sup> March, 2017.

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### TRANSFER TO RESERVE

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The Company do not proposes to transfer any amount to any reserve.

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### FIXED DEPOSITS

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The Company has not accepted any Deposits within the meaning of Chapter V of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

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**STATE OF COMPANY AFFAIRS**


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**1. Key Highlights**

(Rs. in Million, unless otherwise stated)

	<b>FY17</b>	<b>FY 16</b>	<b>% growth</b>
<b>Key financial metrics</b>			
Operating revenue *	<b>30,642</b>	28,375	8.0%
- Subscription and Activation revenue *	<b>28,060</b>	26,025	7.8%
Adjusted EBITDA**	<b>10,220</b>	8,008	27.6%
Adjusted EBITDA margin, %	<b>33.4%</b>	28.2%	5.2%
Net loss	<b>428</b>	(1,373)	131.2%
Content cost, % of revenue	<b>40.0%</b>	38.1%	
<b>Key operating metrics</b>			
Gross subscribers, nos million	<b>17.98</b>	15.74	
Net subscribers, nos million	<b>12.91</b>	11.86	
ARPU, in Rs. per month	<b>207</b>	207	
Subscriber Acquisition cost (in Rs. per subscriber)	<b>1,901</b>	1,774	
Churn, %	<b>0.80%</b>	0.73%	

\*Operating revenue and Subscription and activation revenue for FY17 are not comparable with FY16 as the company adopted change in accounting method of entertainment tax (ET) whereby in FY17, ET was net off from revenue. In FY16, Subscription and activation revenue was shown without deduction of ET and the same was shown as operating expenses.

\*\* Adjusted EBITDA is calculated after impact of share based payment of Rs 108.25 million for the year ended March 2017 & Rs 147.51 million for the year ended March 2016.

Your Company has achieved strong subscription revenue growth of 7.8% and total revenue growth of 8.0% where total revenue increased from Rs. 28,375 Million for the financial year ended 31<sup>st</sup> March, 2016 to Rs. 30,642 Million for the financial year ended 31<sup>st</sup> March, 2017 and subscription revenue increased from Rs. 26,025 Million for the financial year ended 31<sup>st</sup> March, 2016 to Rs. 28,060 Million for the Financial Year ended 31<sup>st</sup> March, 2017 representing an increase of 7.8% on a like to like basis primarily on account of increased net subscribers and Average Revenue Per User (ARPU) growth.

Further, the Adjusted EBITDA increased from Rs. 8,008 Million for the Financial Year ended 31<sup>st</sup> March, 2016 to Rs 10,220 Million for the Financial Year ended 31<sup>st</sup> March, 2017 resulting in growth of 27.6% over last year.

Adjusted EBITDA margin expanded 520 basis points to 33.4%.

Net Profit for the year stood at Rs 428 Million, a 131.2% improvement over the previous year.

## **2. Issues/Allotment:**

In accordance with Section 54 of the Act read with Rule 8 of the Companies (Share Capital and Debenture) Rules, 2014, as amended from time to time, the Company has allotted 1,400,000 equity shares to Mr. Saurabh P. Dhoot, Whole-time Director of the Company. Pursuant to Rule 8, the details relating to issue of sweat equity is furnished as Annexure 1 and is attached to this report.

## **3. Changes in equity share capital:**

Consequent to the aforesaid allotment, the paid up share capital stands increased from Rs. 4,200,646,000 to Rs. 4,214,646,000.

## **4. Scheme of Arrangement among Videocon d2h Limited and Dish TV India Limited:**

The Board of Directors have approved the Scheme of Arrangement among Videocon d2h Limited (as Transferor Company), Dish TV India Limited (as Transferee Company) and their respective shareholders and creditors (the "Scheme"). Pursuant to the Scheme, Videocon d2h Limited shall amalgamate with Dish TV India Limited to form a new entity in the name of "Dish TV Videocon Limited". The Scheme has been approved by the shareholders on 8<sup>th</sup> May, 2017 at the National Company Law Tribunal directed shareholders meeting. The Mumbai Bench of the Hon'ble National Company Law Tribunal (NCLT), at the hearing held on July 27, 2017, has approved the Scheme under the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013. The appointed date for the Scheme is October 1, 2017, from which date the businesses of Videocon d2h Limited and Dish TV India Limited will be amalgamated. The certified copy of the order is awaited, as on the date of this report.

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### **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY, OCCURING AFTER THE BALANCE SHEET DATE**

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No material changes and commitments affecting the financial position of the Company occurred after the Balance Sheet date.

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### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

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There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

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### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

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The particulars of Contracts or Arrangements made with related parties (as defined under Companies Act, 2013 and applicable accounting standards) made pursuant to Section 186 of the Companies Act, 2013 is furnished in Annexure 2 and is attached to this Report.

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### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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The Company does not have any Subsidiary, Joint Venture or Associate Company.

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### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

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#### **Conservation of energy:**

Conservation of energy has been an area of focus of your Company with emphasis has always been on reduction in power consumption.

The Company has taken the following key initiatives for conservation of energy:

- Use of hi-tech energy monitoring appliances and conservation systems to monitor usage, minimize wastage and increase overall efficiency at every stage of power consumption;
- Installation of energy savings lights;
- Auto shut-off of lights, Air Conditioners during the lunch breaks;
- Display of visual information at all work places to encourage employees to think about energy conservation; and
- Awareness programs towards optimum utilization of natural resources at managerial as well as employee level.

Capital investment on energy conservation equipments - Nil

**Technology Absorption:**

It is the Company's endeavour to deliver its best to the viewers/customers/business partners. Your Company is constantly active in harnessing and tapping the latest and the best technology in the industry. Your Company ensures that its technology continues to grow stronger with every passing year.

The Company has made the following efforts towards technology absorption:

- ✓ High Efficiency Video Coding (HEVC) is a video compression standard, a successor to H.264/MPEG-4 Advanced Video Coding (AVC). HEVC is said to double the data compression ratio compared to H.264/MPEG-4 AVC at the same level of video quality. Alternatively, it can be used to provide substantially improved video quality at the same bit rate. Two of the key features where HEVC was improved compared to H.264/MPEG-4 AVC was support for higher resolution video and improved parallel processing methods, thereby supporting the 8K Ultra High Definition (UHD) TV and resolutions up to 8192×4320.
- ✓ 4K resolution, also called 4K, refers to a display device or content having horizontal resolution on the order of 4,000 pixels. Television Industry has adopted Ultra HD 1 [UHD-1] as its 4K standard. Ultra-high-definition television (UHDTV) AKA "UHD-1", has a resolution of 3840 x 2160 (16:9, 8.3 megapixel or approximately a 1.78:1 aspect ratio) and is one of the two resolutions of ultra high definition television targeted towards consumer television (the other being Full Ultra High Definition which is 7680 pixels × 4320 lines (33.2 megapixels).
- ✓ UHD has twice the horizontal and vertical resolution of the 1080p HDTV format, with four times as many pixels overall.

Consequent upon the efforts made towards the technology absorption the Company has derived the following benefits:

- ✓ By bringing new features to existing Set Top Boxes (STB) via Smart App infrastructure, phone functioning like a head phone for STB, Gesture control of STB, STB replacing the bluetooth speaker functionality, casting of mobile based content to the STB, which also adds to enhance user experience on our platform.

- ✓ Smart platforms ( fully connected by WIFI ) allow for aggregation of services for Video OTT players, E-Commerce, Utility services, allowing use to extend useful services to our customer base and also look at new acquisition opportunity riding on connectivity boom in India.
- ✓ HEVC is targeted at next-generation HDTV displays and content capture systems which features progressive scanned frames rates and display resolutions from Quarter Video Graphics Array (320x240) to 4320p (8192x4320), as well as improved picture quality in terms of noise level, colour spaces, and dynamic range.
- ✓ The Company is investing in creating an overall Application framework which allows for new types of services to be brought to our customer base with rapid velocity.
- ✓ On the STB side, reengineering is applied to existing HD STBs by extending connectivity via internet. This is done for all our existing HD STBs in field via a dongle which connects the device to a Smart remote Mobile Applications. Newer devices are designed with optimized built in WIFI, for connectivity.
- ✓ The connected platforms will bring Youtube, Facebook, Twitter, Indian OTT content and other utility Apps to our customers, extending their viewing experience.
- ✓ The main advantage of recording video at the 4K standard is that fine spatial detail is resolved well. This contrasts with 2K resolutions in which fine detail in hair is displayed poorly.

#### **Foreign Exchange Earnings and Outgo:**

During the year under review, there were no earnings in foreign exchange. However, the foreign exchange outgo during the year amounted to Rs. 309.42 million as compared to 199.97 million for the previous year.

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### **HUMAN RESOURCES**

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The Company continues to maintain healthy and harmonious relations across all the offices. With its dedicated, competent and committed employees, the Company was successful in meeting its business challenges and its opportunities.

The Human Resource Management Team at the Company has continued its efforts and actions to provide efficient, effective and comprehensive services. Various initiatives such as career planning, rewards, learning and development have been undertaken during the year under review.

**Particulars of Employees:**

A Statement of Particulars of employees pursuant to the provisions of section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and forming part of the Directors' Report for the Financial Year ended on 31<sup>st</sup> March, 2017, is annexed as Annexure 3.

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**EMPLOYEE STOCK OPTION PLAN**


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The Company has made an allotment of 37,05,000 equity shares to the Videocon d2h Employees Welfare Trust. Pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014, the following are the details of the Employee Stock Option Scheme:

Sr. No.	Particulars	Remarks
1.	Options issued	37,05,000
2.	Options granted	32,38,353
3.	Options vested	32,38,353
4.	Options exercised	32,06,653
5.	Total number of shares arising as a result of exercise price	Nil
6.	Options lapsed	Nil
7.	The Exercise Price	The exercise price shall mean Rs. 50/- (Rupees Fifty only) for the purpose of initial grant and such price as approved by Nomination, Remuneration & Compensation Committee from time to time for any future grants.
8.	Variation of terms of Options	The time frame of the vesting is made uniform across all employees, irrespective of their grades i.e. entire option shall vest upon completion of 12 months from the Effective Grant Date.
9.	Money release by exercise of Options	Nil
10.	Total number of Options in force	The exercise price in respect of the 31,700 Options Granted and Vested are not received by the Trust. The share in respect of the same shall be



		transferred upon receipt of exercise price. There are no other Options in force.
11.	Employee Wise Details of Options Granted to:	
	i) Key Management Personnel	Mr. Anil Khera (CEO) – 4,00,000 Mr. Avanti Kanthalia (CFO) – 1,75,000 Ms. Amruta Karkare (CS) – 8,000
	ii) Any other employee who receives a Grant of Option in any one year of Option amounting to 5% or more of options granted during that year.	Mr. Anil Khera – 4,00,000 Mr. Siddharth Kabra – 3,45,000
	iii) Identified employees who were granted Options 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	NIL

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### HEALTH AND SAFETY

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Your Company ensures that all employees are covered under preventive health checks and health promotion programs. Some of the health and safety measures taken by the Company:

1. Basic first aid course.
2. Conducting health check up sessions periodically.
3. Promoting Safety awareness programs among the staff and employees.
4. Arranging different seminars/workshops/lectures to create awareness among the employees and staff for hygiene and cleanliness.
5. Demonstration of Fire Extinguisher courses conducted for the employees and security guards.
6. Provision of vaccination facilities for contagious diseases.

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## RESEARCH AND DEVELOPMENT

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The Research & Development (R &D) activities undertaken by the Company during the year are as under:

a) Cost Optimization of hardware

- Cost optimization of 2 HD platforms was achieved saving more than approx 1.5 dollar each, bringing cost of HD-IR platforms very close the existing SD platforms
- Both these platforms HD-2255-IR and HD-3344-IR are now under Mass production.

b) Smart Connect Platform Development

- Smart Connect platform is based at BCM7362 chipset on Cisco Evo12 platform, with support for HTML-5 based application framework.
- R&D has developed HTML5 based apps like Facebook, Twitter, Hotstar, NDTV, Hungama Play and Zomato. News apps, d2h online subscription and payment, Media player app and HTML5 Games on this platform.
- Youtube and Netflix app integration is in progress.
- The Smart Connect platform is already deployed with limited customer base in India.
- Smart Connect STB can be connected to Smart Remote Android based mobile application through Wi-Fi and Smart Remote has features of Video Content Sharing, Voice Commands search, Remote control operations and User Profile based personalization.
- We have created a Market place framework in Amazon cloud which allows for self and third party Apps to be hosted.
- We are following continuous integration and Agile methodology on this framework with development, stage and release servers instances to ensure that the production apps go without issues.

c) VAS services

- VAS services were developed and deployed with Active English, Kids stories and rhymes, Science Videos in Cisco and Irdeto platforms.
- Active Cooking App was developed and deployed on Cisco and Irdeto platforms.

- d) OEM and Technology Management of 4K Product lines
  - 4K STB got enhanced with support of connected applications like Smart Remote, Facebook, Twitter, YouTube Videos fling, Media Player, Hungama, HTML5 games, d2h online and News apps.
- e) ATV 3.1 Porting on all existing platforms
  - This is work in progress, SW upgrade on K1 HD2222RF is expected by end of this fiscal.
  - This will bring in 4 digit LCN support and Regional Home Channels feature.
- f) Field issues and Sustenance activities
  - We have more than 17 Hardware platforms in field
  - Customer reported issues, Enhancement required by SMG groups and Hardware issues.
  - Dedicated bandwidth for these activities.
  - Issues looked into Tuner sensitivity, Part failure in field leading to process or component changes to increase robustness.
- g) Quality Assurance and Testing
  - Created an automated method to ensure all our connected solution, the mobile App and the Market place are checked for API correctness, with alarms getting generated in case of failures in the Amazon instances.
- h) Hotel Solution
  - Digital Channel stacking solution on a single cable was productionized this year, which allow our network to deployed in Hotels and MDUs with single cable. All our transponders are flattened out and presented on a single polarity on a single cable
  - This was used to deploy solutions in more than 4 large hotel projects

➤ **Benefits derived from R & D**

- a) Technology roadmap creation and management
  - R & D builds and manages the Technology roadmap
  - Engage with key technology Vendors like Irdeto, Cisco and others to secure technology additions to be added in their solutions

- b) Cost optimized hardware platforms
  - R & D team has delivered on cost optimized SD and HD platforms, which are cost optimized and cater to the features required by the roadmap
- c) Pushing Innovative concepts and ideas
  - R & D team has come with new ideas and technologies, which are then productionized and deployed
  - New ideas like Mobile Remote App, Game controllers, RF4CE based remotes etc
  - Developed a framework which is similar to Chromecast, allowing for easy integration with existing Mobile Applications to cast their videos on STB as a target device
- d) Quality Assurance and product qualification
  - R & D also has a dedicated Quality Assurance team which is responsible for any new product ( Software or Hardware) induction testing and qualification
- e) Triaging of field issues
  - Rapid triaging of field issues are possible as R & D has dedicated bandwidth for hardware and software issues reported from field.

➤ **Future Plan of action-**

- a) Introduction of Ultra Low Cost SD STB
- b) Cost Reduction of BCM7362 connected Box with replacement of suitable chipset. Evaluation is under progress.
- c) Cost Reduction for HEVC based HD-6666-RF
- d) Mitigation of Silicon suppliers risks by bringing another Silicon partner.
- e) Extending the support of Smart remote Application to IoT platform is in progress with Voice Commands support also.
- f) Connected platforms
  - Creation of Market place for HTML-5 Apps which are relevant for TV Screen experience
  - Continued engagement with technology partners to bring new Apps related to Social media, Multi-screen, Mobile Apps etc
  - Working on certified Apps for Youtube and Netflix to be integrated into our platforms
  - Extending the Remote control functionality to Android Wear
- g) Focus on additions to platform to enable Monetization through Advertisement, Online shopping, and other VAS services

- h) Cost reduction of existing ODM RF4CE remote by developing a new remote with TI based chipset

➤ **Expenses incurred towards R & D –**

Expenditure incurred on R & D for the financial year ended 31<sup>st</sup> March, 2017 was Rs. 38.21 million representing 0.12% of the turnover.

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## OPPORTUNITIES AND THREATS

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### **Opportunities**

Pay TV in India is strongly positioned for extraordinary growth over the next few years with 90-100 million homes coming up for grabs by DTH and digital cable operators, as the Government rolls out its digitalization mandate across the country.

Your Company is well positioned to benefit from this and would take a large share of this opportunity. With strong economic growth outlook for India, overall media sector should grow robustly in the years to come. This will help grow ARPU, TV penetration and increase HD uptake leading to strong revenue growth for Pay TV in general and the Company in particular.

Your Company continues to have one of the highest net subscriber additions for sixth year in a row in India, with roughly 20% DTH net subscriber market share in March 2017 up from 9% five years ago.

The Company is also seeing strong pick up in HD subscriber base. In fiscal 2017, almost 50% of incremental subscribers opted for HD service. HD subscribers now represent almost 12% of total net subscriber base. The Company expects HD penetration to increase in the coming year, with attendant impact on ARPU.

The Company believes that, it maintains competitive advantage for several reasons, including:

- Newest technology enjoyed by all subscribers (MPEG4 DVB S2), more compression and bandwidth advantage, and thus more channels and HD offerings.
- Largest distribution network with over 225,000 retail outlets around the country serving new customers and convenient recharges.
- Greatest focus on customer service; only Pay TV operator with captive service network, 97% of new subscribers get installed on the same day.

- Unique control of box supply chain and R&D with development of local manufacturing capabilities.

### **Threats**

- More and more subscribers churning out from Company's platform and the Company is unable to recover the hardware installed at consumer premises resulting into loss of revenue as well as hardware.
- A significant portion of the Company's operations are currently located in a single digital broadcast center in Noida, India.
- The Company relies on third parties to provide it with programming and any increase in programming costs or new regulations may adversely affect its business, financial condition and results of operations.
- The Company faces immense competition.

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## **RISK MANAGEMENT POLICY OF THE COMPANY**

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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.

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## **CORPORATE SOCIAL RESPONSIBILITY POLICY OF THE COMPANY**

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The Company has constituted the Corporate Social Responsibility (CSR) Committee. Pursuant to the provisions of the Companies Act, 2013 and Rules, Schedules made thereunder, the following are the details of the CSR Committee:

The Committee has formulated the "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 and under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Further, the Committee shall

- a. recommend the amount of expenditure to be incurred on such activities; and
- b. monitor the Corporate Social Responsibility Policy of the Company.

The Composition of the CSR Committee is given in the "Committees of the Board" section.

As the average net profit of the Company during three preceding financial years is negative, and thus, the Company was not required to incur any expense towards Corporate Social Responsibility.

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## DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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Your Company is committed towards providing a healthy environment and thus does not tolerate any discrimination and/or harassment in any form. The Company has in place an Internal Complaints Committee to *inter-alia* :

- 1) Prevent sexual harassment at the workplace; and
- 2) Redress the complaints in this regards

During the year under review, the Company did not receive any complaint.

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## APPOINTMENT/CESSATION OF KEY MANAGERIAL PERSONNEL

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During the year under review, there was no change in the Key Managerial Personnel.

### **After the balance sheet date:**

Ms. Amruta Karkare, Company Secretary, of the Company had resigned with effect from 20<sup>th</sup> April 2017. The Board takes this opportunity and places on record its sincere appreciation for the contribution of Ms. Amruta Karkare in the growth and development of the Company.

Further, the Board of Directors, based on the recommendation of Nomination Remuneration and Compensation Committee, have in their meeting held on 29<sup>th</sup> May, 2017, appointed Mr. Akarshak Maheshwari as the Company Secretary of the Company.

Further, Mr. Himanshu Patil, Chief Operating Officer and Mr. Rohit Jain, Deputy Chief Executive Officer, of the Company, being the Key Managerial Personnel, as identified by the Company, have resigned with effect from 14<sup>th</sup> July, 2017 and 31<sup>st</sup> July, 2017, respectively.

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## BOARD OF DIRECTORS

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The Board of Directors of the Company comprises of eminent persons having versatile experience in the diversified fields including, finance, management, administration, technical etc.

As on 31<sup>st</sup> March, 2017, the Board was duly constituted.

Pursuant to the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Radhika Saurabh Dhoot (DIN: 00007727), is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered herself for re-appointment.

Mrs. Geetanjali Kirloskar, ceases to be a director of the Company, pursuant to the provisions of Section 167(1)(b) of the Companies Act, 2013, and, accordingly, the Board is in the process of taking note of the said cessation.

### **Declaration from Independent Directors**

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013.

### **Proceedings of the Board:**

The Board meets at timely interval to discuss the business transactions and for strategic decision making. The proceedings of conducting the Board and Committee meetings include the following:

1. The Company Secretary circulates the agenda with back up papers to all the Directors and Members of the Committees, who are eligible to attend the meeting.
2. In case of emergency, the meeting is conducted by giving shorter notice. The Board is also authorized to pass resolutions by circulation in case of urgent need.
3. Drafted minutes are being circulated to all the Members of the Board for their comments. The Chairman of the meeting signs the minutes so circulated and approved by all the Members.
4. The proceedings of the Board Meetings, General Meetings and Committee Meetings are duly recorded in minute book on timely basis.



5. The information generally placed before the Board members *inter-alia* includes:
- Annual Business Plans;
  - Quarterly/Annual Results;
  - Minutes of the Board and Committee Meetings;
  - Notice of disclosure of interest;
  - Information on recruitment and remuneration of senior personnel;
  - Material show cause notices, litigations, demand notice; and
  - Any other material information.

The Board periodically reviews the compliance reports to ensure adherence to all applicable provisions of law, Rules and guidelines as may be applicable to the Company and takes steps to rectify non-compliances, if any.

### **Board Meetings and Attendance**

During the year under review, the Board met 6 times on the following dates: 24<sup>th</sup> May 2016, 25<sup>th</sup> July 2016, 25<sup>th</sup> August 2016, 26<sup>th</sup> October 2016, 11<sup>th</sup> November 2016 and 30<sup>th</sup> January 2017. The details are as follows:

<b>Name</b>	<b>Meetings Attended#</b>
Mr. Saurabh Dhoot	6
Mr. Pradeep Rathi	3
Mr. Shivratna Taparia	4
Mr. Nabankur Gupta	6
Mr. Karunchandra Srivastava	6
Mrs. Radhika Dhoot	1
Mrs. Geetanjali Kirloskar	0
Mr. Jeffrey Sagansky	5
Mr. Harry Sloan	4

# Including Meetings attended through Audio Conferencing.

### **Performance Evaluation of the Board Members**

The Nomination, Remuneration and Compensation Committee, has, in place, a formal mechanism for evaluating the performance of the Board of Directors as well as that of its Committees and individuals Directors, including Chairman of the Board, Key Management Personnel/Senior Management etc. The exercise was carried out through an evaluation process covering aspects such as composition of the Board, experience, competencies, governance issues etc.

The evaluation of effectiveness of functioning of the Company was done by Board of its own performance, Committee's performance and the performance of the individual directors.

The key aspects of formal annual evaluation included:

1. Corporate Governance Practices;
2. Compliance with all the applicable statutory laws;
3. Active participation in Board and Committee Meetings;
4. Various roles played by the respective committees.

### **Independent Directors' Meeting**

One separate meeting of the Independent Directors was held on 22.03.2017, which was attended by the majority of the Independent Directors.

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## **COMMITTEES OF THE BOARD OF DIRECTORS**

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### **AUDIT COMMITTEE**

The functioning and terms of reference of Audit Committee including the role, powers and duties and composition, have been devised keeping in view the requirements of Section 177 of the Companies Act, 2013 and other applicable rules and laws.

The composition of Audit Committee as on 31st March, 2017, is as follows:

<b>Name of the Member</b>	<b>Designation</b>	<b>Category</b>
Mr. Karunchandra Srivastava	Chairman	Independent Director
Mr. Shivratan Taparia	Member	Independent Director
Mr. Pradeep Rathi	Member	Independent Director
Mr. Jeffrey Sagansky	Member	Non-Executive Director

During the year under review, 6 Audit Committee meetings were held on the following dates: 24<sup>th</sup> May, 2016, 25<sup>th</sup> July, 2016, 25<sup>th</sup> August, 2016, 26<sup>th</sup> October, 2016, 11<sup>th</sup> November, 2016, 30<sup>th</sup> January, 2017.

<b>Name</b>	<b>Meetings Attended#</b>
Mr. Karunchandra Srivastava	6
Mr. Pradeep Rathi	3
Mr. Shivratan Taparia	5
Mr. Jeffery Sagansky	4

# Including Meetings attended through Audio Conferencing.

### **Whistle Blower Policy**

The Company has established a vigil mechanism and overseas through the Committee, the genuine concerns expressed by the employees and other Directors.

The Company has adopted a Whistle Blower Policy to promote reporting of unethical or improper practice or violation of Company's code of conduct. It further provides direct access to the chairman of the Audit Committee on reporting issues regarding accounting, auditing, internal controls or other practices concerning the interests of employees and the Company. The said Policy has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

#### **STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Company has constituted Stakeholders' Relationship Committee in terms of the requirements of the Companies Act, 2013 for redressal of investors complaints and matters relating to transfer of share and others.

Composition of Stakeholders' Relationship Committee as on 31st March, 2017, is as follows:

<b>Name of the Member</b>	<b>Designation</b>	<b>Category</b>
Mr. Nabankur Gupta	Chairman	Independent Director
Mr. Karunchandra Srivastava	Member	Independent Director
Mr. Pradeep Rathi	Member	Independent Director

No meeting was held during the year under review.

#### **NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE:**

Composition of Nomination, Remuneration and Compensation Committee as on 31st March, 2017, is as follows:

<b>Name of the Member</b>	<b>Designation</b>	<b>Category</b>
Mr. Karunchandra Srivastava	Chairman	Independent Director
Mr. Nabankur Gupta	Member	Independent Director
Mr. Pradeep Rathi	Member	Independent Director
Mr. Harry Sloan	Member	Non-Executive Director

The scope of the Committee includes:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of independent directors and the Board;
- devising a policy on Board diversity;

- d. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- e. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- f. the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- g. the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Further, the Committee is also authorized to administer the Employee Stock Option Scheme, 2014.

### **Nomination, Remuneration and Compensation Policy**

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Compensation is used as a strategic tool that helps us recruit, motivate and retain highly talented individuals who are committed to our core values. We believe that our compensation programs are integral to achieving our goals. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance of the Company.

### **Director's Remuneration:**

The Independent Directors are paid only sitting fees for attending Board/Committee meetings.

During the year under review, the Committee met 5 times on the following dates: 24<sup>th</sup> May, 2016, 25<sup>th</sup> July 2016, 25<sup>th</sup> August, 2016, 26<sup>th</sup> October, 2016 and 30<sup>th</sup> January, 2017. The details are as follows:

<b>Name</b>	<b>Meetings Attended#</b>
Mr. Karunchandra Srivastava	5
Mr. Nabankur Gupta	5
Mr. Pradeep Rathi	3
Mr. Harry Sloan	3

# Including Meetings attended through Audio Conferencing.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Company has, in place, a Corporate Social Responsibility Committee, in terms of provisions of Section 135 of the Companies Act, 2013. The said Committee shall:

- a. recommend the amount of expenditure to be incurred on such activities; and
- b. monitor the Corporate Social Responsibility Policy of the Company.

The Composition of the Committee as on 31<sup>st</sup> March, 2017, is as follows:

<b>Name of the Member</b>	<b>Designation</b>	<b>Category</b>
Mr. Saurabh Dhoot	Chairman	Whole-time Director
Mr. Nabankur Gupta	Member	Independent Director
Mr. Karunchandra Srivastava	Member	Independent Director

The Committee met on 22<sup>nd</sup> March, 2017 and all the members attended the meeting.

**IPO COMMITTEE:**

The Committee is entrusted with various powers in order to facilitate and deal with matters in connection to the Initial Public Offering. ("IPO").

The composition of the Committee as on 31<sup>st</sup> March, 2017, is as follows:

<b>Name of the Member</b>	<b>Designation</b>	<b>Category</b>
Mr. Saurabh Dhoot	Chairman	Whole-time Director
Mr. Karunchadra Srivastava	Member	Independent Director
Mr. Nabankur Gupta	Member	Independent Director
Mr. Pradeep Rathi	Member	Independent Director

No meeting was held during the year under review.

**RISK MANAGEMENT COMMITTEE:**

The Company has, in place, a Risk Management Committee as per the provisions of Companies Act, 2013 to review the Risk Management Plan.

The Composition of the Committee as on 31<sup>st</sup> March, 2017, is as follows:

<b>Name of the Member</b>	<b>Designation</b>	<b>Category</b>
Mr. Saurabh Dhoot	Chairman	Whole-time Director
Mr. Nabankur Gupta	Member	Independent Director
Mr. Karunchandra Srivastava	Member	Independent Director

The Committee met on 20<sup>th</sup> February, 2017. The meeting was attended by Mr. Saurabh Dhoot and Mr. Karunchandra Srivastava.

#### **ADR COMMITTEE:**

The Committee is entrusted with various powers in order to facilitate and deal with matters in connection to the ADR Issue.

The composition of the Committee as on 31st March, 2017, is as follows:

<b>Name of the Member</b>	<b>Designation</b>	<b>Category</b>
Mr. Saurabh Dhoot	Chairman	Whole-time Director
Mr. Karunchandra Srivastava	Member	Independent Director
Mr. Nabankur Gupta	Member	Independent Director

No meeting was held during the year under review.

#### **FINANCE AND GENERAL AFFAIRS COMMITTEE:**

The Committee is entrusted with various powers from time to time, which shall aid in speedy implementation of various projects, activities and transactions whether routine or non-routine in nature.

The composition of the Finance and General Affairs Committee as on 31st March, 2017, is as follows:

<b>Name of the Member</b>	<b>Designation</b>	<b>Category</b>
Mr. Saurabh Dhoot	Chairman	Whole-time Director
Mr. Karunchandra Srivastava	Member	Independent Director
Mrs. Radhika Dhoot	Member	Non-Executive Director

The Committee met 8 (eight) times during the year.

#### **MERGER COMMITTEE:**

The Committee is entrusted with various powers in order to facilitate and deal with matters in connection to the merger of the Company with Dish TV India Limited.

The composition of the Committee, is as follows:

Name of the Member	Designation	Category
Mr. Saurabh Dhoot	Chairman	Whole-time Director
Mr. Karunchandra Srivastava	Member	Independent Director
Mr. Pradeep Rathi	Member	Independent Director

No meeting was held during the year under review.

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### CASH FLOW STATEMENT

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In terms of the requirements of Accounting Standard on Cash Flow Statement (AS-3) as prescribed by the Companies (Accounting Standards) Rules, 2006, the Cash Flow Statement is attached to the Balance Sheet and Statement of Profit and Loss.

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### AUDITORS' REPORT

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The Statutory Auditors of the Company have submitted Auditors' Report for the year ended 31<sup>st</sup> March, 2017. The Audit Report is Unqualified. However, the Auditors have made certain emphasis of matter in the said Audit Report read with Annexure.

#### **Management's explanation to the Auditors' remarks/observations:**

**In response to Point No. 5 of the Independent Auditors' Report , the explanation of management is as under:**

DTH sector is gaining market share over cable and accordingly improving the ARPU as well. The subscriber base of the Company is growing at a rapid speed. There have been a series of industry developments in fiscal 2017, which the management believes will provide for growth opportunities in the DTH sector in India. The implementation of Phase III digitization of the Digital Addressable Cable TV System program of the Government of India that began in January 2016 was an example of such a development. It led to a surge in new subscribers additions for various distribution platforms. While the momentum slowed down as many state high courts issued a temporary stay order against digitization, we are still seeing higher subscriber additions from phase III markets as compared to previous years. In addition, under Phase IV digitization the management believes will cover approximately 80 million television homes. The management believes that the Company is well positioned for the future.

During the financial year ended 31<sup>st</sup> March, 2017, the Company made a net profit of Rs 427.65 million and also generated positive operating cash flows. Considering the company started making net profit during the year, positive cash flows, stable expenditures going forward and the overall outlook of DTH industry, positioning of the Company in the market, being listed on Nasdaq, the management of the Company is of the view that the going concern assumption holds true and valid and also will be able to meet its financial obligations.

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#### **DETAILS OF FRAUDS REPORTED BY AUDITORS (OTHER THAN REPORTABLE TO CENTRAL GOVERNMENT)**

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No fraud/misconduct has been detected at the time of statutory audit by Auditors of the Company for the financial year 2016-2017 therefore there is nothing to disclose under this head.

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#### **STATUTORY AUDITORS**

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In terms of the provisions of Section 139 of the Companies Act, 2013 read with the rules made thereunder, a company can appoint or re-appoint an audit firm as an Auditor of the company for a maximum of two terms of five consecutive years.

As per Rule 6 of the Companies (Audit and Auditors) Rules, 2014, the term for which the Auditors have already acted as Auditors shall be taken into account for calculating tenure of maximum ten years.

Further, M/s. Kadam & Co., Chartered Accountants, Ahmednagar, have completed more than 10 years of their appointment as the Auditors of the Company. Therefore, in terms of the provisions of the Section 139 of the Companies Act, 2013 read with rules made thereunder, they were appointed as Auditors at the 12<sup>th</sup> Annual General Meeting held on 30.09.2015 for a period of 2 years i.e. till the conclusion of 14<sup>th</sup> Annual General Meeting, subject to ratification by members at every subsequent Annual General Meeting. Since the tenure of M/s Kadam & Co., is expiring at this Annual General Meeting and they being not eligible for re-appointment, the Board of Directors of the Company, on the recommendation of Audit Committee of the Company in their meeting held on 29<sup>th</sup> July, 2017, have recommended the appointment of M/s. S.Z. Deshmukh & Co., Chartered Accountants, Mumbai (Firm Regn. No. 102380W), as the Statutory Auditors of the Company for a period of 5 years i.e. from the conclusion of 14<sup>th</sup> Annual General Meeting until the conclusion of 19<sup>th</sup> Annual General Meeting, subject to ratification by members at every subsequent Annual General Meeting.



Further, M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai, have completed 6 years of their appointment as the Auditors of the Company. Therefore, in terms of the Section 139 of the Companies Act, 2013 read with rules made thereunder, they were appointed at the 12<sup>th</sup> Annual General Meeting held on 30.09.2015, for a period of 4 years i.e till the conclusion of 16<sup>th</sup> Annual General Meeting, subject to ratification by members at every subsequent Annual General Meeting. Hence, their appointment needs to be ratified for a term of further 2 years i.e from the conclusion of 14<sup>th</sup> Annual General Meeting i.e. until the conclusion of 16<sup>th</sup> Annual General Meeting.

The Auditors have confirmed their eligibility and willingness to accept the office.

The Board recommends their appointment/re-appointment for the term specified above on such remuneration as may be fixed by the Board of Directors of the Company.

During the year under review, based on the recommendations of the Audit Committee, the Board of Directors of the Company appointed M/s. Khandelwal Jain & Co, Chartered Accountants, to audit the financial statements of the Company, prepared in accordance with International Financial Reporting Standards, for the financial year ended 31<sup>st</sup> March, 2017.

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### COST AUDITORS

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In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 and amendments made thereto; from time to time, the Board of Directors of the Company have accorded its approval for appointment of Mr. Jayant B. Galande, Cost Accountant in Whole-Time Practice, Aurangabad (Membership Number 5255) as the Cost Auditor of the Company, to conduct audit of Cost Accounting Records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017.

In compliance with the provisions, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company. Accordingly, consent of the Members is sought by way of an Ordinary Resolution for ratification of the remuneration amounting to Rs. 1,00,000/- (Rupees One Lakh Only) excluding applicable service tax and out-of-pocket expenses payable to the Cost Auditor for the financial year ended on 31<sup>st</sup> March, 2017.

The services of the company fall under the heading "Telecommunications, broadcasting and information supply services". However, items specified under Sl. No. 1 of Table A of Rule 3 of Companies (Cost Records and Audit) Amendment Rules, 2014, prescribed vide notification dated 31<sup>st</sup> December, 2014, provides a specific exception to "Broadcasting Services" from applicability of cost records and cost audit.

In view of the said notification, maintenance of cost records were not applicable in respect of the Company's business activity i.e. Broadcasting Services for the financial year 2015-2016 as the same were not specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Hence, the Company was not required to submit Cost Audit Report for the financial year ending on 31<sup>st</sup> March, 2016.

However, the Ministry of Corporate Affairs vide its notification dated 14<sup>th</sup> July, 2016 amended the Companies (Cost Records and Audit) Rules, 2014, and extended the applicability of cost records and audit to "Broadcasting Services" as the terms "(other than broadcasting services)", which were originally appearing in the Notification dated 31<sup>st</sup> December, 2014 were deleted. Thus, the provisions for maintenance of cost records and cost audit are applicable in respect of the Company's business activity i.e. Broadcasting Services for the financial year commencing on 1<sup>st</sup> April, 2016, and hence, the Company has appointed Cost Auditor to audit the cost records for the financial year ending on 31<sup>st</sup> March, 2017.

The cost audit report for the financial year ending on 31<sup>st</sup> March, 2017, shall be filed on or before the due date.

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#### **INTERNAL CONTROL SYSTEMS AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

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The Company has a proper and adequate system of internal controls. This ensures that all transactions are authorised, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls.

An extensive program of internal audits and management reviews supplements the process of internal financial control framework. Properly documented policies, guidelines and procedures are laid down for this purpose. The internal financial control framework has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets. In addition, the Company has identified and documented the risks and controls for each process that has a relationship to the financial operations and reporting.

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## SECRETARIAL AUDIT REPORT

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Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, Mr. Soumitra Mujumdar, Company Secretary in Whole-Time Practice (ACS 30938; CP No. 12363), Pune, has been appointed to conduct a secretarial audit of the Company's Secretarial and related records for the year ended 31<sup>st</sup> March, 2017. The Practicing Company Secretary has submitted the Report on the secretarial audit conducted by him which is annexed to this Board's Report as Annexure 4. In connection with the Auditor's observation in the report, it is clarified that the Company is in the process of filing the Return of Foreign Assets and Liabilities. The Company is in process of filing e-Form CRA-2 and e-Form PAS-3 and the delay is due to technical difficulties, faced by the Company in filing the same. The e-Form DIR-12 shall be filed, subsequent to necessary approvals of the Board of Directors of the Company.

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## EXTRACT OF ANNUAL RETURN

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The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure 5 and is attached to this Report.

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## DIRECTORS RESPONSIBILITY STATEMENT

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Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby confirms that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;

- (e) though the Company is not listed, the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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### ORDERS PASSED BY REGULATORS/COURTS/ TRIBUNALS

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The Mumbai Bench of the Hon'ble National Company Law Tribunal (NCLT), at the hearing held on July 27, 2017, has approved the Scheme of Arrangement among Videocon d2h Limited (as Transferor Company), Dish TV India Limited (as Transferee Company) and their respective shareholders and creditors (the "Scheme") under the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013. The appointed date for the Scheme is October 1, 2017, from which date the businesses of Videocon d2h Limited and Dish TV India Limited will be amalgamated. The certified copy of the order is awaited, as on the date of this report.

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### ACKNOWLEDGEMENTS

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The Board of Directors would like to thank the Customers, Vendors, Investors, Bankers, Business Partners and Government Authorities for their continued support.

The Board of Directors also appreciates the contribution made by the employees at all levels for their hard work, dedication and co-operation and support for the growth of the Company. The Board of Directors would also like to thank all stakeholders for the continued confidence and trust placed by them with the Company.

For and on behalf of the Board of Director of  
**Videocon d2h Limited**

**Saurabh P. Dhoot**  
**Whole Time Director**  
**DIN: 00970362**

**Karunchandra Srivastava**  
**Director**  
**DIN: 00314951**

**Place:** Mumbai

**Date:** 29th July, 2017

## **Annexure 1**

### **DETAILS OF SWEAT EQUITY SHARES ISSUED**

**(Pursuant to Section 54 of the Act read with Rule 8 of the Companies  
(Share Capital and Debenture) Rules, 2014)**

- (i) Name and Class of Director to whom sweat equity shares are issued:**  
Mr. Saurabh Pradipkumar Dhoot, Whole-time Director of the Company.
- (ii) Class of Shares:** Equity Shares of Face Value Rs. 10/- each.
- (iii) Number of sweat equity shares issued:** 1,400,000
- (iv) Reasons for issue:** Pursuant to the Contribution Agreement (entered into between the Company and Silver Eagle Acquisition Corp on 31<sup>st</sup> December, 2014), as amended, the existing shareholders as of the date of the Contribution Agreement and the Sponsor, Global Eagle Acquisition LLC, are entitled to receive by way of a bonus issue of shares (or such other form of share issue as determined by the independent members of our board of directors) upon satisfaction of certain share price performance hurdles of the American Depository Shares (ADSs) on the NASDAQ being satisfied within three years of the initial listing of the ADSs **(the "Earnout")**, namely an "Initial Performance Hurdle" and a "Subsequent Performance Hurdle", each as defined in the Contribution Agreement.

The Initial Performance Hurdle is said to be achieved if the last sales price of the Videocon d2h ADSs on NASDAQ (converted into Indian rupees on each such day at the Indian Rupee/U.S. Dollar Exchange Rate on such date) for 20 trading days in a 30-trading day period equals or exceeds 125% of the Listing Price (i.e. price per ADS issued to the SEAC Distribution Record Holders converted into Indian rupees at the Indian Rupee/U.S Dollar Exchange Rate prevailing on the Closing Date, 31st March, 2015).

The aforesaid arrangement/disclosure also forms part of the Company's registration statement on Form F-4 (Registration Statement No. 333-201870) filed with United States Securities and Exchange Commission.

Further, the Board of Directors of the Company had adopted a resolution with respect to granting of up to 2,800,000 shares of face value Rs.10 each in the form of sweat equity to Mr. Saurabh Dhoot equivalent to 700,000 Videocon d2h ADSs, exercisable at a value determined by a registered valuer in accordance with applicable law, in two tranches of 50% each upon achievement of the Initial Performance Hurdle and the Subsequent

Performance Hurdle, respectively, subject to receipt of approval from Ministry of Information and Broadcasting.

The Statutory Auditors of the Company has determined that the Initial Performance Hurdle has been achieved and satisfied. As the Initial Performance Hurdle has been achieved, Mr. Saurabh Dhoot also becomes entitled to receive 1,400,000 (equivalent to 350,000 ADSs) equity shares of the Company.

- (v) Principle terms and conditions for issue, including the pricing formula:** Sweat equity was to be issued upon achievement of initial performance hurdle and the same was to be issued free of cost.
- (vi) Total number of shares arising as a result of sweat equity:** 1,400,000
- (vii) Percentage of sweat equity to post issued paid-up capital:** 0.33%
- (viii) The consideration received or benefit accrued to the Company from the issue of sweat equity:** Nil
- (ix) The diluted EPS pursuant to issuance of sweat equity:** 0.95

**Annexure 2****Form No. AOC-2**

***(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)***

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis- Nil**

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188

**2. Details of material contracts or arrangement or transactions at arm's length basis**

**i) List of related parties (As identified and certified by the management)**

**(a) List of related parties where control exists – NIL**

**(b) Name of Key Management Personnel -**

Mr. Saurabh P. Dhoot (Whole Time Director)  
 Mr. Anil Khera (Chief Executive Officer)  
 Mr. Avanti Kumar Kanthaliya (Chief Finance Officer)  
 Mrs. Amruta Karkare (Company Secretary)

**(c) Relative of Key Management Personnel with whom transactions have taken place during the year.**

Mrs. Shelly Anil Khera (Wife of Mr. Anil Khera)

**ii) Details of transactions with related parties**

(Rs. In million)

<b>Particulars</b>		<b>Year Ended 31<sup>st</sup> March 2017</b>	<b>Year Ended 31<sup>st</sup> March 2016</b>
A	Payment of salaries / remuneration / perquisites		
	Key Management Personnel		
	Mr. Saurabh P. Dhoot	18.77	-
	Mr. Anil Khera	30.25	20.29
	Mr. Avanti Kumar Kanthaliya	7.09	5.63
	Mrs. Amruta Karkare	1.59	1.41
B	Rent paid		
	Relative of Key Management Personnel		
	Mrs. Shelly Anil Khera (Inclusive of Service Tax)	0.88	1.57

**Amount due to related parties**

(Rs. in million)

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2017</b>	<b>As at 31<sup>st</sup> March 2016</b>
Rent payable to relative of Key Management Personnel	-	<b>0.30</b>



### Annexure 3

**Statement of Particulars of employees pursuant to provisions of section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and forming part of the Directors' Report for the Financial Year ended on 31<sup>st</sup> March, 2017**

Name of the employee	Designation	Remuneration (in Rs.)	Qualification	Age (Years)	Date of Joining	Name of the last employer	Position (Designation) in the last organization
Mr. Anil Khera	Chief Executive Officer	30,251,408	B.Com, MBA (Marketing)	57	1st July, 2008	KAIL Limited	Chief Executive Officer
Mr. Rohit Jain	Deputy Chief Executive Officer	18,864,018	Chartered Accountant	41	1 <sup>st</sup> June, 2010	Hewitt Associate	Business Head
Mr. Himanshu Patil	Chief Operating Officer	10,617,208	Master's degree in management studies (Marketing)	52	1 <sup>st</sup> February, 2009	Videocon Industries Limited	Chief Operating Officer
Mr.Siddharth Sohan Kabra	Chief Sales Officer	10,927,665	B.Com, MBA (Finance & Marketing)	39	3 <sup>rd</sup> July, 2009	Techno Kart India Limited	General Manager
Mr.Himanshu Dhoreliya	Vice President	10,958,441	BA, MBA	42	1st September, 2015	Television Post.com	Co Founder & CEO
Mr. Ajaya Kumar	Vice President	8,221,045	MBA	51	16 <sup>th</sup> February, 2010	ATC India	Head HR
Mr. Avanti Kanthaliya	Chief Finance Officer	7,092,904	B.Com, M.Com, ICWA	45	01 <sup>st</sup> July, 2008	Videocon Industries Limited	Senior Manager
Mr. Subhash Nabar	Vice President	6,375,975	Diploma in Business Management B Tech	69	1 <sup>st</sup> March, 2010	Videocon Industries Limited	Joint President

Mr. Sugato Banerji	Vice President	6,119,828	PGDM(Business Management), B.Tech	52	15 <sup>th</sup> March, 2015	Srei Infrastructure Finance Limited	Head Brand in Corporate communication
Mr. Vinod Hakhu	Vice President	5,044,667	BE – Electronics/Telecom munications	46	26 <sup>th</sup> November, 2010	Dhanus Technologies Limited	Executive V.P. Customer Service

- a) Remuneration includes Basic Salary, Ex- Gratia, H. R. A., Marketing Allowance, Special Allowance, C.A., L.T.A., Leave Encashment, Medical Reimbursement and Contribution to Provident Fund.
- a) The Employees are in whole-time employment of the Company and the employment is contractual in nature.
- b) None of the Employees listed above is a relative of any of the Directors of the Company.

**Place:** Mumbai

**Date:** 29<sup>th</sup> July, 2017

13, Indiranagar, 25/26 Erandawana,  
Near Deenanath Mangeshkar Hospital,  
Pune 411 004  
Mobile +919890658551  
Email : sbmujumdar@gmail.com

**Soumitra B. Mujumdar**  
BFT, PGDIB, ACS  
Practising Company Secretary

To  
The Members,  
Videocon d2h Limited  
Auto Cars Compound, Adalat Road,  
Aurangabad - 431105  
Maharashtra

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Videocon d2h Limited. (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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 secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 ("Audit Period") 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 financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the "Act") and the rules made thereunder;
- 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, Overseas Direct Investment and External Commercial Borrowings including issuance of American Depositary Receipts (ADRs);

13, Indiranagar, 25/26 Erandawana,  
Near Deenanath Mangeshkar Hospital,  
Pune 411 004  
Mobile +919890658551  
Email : sbmujumdar@gmail.com

**Soumitra B. Mujumdar**  
BFT, PGDIB, ACS  
Practising Company Secretary

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- ***Not applicable to the Company during the Audit period, since the Company is an unlisted public company.***
- (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 (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding Companies Act and dealing with the Company.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI)

I have relied on the representation made by the Company and its officers for the systems and mechanisms formed by the Company for compliances under applicable Acts, Rules, Laws and Regulations to the Company. The list of major head or groups of Acts, Rules, Laws and Regulations as applicable to the Company is given in Annexure B.

I have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws and their regulatory compliances, since the same have been subject to review by statutory financial audit and other designated professionals.

13, Indiranagar, 25/26 Erandawana,  
Near Deenanath Mangeshkar Hospital,  
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Mobile +919890658551  
Email : sbmujumdar@gmail.com

**Soumitra B. Mujumdar**  
BFT, PGDIB, ACS  
Practising Company Secretary

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

- i. *As per Section III (Annexure 6) (Para 2.2d) Foreign Direct Investment Policy, the return of Foreign Assets and Liabilities for the Audit Period has not been filed for the Company with the Reserve Bank of India.*
- ii. *The Company has done delayed filing of some of the e-forms, required to be filed with the Registrar of Companies, Mumbai as per the provisions of the Act.*
- iii. *The Company has not filed, e-form CRA-2, for appointment of Mr. Jayant B. Galande, Cost Accountant in Whole-Time Practice, Aurangabad (Membership Number 5255) as the Cost Auditor of the Company, to conduct audit of Cost Accounting Records maintained by the Company.*
- iv. *The Company has not filed, e-form PAS-3, for allotment of equity shares made on 30<sup>th</sup> January, 2017.*

Apart from the above, I would like to note the below mentioned observation post the perusal of the minutes:

- i. Mrs. Geetanjali Kirloskar, ceases to be a director, pursuant to the provisions of Section 167(1)(b) of the Act and, accordingly, the Board is advised to pass requisite resolution and do necessary compliances.

Further, I would like to highlight the following matter:

- i. The Board of Directors of the Company have approved the Scheme of Arrangement among Videocon d2h Limited (as Transferor Company), Dish TV India Limited (as Transferee Company) and their respective shareholders and creditors (the "Scheme"). The Scheme has been approved by the shareholders on 8<sup>th</sup> of May 2017 at the National Company Law Tribunal directed shareholders meeting. The Mumbai Bench of the Hon'ble National Company Law Tribunal (NCLT), at the hearing held on July 27, 2017, has approved the Scheme under the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013. The appointed date for

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BFT, PGDIB, ACS  
Practising Company Secretary

the Scheme is October 1, 2017, from which date the businesses of Videocon d2h Limited and Dish TV India Limited will be amalgamated.

I further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.
- ii. 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.
- iii. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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.

CS Soumitra Mujumdar  
ACS 30938  
CP 12363

Date: 29<sup>th</sup> July, 2017  
Place: Mumbai

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

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**Soumitra B. Mujumdar**  
BFT, PGDIB, ACS  
Practising Company Secretary

#### **Annexure A**

To  
The Members,  
Videocon d2h Limited  
Auto Cars Compound, Adalat Road,  
Aurangabad - 431105  
Maharashtra

My secretarial audit report of even date is to be read along with this letter.

- i. Maintenance of secretarial and other records is the responsibility of the management of the Company. My responsibility is to express an opinion on these records based on my audit.
- ii. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
- iii. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- iv. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of certain events during the Audit Period.
- v. 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 procedures on test basis and expressing an opinion on the same.

CS Soumitra Mujumdar  
ACS 30938  
CP 12363

Date: 29<sup>th</sup> July, 2017  
Place: Mumbai



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BFT, PGDIB, ACS  
Practising Company Secretary

## **Annexure B**

- i. Factories Act, 1948
- ii. Industrial Disputes Act, 1947
- iii. The Payment of Wages Act, 1936
- iv. The Minimum Wages Act, 1948
- v. Employees State Insurance Act, 1948
- vi. The Employees Provident Funds and Miscellaneous Provisions Act, 1952
- vii. The Payment of Bonus Act, 1965
- viii. The Payment of Gratuity Act, 1972
- ix. The Contract Labour (Regulation & Abolition) Act, 1970
- x. The Maternity Benefit Act, 1961
- xi. The Child Labour (Prohibition & Regulation) Act, 1986
- xii. The Industrial Employment (Standing Orders) Act, 1946
- xiii. The Employees Compensation Act, 1923
- xiv. The Apprentices Act, 1961
- xv. Equal Remuneration Act, 1976
- xvi. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- xvii. The Telecom Regulatory Authority of India Act, 1997 and the applicable regulations made thereunder.
- xviii. Indian Wireless Telegraphy Act, 1933
- xix. The Policy Guidelines for Down linking of Television Channels
- xx. Guidelines for DTH as issued by the Ministry of Information and Broadcasting.
- xxi. The Direct to Home Broadcasting Services (Standards of Quality of Service and Redressal of Grievances) Regulations, 2007
- xxii. Telecommunication (Broadcasting and Cable Services) Interconnection Regulations, 2004.
- xxiii. The Broadband Policy, 2004.
- xxiv. DTH Tariff Order, 2013.
- xxv. Telecommunication (Broadcasting and Cable) Services (Sixth)(The Direct to Home Services) Tariff Order, 2013 ("DTH Tariff Order")



## ANNEXURE 5

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2017**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:	
1	CIN
2	Registration Date
3	Name of the Company
4	Category/Sub-category of the Company
5	Address of the Registered office & contact details
6	Whether listed company
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Direct-to-home services	6020	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NOT APPLICABLE				

IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									

(i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	54,672	-	54,672	0.01%	54,672	14,00,000	14,54,672	0.35%	0.33%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	21,48,86,928	-	21,48,86,928	51.16%	21,48,86,928	-	21,48,86,928	50.99%	-0.17%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	<b>21,49,41,600</b>	<b>-</b>	<b>21,49,41,600</b>	<b>51.17%</b>	<b>21,49,41,600</b>	<b>14,00,000</b>	<b>21,63,41,600</b>	<b>51.33%</b>	<b>0.16%</b>
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL (A)</b>	<b>21,49,41,600</b>	<b>-</b>	<b>21,49,41,600</b>	<b>51.17%</b>	<b>21,49,41,600</b>	<b>14,00,000</b>	<b>21,63,41,600</b>	<b>51.33%</b>	<b>0.16%</b>
<b>B. Public Shareholding</b>									
<b>I. Institutions</b>									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs / FPI's	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>

<b>2. Non-Institutions</b>									
a) Bodies Corp.					-	-			
i) Indian	5,04,18,400	-	5,04,18,400	12.00%	5,06,68,400	-	5,06,68,400	12.02%	0.02%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	-	-	-		-	-			
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	-	-	-	0.00%	29,56,653	-	29,56,653	0.70%	0.70%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Others (specify) Videocon d2h Employee Welfare Trust	37,05,000	-	37,05,000	0.88%	4,98,347	-	4,98,347	0.12%	-0.76%
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts/Co-operative Society/Foundation	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Other Body Corporate	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	<b>5,41,23,400</b>	<b>-</b>	<b>5,41,23,400</b>	<b>12.88%</b>	<b>5,41,23,400</b>	<b>-</b>	<b>5,41,23,400</b>	<b>12.84%</b>	<b>0.00%</b>
<b>Total Public (B)</b>	<b>5,41,23,400</b>	<b>-</b>	<b>5,41,23,400</b>	<b>12.88%</b>	<b>5,41,23,400</b>	<b>-</b>	<b>5,41,23,400</b>	<b>12.84%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>15,09,99,600</b>	<b>-</b>	<b>15,09,99,600</b>	<b>35.95%</b>	<b>15,09,99,600</b>	<b>-</b>	<b>15,09,99,600</b>	<b>35.83%</b>	<b>0.00%</b>
<b>Grand Total (A+B+C)</b>	<b>42,00,64,600</b>	<b>-</b>	<b>42,00,64,600</b>	<b>100.00%</b>	<b>42,00,64,600</b>	<b>14,00,000</b>	<b>42,14,64,600</b>	<b>100.00%</b>	<b>0.16%</b>

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
	<b>PROMOTORS</b>							
1	SYNERGY APPLIANCES PVT. LTD.	5,04,18,400	12.00%	11.99	5,04,18,400	11.96%	11.91	-0.04%
2	SOLITAIRE APPLIANCES PVT. LTD.	5,04,18,400	12.00%	11.12	5,04,18,400	11.96%	11.96	-0.04%
3	GREENFIELD APPLIANCES PVT. LTD.	5,04,18,400	12.00%	11.96	5,04,18,400	11.96%	11.96	-0.04%
4	PLATINUM APPLIANCES PVT. LTD.	1,32,13,328	3.15%	3.10	1,32,13,328	3.14%	3.14	-0.01%
	<b>PROMOTORS GROUP</b>							
5	SHREE DHOOT TRADING AND AGENCIES LIMITED	5,04,18,400	12.00%	11.99	5,04,18,400	11.96%	11.95	-0.04%
6	VENUGOPAL NANDLAL DHOOT	12,336	0.00%	-	12,336	0.00%	0.00%	0.00%
7	ANIRUDHA VENUGOPAL DHOOT	42,336	0.01%	-	42,336	0.01%	0.01%	0.00%
8	SAURABH PRADIPKUMAR DHOOT	-	0.00%	-	14,00,000	0.33%	0.00%	0.33%
	<b>TOTAL</b>	<b>21,49,41,600</b>	<b>51.17%</b>	<b>50.16</b>	<b>21,63,41,600</b>	<b>51.33%</b>	<b>50.92</b>	<b>0.16%</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change):\***

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			21,49,41,600	51.17%	21,49,41,600	51.17%
	Changes during the year						
	Add: Allotment to Mr. Saurabh Pradipkumar Dhoot	30.01.2017	Sweat Equity Shares issued to Mr. Saurabh Pradipkumar Dhoot pursuant to Contribution Agreement between Silver Eagle Acquisition Corp. and the Company	14,00,000	0.33%	21,63,41,600	51.33%
	At the end of the year			21,63,41,600	51.33%	21,63,41,600	51.33%

**(iv) Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Shareholding at the beginning of the year (1st April, 2016)		Shareholding at the end of the year (31st March 2017)	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Deutsche Bank Trust Company Americas	15,09,99,600	35.95	15,09,99,600	35.83
2	Dome-bell Electronics India Private Limited	5,04,18,400	12.00	5,04,18,400	11.96
3	Videocon d2h Employee Welfare Trust	37,05,000	0.88	4,98,347	0.12
4	Anil Khajanchand Khara	-	0.00	2,00,000	0.05

SN	Shareholding of each Directors and each Key Managerial Personnel	Designation	Shareholding at the beginning of the year (1st April, 2016)		Shareholding at the end of the year (31st March 2017)	
			No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Saurabh Pradipkumar Dhoot	Whole-time Director	-	0.00%	14,00,000	0.33%
2	Mr. Anil Khajanchand Khera	Chief Executive Officer	-	0.00%	2,00,000	0.05%
3	Mr. Avanti Kanthalia	Chief Financial Officer	-	0.00%	49,150	0.01%
4	Ms. Amruta Karkare	Company Secretary	-	0.00%	4,000	0.00%

1. Name of the person who is the owner of the company:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. In Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
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	27,100	27,100	27,100	27,100
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**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WT/ Manager	Total Amount
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SN.	Particulars of Remuneration	Name of Directors	Total Amount
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[illegible]

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Designation Name	Chief Executive Officer	Chief Financial Officer	Company Secretary	(Rs. In Million)
1	Gross salary	30.25	7.09	1.59	38.93
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	0.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	0.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	0.00
2	Stock Option	-	-	-	0.00
3	Sweat Equity	-	-	-	0.00
4	Commission	-	-	-	-
	- as % of profit	-	-	-	0.00
	- others, specify	-	-	-	0.00
5	Others, please specify	-	-	-	0.00
	<b>Total</b>	<b>30.25</b>	<b>7.09</b>	<b>1.59</b>	<b>38.93</b>

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Videocon d2h Limited

Financial Statements (IGAAP)

March 31, 2017

Khandelwal Jain & Co.  
Chartered Accountants  
12-B, Baldota Bhavan,  
17 M .K. Road, Churchgate,  
Mumbai – 400 020, India

Kadam & Co.  
Chartered Accountants  
‘Vedant’, 8/9 Viraj Estate,  
Opp. Tarakpur Bus Stand,  
Ahmednagar – 414 003, India

## **INDEPENDENT AUDITOR’S REPORT**

TO THE MEMBERS OF,  
**VIDEOCON d2h LIMITED**

### **1 Report on the Financial Statements**

We have audited the accompanying financial statements of **VIDEOCON d2h LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **2 Management’s Responsibility for the Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 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.

### **3 Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **4 Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read with the notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its profit and its cash flows for the year ended on that date.

## **5 Emphasis of Matter**

- a) We draw attention to Note No. 35 to the financial statements. The Company has accumulated losses as at March 31, 2017 amounting to Rs. 26,184.96 million resulting in the erosion of its net worth. These factors raise a doubt that the Company may not be able to continue as a going concern. However, during the year, the company has generated cash profit of Rs. 7,295.42 million and as mentioned in the said note, the management is confident of mobilizing necessary resources for continuing the operations and generating cash flow from business operations by increasing subscribers' base. Accordingly, these financial statements have been prepared on a going concern basis.
- b) We draw attention to Note No. 37 to the financial statements. The Board of Directors of the Company has approved a scheme of arrangement for amalgamation of the Company with Dish TV India Limited and the execution of definitive agreements in relation to such amalgamation. The merged entity will be renamed as Dish TV Videocon Limited and shall continue to be listed on the National Stock Exchange of India and the BSE Limited in India. The proposed scheme of arrangement for amalgamation has received the approval of Competition Commission of India. The company has also filed application with National Company Law Tribunal (NCLT) and the shareholders have voted in favor of the scheme of arrangement of amalgamation with requisite majority in their meeting held on May 8, 2017.

Our opinion is not modified in respect of these matters.

## **6 Report on Other Legal and Regulatory Requirements**

- A) As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order.



B) As required by section 143(3) of the Act, we report that:

- a We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of these financial statements.
- d In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e The going concern matter described under the Emphasis of Matter paragraph above, in our opinion, may have adverse effect on the functioning of the Company;
- f On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- g With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- h With respect to the other matters to be included in the Independent Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its financial statements;
- (ii) The Company has made provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.;
- (iii) There was no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017; and
- (iv) The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 in note no. 2.40 and these are in accordance with the books of account maintained by the Company.

**For KHANDELWAL JAIN & CO.**

Chartered Accountants

**Firm Registration No.: - 105049W**

**For KADAM & CO.**

Chartered Accountants

**Firm Registration No.: - 104524W**

**AKASH SHINGHAL**

Partner

**Membership No. 103490**

**U. S. KADAM**

Partner

**Membership No. 31055**

Place: - Mumbai

Date: - May 29, 2017

**Annexure “A” to Independent Auditors’ Report**  
**(Referred to in paragraph 6A under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

- i
  - a The Company has maintained proper records showing full particulars, including quantitative details and situations of Fixed Assets.
  - b As explained to us, the Company has a regular program of physical verification of its fixed assets, other than consumer premises equipment (CPE) installed at the customer premises, under which fixed assets are verified in a phased manner over a period of three years. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verifications. As regards the CPEs, the existence of activated CPEs installed at the customers’ premises is considered on the basis of the active subscriber of the CPE. The CPEs lying with customers in ‘inactive status’ have not been physically verified for which impairment testing has been carried out and accordingly impairment provision is made on the same.
  - c According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.
- ii As per the information and explanations given to us, the Inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, having regard to the nature and location of stocks which mainly comprises of the accessories related to CPE’s, the frequency of physical verification is reasonable. In our opinion, the discrepancies noticed on physical verification of stocks were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.
- iii According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the said Order is not applicable.
- iv In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

- v According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Rules framed there under.
- vi According to information and explanations given to us, maintenance of cost records have not been specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 in respect of the Company's business activities.
- vii a According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, wherever applicable to it, with the appropriate authorities, though there have been slight delay in few cases. According to information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- b According to the records of the Company, the dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute, amount involved and the forum where dispute is pending are as under:

(Rs. in Millions)

Name of the Statute	Nature o the Dues	Amount Involved	Amount Paid under Protest	Period to which the amount relates	Forum where dispute is pending ITAT
Income Tax Act, 1961	Interest on Tax Deducted at Source	10.89	4.31	Assessment Year (AY) 2010-11	Income Tax-Appellate Tribunal, Mumbai.
		0.01	0.01	AY 2011-12	
		61.88	-	Assessment Year 2012-13	Commissioner of Income Tax-Appeals, Mumbai

<b>Name of the Statute</b>	<b>Nature o the Dues</b>	<b>Amount Involved</b>	<b>Amount Paid under Protest</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Finance Act, 1994 (Service Tax)	Service Tax	694.47	-	2009-10 to 2013-14	The Commissioner of Central Excise, Customs and Service Tax.
		266.23	-	2013-14 to 2014-15	
		391.77	-	2009-10 to 2013-14	
		256.99	-	2009-10 to 2014-15	
		0.77	-	2010-11	
Tripura Value Added Tax Act, 2004	Value Added Tax (including Penalty & Interest)	3.41	1.03	2011-12 to 2012-13	The Commissioner of Taxes, Agartala.
Bihar Value Added Tax Act, 2005	Value Added Tax (Penalty)	5.56	-	2015-16	The Joint Commissioner of Commercial Taxes (Appeals), Gaya.
	Value Added Tax (including Interest)	6.70	2.68	2011-12	The Commissioner of Commercial Taxes, Patna.
		4.04	1.61	2012-13	
		2.37	0.95	2013-14	
Jharkhand Value Added Tax Act, 2005	Value Added Tax (including Penalty)	12.76	-	2010-11	The Commissioner of Commercial Taxes, Ranchi.
		13.33	-	2011-12	
		7.45	1.49	2012-13	
The Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax (including Penalty & Interest)	0.59	0.15	2011-12	Appellate Deputy Commissioner of Commercial Tax, Indore.

viii According to the information and explanations given to us and records examined by us as at balance sheet date the company has not defaulted in repayment of loans or borrowings to financial institutions or banks or debenture holders.

ix The Company has not raised during the year, any money by way of initial public offer or further public offer (including debt instruments). The Company has taken Term loans during the year which have been, prima facie, applied for the purpose for which they have been taken. The Company had raised money by way of American Depository Shares (ADS's) during the financial year 2014-15 aggregating to Rs. 17,050.87 million and the same has been, prima facie, applied for the purpose for which they have been raised.

- x During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi According to the information and explanation given to us and the books of accounts verified by us, the Managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197 read with the Schedule V to the Companies Act.
- xii The Company is not a Nidhi Company. Accordingly, reporting under paragraph 3(xii) of the said Order is not applicable.
- xiii According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, except:
  - 1 As mentioned in note no. 2(g), the Company has granted Employee Stock Option Plan (ESOP), under ESOP Plan 2014, to eligible employees entitling upto 4,000,000 equity shares. The exercise price is Rs. 50 per option. Each option entitles the grantees to apply for one equity share. The Company has granted and allotted 3,705,000 equity shares to the Videocon d2h Employee Welfare Trust ('ESOP Trust') and the grant of option is administered by ESOP Trust. As per the scheme, the ESOP Trust will issue the said shares

of the Company to its eligible employees who exercise the Stock Option and have successfully completed the vesting conditions as per ESOP Plan 2014. During the year, out of 3,705,000 shares, 3,238,353 options have been granted to, accepted by and vested in employees of the company. Till March 31, 2017, the trust has issued 3,206,653 equity shares of the Company to its eligible employees who exercised the Stock Option and paid the exercise price.

2 As mentioned in note no. 2(h), in terms of Contribution agreement entered into between the Company and Silver Eagle Acquisition Corporation and pursuant to achievement of initial performance hurdle in terms of ADS's price target, the Company has:

- a) At its Board of Directors meeting held on January 30, 2017, allotted 1,400,000 equity shares to the whole time director of the Company by way of sweat equity.
- b) Obtained consent from shareholders for issue of 999,996 ADSs equivalent to 3,999,984 equity shares by way of bonus to the Depository, Deutsche Bank Trust Company Americas for the benefit of Global Eagle Acquisition LLC, the Sponsor and the Company has initiated steps for the requisite approval of Securities Exchange Commission for issue and allotment of the bonus shares.

xv According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions for acquisition of assets for consideration other than cash referred to in section 192 of the Act with the directors or persons connected with them.

xvi The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For KHANDELWAL JAIN & CO.**

Chartered Accountants

**Firm Registration No.: - 105049W**

**For KADAM & CO.**

Chartered Accountants

**Firm Registration No.: - 104524W**

**AKASH SHINGHAL**

Partner

**Membership No. 103490**

**U. S. KADAM**

Partner

**Membership No. 31055**

Place: - Mumbai

Date: - May 29, 2017



**Annexure “B” to the Independent Auditors’ Report**  
**(Referred to in paragraph 6B (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

**1 Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)**

We have audited the internal financial controls over financial reporting **VIDEOCON d2h LIMITED** (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**2 Management’s Responsibility for Internal Financial Controls**

The Company’s management 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 control over Financial Reporting issued by the Institute of Chartered Accountants of India (the ‘Guidance Note’). 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 its 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.

**3 Auditor’s Responsibility**

Our responsibility is to express an opinion on the company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing as specified under Section 143 (10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. 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 over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

### **3 Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company;
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**4 Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**5 Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

**For KHANDELWAL JAIN & CO.**

Chartered Accountants

**Firm Registration No.: - 105049W**

**For KADAM & CO.**

Chartered Accountants

**Firm Registration No.: - 104524W**

**AKASH SHINGHAL**

Partner

**Membership No. 103490**

**U. S. KADAM**

Partner

**Membership No. 31055**

Place: - Mumbai

Date: - May 29, 2017

**Videocon d2h Limited**  
(Formerly Bharat Business Channel Limited)



**Balance Sheet**  
**As at 31<sup>st</sup> March 2017**

( All amounts in ₹ Millions unless otherwise stated )

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
<b>I EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2	4,209.67	4,163.60
Reserves and Surplus	3	(4,667.65)	(5,317.82)
		<b>(457.98)</b>	<b>(1,154.22)</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-Term Borrowings	4	16,538.47	18,101.75
Other Long-Term Liabilities	5	2,365.13	2,739.59
Long-Term Provisions	6	119.68	84.49
		<b>19,023.28</b>	<b>20,925.83</b>
<b>CURRENT LIABILITIES</b>			
Trade Payables			
(a) total outstanding dues of micro enterprises and small enterprises and	7	299.32	471.19
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	7	7,447.18	7,741.92
Other Current Liabilities	8	9,093.41	10,602.62
Short-Term Provisions	9	29.74	4.50
		<b>16,869.65</b>	<b>18,820.23</b>
<b>TOTAL</b>		<b>35,434.95</b>	<b>38,591.84</b>
<b>II. ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property Plant and equipments	10	24,393.86	25,089.99
Other Intangible Assets	10	849.37	888.10
Capital Work-in-Progress		1,830.95	1,714.80
Long-Term Loans and Advances	11	2,252.13	1,726.69
		<b>29,326.31</b>	<b>29,419.58</b>
<b>CURRENT ASSETS</b>			
Inventories	12	380.85	400.23
Trade Receivables	13	1.36	2.79
Cash and Bank Balances	14	4,108.97	6,710.92
Short-Term Loans and Advances	15	1,617.46	2,058.32
		<b>6,108.64</b>	<b>9,172.26</b>
<b>TOTAL</b>		<b>35,434.95</b>	<b>38,591.84</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>	1 to 42		

As per our report of even date

**For KHANDELWAL JAIN & CO.**  
Chartered Accountants  
Firm Reg. No. - 105049W

**For KADAM & CO.**  
Chartered Accountants  
Firm Reg. No. - 104524W

For and on behalf of the Board

**SAURABH P. DHOOT** **PRADEEP R. RATHI**  
Whole Time Director Director

**AKASH SHINGHAL**  
Partner  
Membership No. 103490

**U. S. KADAM**  
Partner  
Membership No. 31055

Place: Mumbai  
Date: May 29, 2017

**AVANTI KUMAR** **AKARSHAK**  
**KANTHALIYA** **MAHESHWARI**  
Chief Finance officer Company Secretary

**Videocon d2h Limited**  
**(Formerly Bharat Business Channel Limited)**  
**Statement of Profit and Loss**  
**For the year ended March 2017**



( All amounts in ₹ Millions unless otherwise stated )

Particulars	Note No.	Year Ended 31st March 2017	Year Ended 31st March 2016
<b>INCOME</b>			
Revenue from Operations	16	30,641.68	28,375.24
Other Income	17	52.71	36.64
<b>TOTAL INCOME</b>		<b>30,694.39</b>	<b>28,411.88</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	18	266.11	177.95
Operating Expenses	19	15,925.40	16,314.84
Employee Benefits Expense	20	1,288.53	1,237.04
Finance Costs	21	2,815.88	3,142.83
Depreciation, Amortization and Impairment	10	6,867.77	6,090.09
Other expenses	22	3,103.05	2,821.74
<b>TOTAL EXPENSES</b>		<b>30,266.74</b>	<b>29,784.49</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>427.65</b>	<b>(1,372.61)</b>
Less: Tax Expense	28	-	-
- Income Tax paid for Earlier Years		-	-
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>427.65</b>	<b>(1,372.61)</b>
<b>EARNINGS PER SHARE (in ₹)</b>			
Equity Share of face value of ₹ 10/- each			
Basic	27	1.03	(3.30)
Diluted		0.95	(3.30)
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>	1 to 42		

As per our report of even date

**For KHANDELWAL JAIN & CO.**  
Chartered Accountants  
Firm Reg. No. - 105049W

**For KADAM & CO.**  
Chartered Accountants  
Firm Reg. No. - 104524W

For and on behalf of the Board

**SAURABH P. DHOOT**  
Whole Time Director

**PRADEEP R. RATHI**  
Director

**AKASH SHINGHAL**  
Partner  
Membership No. 103490

**U. S. KADAM**  
Partner  
Membership No. 31055

Place: Mumbai  
Date: May 29, 2017

**AVANTI KUMAR  
KANTHALIYA**  
Chief Finance officer

**AKARSHAK  
MAHESHWARI**  
Company Secretary

**Videocon d2h Limited**  
(Formerly Bharat Business Channel Limited)  
**Cash Flow Statement for the year ended March 31, 2017**



( All amounts in ₹ Millions unless otherwise stated )

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Tax	427.65	(1,372.61)
Adjustments for:		
Depreciation, Amortization and Impairment	6,867.77	6,090.09
Finance Costs	2,815.88	3,142.83
Provision for Leave Encashment	8.07	5.63
Provision for Gratuity	52.36	6.32
Provision for Doubtful Debts	1.92	1.04
Share Based Payments	108.25	147.51
Loss on Sale of Fixed Assets	2.38	(0.16)
<b>Operating Profit before Working Capital Changes</b>	10,284.29	8,020.65
Adjustments for:		
(Increase) / Decrease in Inventories	19.38	(58.98)
(Increase) / Decrease in Trade Receivable and Loans and Advances	426.20	(1,053.82)
Increase / (Decrease) in Other Liabilities	(977.95)	1,019.85
<b>Cash generated from Operating Activities</b>	<b>9,751.92</b>	<b>7,927.70</b>
Advance Tax Paid and Tax Deducted at Source	23.73	33.83
<b>Net Cash flow from Operating Activities</b>	<b>(A) 9,728.19</b>	<b>7,893.87</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(6,139.83)	(8,099.15)
Sale of Fixed Assets	4.54	0.58
(Increase) / Decrease in Capital Work-in-Progress	(116.15)	829.42
(Increase) / Decrease in Capital Advances	(405.05)	(908.53)
(Increase) / Decrease in Other Bank Balances	1,835.09	(2,372.22)
<b>Net Cash (used in) Investing Activities</b>	<b>(B) (4,821.40)</b>	<b>(10,549.90)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Equity Share Capital	32.07	-
Increase / (Decrease) in Securities Premium	128.27	-
Increase / (Decrease) in Long Term Borrowings	(2,971.72)	(2,777.44)
Finance Costs	(2,862.26)	(3,229.05)
<b>Net Cash flow from Financing Activities</b>	<b>(C) (5,673.65)</b>	<b>(6,006.49)</b>
Net Change in Cash and Cash Equivalents (A+B+C)	<b>(766.86)</b>	<b>(8,662.52)</b>
Cash and Cash Equivalents at beginning of the year	<b>1,428.69</b>	10,091.21
Cash and Cash Equivalents at the end of the year	<b>661.83</b>	1,428.69
Other Bank Balances	<b>3,447.14</b>	5,282.23
Cash and Bank Balances at the end of the year (Refer Note No. 14)	<b>4,108.97</b>	6,710.92

**Notes**

1. The cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 Cash Flow statements as specified in the Companies (Accounting Standards) Rules, 2006

As per our report of even date

**For KHANDELWAL JAIN & CO.**      **For KADAM & CO.**  
Chartered Accountants      Chartered Accountants  
Firm Reg. No. - 105049W      Firm Reg. No. - 104524W

For and on behalf of the Board

**AKASH SHINGHAL**  
Partner  
Membership No. 103490

**U. S. KADAM**  
Partner  
Membership No. 31055

**SAURABH P. DHOOT**  
Whole Time Director

**PRADEEP R. RATHI**  
Director

Place: Mumbai  
Date: May 29, 2017

**AVANTI KUMAR**  
**KANTHALIYA**  
Chief Finance officer

**AKARSHAK**  
**MAHESHWARI**  
Company Secretary

## **Company Overview**

Videocon d2h Limited (Formerly Bharat Business Channel Limited) (“the Company”) is in to the business of providing Direct to Home (DTH) services to its subscribers. The Company has entered into a License Agreement with the Ministry of Information and Broadcasting to provide DTH Services. The DTH services are rendered to subscribers through Consumer Premises Equipment (CPE) used for receiving and broadcasting DTH signals at subscriber’s premises.

The company’s American Depositary Shares representing equity shares are also listed on the NASDAQ Stock Exchange.

## **1. Significant Accounting policies**

### **1.1 Basis for preparation of Financial Statements**

- a) The financial statements are prepared and presented under the historical cost convention using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 2013 and notified sections, schedules and rules of the Companies Act 2013, including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

#### **b) Use of Estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income tax and the useful lives of fixed assets. The difference between the actual results and estimates are recognized in the year in which results are known or materialized.

### **1.2 Fixed Assets/Capital Work in Progress**

- a) Tangible Fixed Assets are stated at cost of acquisition less accumulated depreciation/amortization and impairment loss, if any. The cost is inclusive of freight, installation cost, duties, taxes, borrowing cost and other incidental expenses for bringing the asset to its working conditions for its intended use but net of CENVAT and Value Added Tax, wherever input credit is claimed.
- b) Consumer Premises Equipments are capitalized on Activation.
- c) Intangible Assets, which include License Fees, Computer Software, Technical Know-how

(Formerly Bharat Business Channel Limited)

and Brand Development, are measured at cost of acquisition and development and are stated at cost less accumulated amortization and impairment, if any.

- d) Capital Work in Progress is stated at cost, comprising of direct Cost, attributable borrowing cost and related incidental expenditure. All expenses incurred for acquiring, erecting and commissioning of fixed assets and incidental expenditure incurred during construction of the projects are shown under Capital Work in Progress.

### 1.3 Inventories

Inventories are valued at the lower of cost or net realizable value. Cost comprises of purchase costs and other costs incurred in bringing such inventories to their present location and condition. Cost is determined on Weighted Average Basis.

### 1.4 Depreciation and Amortization

(A) Tangible Assets:

- a. With effect from April 01, 2014, depreciation on tangible fixed assets is provided on the straight line method as per useful life prescribed in Schedule II to the Companies Act, 2013 as under:

Assets	Useful Life
<b>Land and Building</b>	
Building	30 Years
<b>Equipment &amp; Machinery</b>	
Plant and Machinery	13 – 15 years
Computer hardware	3-6 years
<b>Other assets (Furniture &amp; Fixtures and Vehicle)</b>	
Furniture & Fixtures	10 years
Vehicles	8 years

- b. In the case of Consumer Premises Equipments which is depreciated over the useful life of 7 years, which is different from the useful life prescribed in Schedule II i.e. 13 years as per technical advice taken of the management.
- c. Leasehold Land is amortized over the period of primary lease.



**(B) Intangible Assets:**

Intangible assets are amortized over their useful life as follow:

- a) License fee for DTH License is amortized over the period of license.
- b) Computer Software is amortized over the period of 5 years or the period of license whichever is less.
- c) Technical Know-how and Designs, Brand Development are amortized over the period of 10 years.

**1.5 Revenue Recognition**

- a) Subscription revenue from DTH services is recognized on accrual basis on rendering of the services and is net of applicable taxes and any discount given.
- b) Activation revenue is recognized on the date of activation and is net of applicable taxes and any discount given.
- c) Revenue from installation is recognized on completion of the installation and is net of applicable taxes.
- d) Revenue on account of sale of Set Top Box (STB), accessories and goods is recognized when the goods are dispatched and are net of applicable taxes, discounts and rebates.
- e) In respect of Consumer Premises Equipments given on operating lease, lease rentals are recognized as revenue (net of applicable taxes) as per the terms of contract over the period of lease on straight line basis.
- f) Access revenue fees are recognized as revenue over the estimated customer relationship period and are net of applicable taxes, discount and rebates.
- g) Revenue from other services are recognized on rendering of the service and is net of applicable taxes.
- h) Interest income is recognized on time proportion basis taking into account the amount invested and the rate of interest.

**1.6 Impairment of Assets**

The Fixed Assets or a group of assets (Cash Generating Unit) are reviewed for impairment at each Balance Sheet date. In case of any such indication, the recoverable amount of these assets or group of assets is assessed, and if such recoverable amount of the assets or cash generating unit to which the assets belongs is less than it's carrying amount, the impairment loss is recognized by writing down such assets to their recoverable amount. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

## **1.7 Leases**

- a) 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.
- b) Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as 'Operating Leases'. Rentals in respect of Operating Leases are recognized as an expense / income in the Statement Profit and Loss on a basis which reflect the time pattern of such payment / receipt appropriately.
- c) Initial direct cost incurred specifically to earn revenue from operating lease are deferred and allocated to income over the estimated period in which the benefit is expected to be derived from the use of related leased assets, in proportion to the recognition of lease rental income.

## **1.8 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year 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 potential dilutive equity shares, except where result would be anti-dilutive.

## **1.9 Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets till the time they are ready for intended use are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

## **1.10 Foreign Currency Transactions**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Foreign Currency Monetary Assets and Liabilities are translated at the year-end rate. The difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognized, as the case may be, as

### **1.11 CENVAT/VAT Credit**

The CENVAT / VAT credit available on purchase of materials, capital goods and other eligible inputs is adjusted against service tax / output VAT payable. The unadjusted CENVAT/VAT credit is shown under the head "Short Term Loans and Advances" until the same is adjusted against service tax / output VAT payable.

### **1.12 Employees Benefits**

#### **a) Short Term Employees Benefits**

All employee benefits payable within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, and bonus etc., are recognized in the Statement Profit and Loss in the period in which the employee renders the related service.

#### **b) Long Term Employee Benefits**

##### **i) Provident Fund and employees' state insurance schemes**

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employees and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India.

The Company's contributions to both these schemes are expensed. The Company has no further obligations under these plans beyond its monthly contributions.

##### **ii) Gratuity**

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company contributes for the Gratuity Plan based on independent actuarial valuations in accordance with Accounting Standard 15 (revised), "Employee Benefits" at the end of every Financial Year. The present value of obligation under gratuity is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Statement of Profit and Loss as income or expenses.

**iii) Leave Encashment and Other long term benefit**

Liability in respect of leave encashment for complete financial year is determined using the projected unit credit method with independent actuarial valuations as on the Balance Sheet date and gains/losses are recognized immediately in the Statement Profit and Loss.

**c) Share-based Payments:**

The employee stock option plan (ESOP) and sweat equity share are measured by reference to fair value in accordance with Guidance Note on Employee Share-based payments issued by Institute of Chartered Accountants of India at the date at which equity instruments are granted and is recognized as an expenses over the vesting period, which ends on the date on which the employee becomes fully entitled to the award. Fair value for ESOP is determined by using Black Scholes Model of valuation and for sweat equity using weighted average of book value and discounted cash flow.

### **1.13 Taxation**

Income tax comprises of current tax and deferred tax. Provision for current income tax is made on the assessable income/benefits at the rate applicable to relevant assessment year. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the Balance Sheet date. The carrying amount of deferred tax asset/liability are reviewed at each Balance Sheet date and recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future. However deferred tax arising from unabsorbed depreciation / brought forward business losses is recognised only when there is virtual certainty supported by convincing evidence that such asset will be realized.

### **1.14 Provisions, Contingent Liabilities and Contingent Assets**

The Company recognize 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 obligation and the amount of such obligation can be reliably estimated. Provisions 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 by way of Notes to Accounts. Disputed demands in respect of Central Excise, Customs, Income-tax, Sales Tax and Others are disclosed as contingent liabilities. Payment in respect of such demands, if any, is shown as an advance, till the final outcome of the matter and where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognized in the financial statements.

**Videocon d2h Limited**  
**(Formerly Bharat Business Channel Limited)**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**



Particulars	As at 31st March 2017 ( ₹ in Millions)		As at 31st March 2016 ( ₹ in Millions)	
<b>2. SHARE CAPITAL</b>				
(a) <b>Authorized:</b> 500,000,000 (Previous Year 500,000,000) Equity Shares of ₹ 10/- each	<b>5,000.00</b>		<b>5,000.00</b>	
<b>Issued, Subscribed and Fully Paid-up:</b> 420,064,600 Equity Shares (Previous year : 420,064,600 Equity shares) of ₹ 10/- each fully paid-up. Add: Sweat Equity shares issued 1,400,000 equity shares (Previous year : Nil) of Rs 10/- each Less: Amount recoverable from ESOP Trust for 3,705,000 Equity shares of ₹ 10/- each	<b>4,200.65</b>  <b>14.00</b>  <b>(4.98)</b>	<b>4,200.65</b>  <b>-</b>  <b>4,209.67</b>	<b>4,200.65</b>  <b>-</b>  <b>(37.05)</b>	<b>4,163.60</b>  <b>-</b>  <b>4,163.60</b>
(b) The Company has only one class of share referred to as equity share having a par value of ₹ 10/-. Each holder of equity shares is entitled to equal right of voting and dividend.	<b>4,209.67</b>		<b>4,163.60</b>	
(c) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company and after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
(d) 23,360,000 Equity shares of Rs 10/- each were issued as fully paid bonus shares by capitalisation of Securities Premium amount during financial year 2015-16.				
(e) <b>The details of Shareholders holding more than 5% of Equity Shares are as under:</b>				
<b>Name of Shareholders</b>	<b>As at 31st March 2017</b>		<b>As at 31st March 2016</b>	
	<b>No. of Shares</b>	<b>% of holding</b>	<b>No. of Shares</b>	<b>% of holding</b>
Shree Dhoot Trading and Agencies Limited	50,418,400	12.00	50,418,400	12.00
Solitaire Appliances Private Limited	50,418,400	12.00	50,418,400	12.00
Greenfield Appliances Private Limited	50,418,400	12.00	50,418,400	12.00
Synergy Appliances Private Limited	50,418,400	12.00	50,418,400	12.00
Dome- Bell Electronics India Private Limited	50,418,400	12.00	50,418,400	12.00
Deutsche Bank Trust Company Americas, as Depository	150,999,600	*	150,999,600	*
* Held by Deutsche Bank Trust Company as Depository for American Depository Shares (ADS)				
(f) <b>Reconciliation of the Equity Shares outstanding is set out below:</b>				
<b>Particulars</b>	<b>As at 31st March 2017</b>		<b>As at 31st March 2016</b>	
	<b>No. of Shares</b>	<b>( ₹ in Millions)</b>	<b>No. of Shares</b>	<b>( ₹ in Millions)</b>
At the beginning of the year	420,064,600	4,200.65	392,999,600	3,930.00
Add: Issued during the year	1,400,000	14.00	27,065,000	270.65
At the end of the year	<b>421,464,600</b>	<b>4,214.65</b>	<b>420,064,600</b>	<b>4,200.65</b>
(g) The company, under ESOP Plan 2014, has given an option to its eligible employees entitling upto 4,000,000 equity shares. Each option pursuant to the ESOP Plan 2014 entitles the grantees to apply for one equity share. The exercise price is Rs 50 per option. So far the company has granted option of 3,705,000 equity shares and the grant is administered by ESOP Trust named Videocon d2h Employee Welfare Trust. The Company has allotted these number of shares to ESOP Trust pursuant to shareholders consent in Extra Ordinary General Meeting held on Septemebr 25, 2015. Out of 3,705,000 shares, 3,238,353 options have been granted to, accepted by and vested in employees of the company. Till March 31, 2017, the trust has issued 3,206,653 nos of equity shares of the Company to its eligible employees who exercised the Stock Option and paid the exercise price				
(h) In terms of Contribution agreement entered between the Company and Silver Eagle Acquisition Corporation and pursuant to achievement of initial performance hurdle in terms of ADSs price target;				
(i) The Board of Directors of the Company, at their meeting held on January 30, 2017, allotted 1,400,000 equity shares to Mr Saurabh P Dhoot by way of sweat equity.				
(ii) Issuance of 999,996 earn out ADSs equivalent to 3,999,984 equity shares by way of bonus to Deutsche Bank Trust Company Americas, the Depository for the benefit of Global Eagle Acquisition LLC, the Sponsor in terms of Article of Association of the Company is pending for regulatory process completion. The company had obtained the consent of Shareholders by passing an ordinary resolution in Extra Ordinary General Meeting held on September 25, 2015 for the same.				
<b>3. RESERVES AND SURPLUS</b>			<b>As at 31st March 2017 ( ₹ in Millions)</b>	<b>As at 31st March 2016 ( ₹ in Millions)</b>
<b>Securities Premium Account</b>				
At the beginning of the year			21,147.28	21,380.88
Add: Received during the year			-	-
Add: Transferred from Employee Stock option outstanding			241.76	-
Less: Utilized during the year			-	(233.60)
			21,389.04	21,147.28
Add: Received from ESOP Trust			148.20	148.20
Less: Recoverable from ESOP trust			(19.93)	(148.20)
			128.27	-
At the end of the year	(a)		<b>21,517.31</b>	<b>21,147.28</b>
<b>Employee Stock Option Outstanding</b>				
At the beginning of the year			147.51	147.51
Add: Received during the year			94.25	-
Less: Utilized during the year			(241.76)	-
At the end of the year			-	<b>147.51</b>
<b>Surplus/(Deficit) in Statement of Profit and Loss</b>				
At the beginning of the year			(26,612.61)	(25,240.00)
Add: Profit/(Loss) for the year			427.65	(1,372.61)
At the end of the year	(c)		<b>(26,184.96)</b>	<b>(26,612.61)</b>
<b>Total (a+b+c)</b>			<b>(4,667.65)</b>	<b>(5,317.82)</b>

Particulars	As at 31st March 2017		As at 31st March 2016	
	Non Current	Current	Non Current	Current
	( ₹ in Millions)		( ₹ in Millions)	
<b>4. LONG-TERM BORROWINGS</b>				
Secured				
Rupee Term Loans from Banks & Financial Institutions	16,302.63	3,643.75	18,096.38	5,052.19
Unsecured				
Finance Lease Obligation	235.84	138.23	5.37	17.77
<b>Total</b>	<b>16,538.47</b>	<b>3,781.98</b>	<b>18,101.75</b>	<b>5,069.96</b>

(a) The above Rupee Term Loans from Banks are secured by first pari passu charge by way of equitable mortgage on the entire immovable assets, hypothecation of entire movable assets, both present and future, first charge on escrow accounts and debt service reserve account, assignment of DTH license, guarantee of Corporate Promoters and personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot. Out of the above:

(i) The Rupee Term Loans of ₹ 1,260 mn (Previous Year ₹ 5,830 mn) are also secured by pledge and non-disposal undertaking respectively of 30% and 21% equity shares of the Company paid up at the time of sanction, corporate guarantees of Videocon Industries Limited and one non promoter corporate shareholder of the Company.

(ii) The Rupee Term Loans of ₹ 1,925 mn (Previous Year ₹ 2000 Mn) are also secured by mortgage of various properties of group entities and personal guarantees of Mr Saurabh P Dhoot and Mr R.N. Dhoot .

(b) The rate of interest range from 12.08 % to 13.90 % per annum.

(c) The repayment of the loan is scheduled as below :

Year	( ₹ in Millions)
Apr 17 to Mar 18	3,643.75
Apr 18 to Mar 19	3,655.00
Apr 19 to Mar 20	4,634.38
Apr 20 to Mar 21	5,222.63
Apr 21 to Mar 22	1,562.50
Apr 22 to Mar 23	1,228.13

(d) Periodic finance lease obligations are as below:

Period	( ₹ in Millions)
Apr 17 to Mar 18	138.23
Apr 18 to Mar 19	148.99
Apr 19 to Mar 20	86.86

Particulars	As at As at 31st March 2017 ( ₹ in Millions)	As at 31st March 2016 ( ₹ in Millions)
<b>5. OTHER LONG-TERM LIABILITIES</b>		
Income Received in Advance	2,365.13	2,739.59
<b>Total</b>	<b>2,365.13</b>	<b>2,739.59</b>
<b>6. LONG-TERM PROVISIONS</b>		
Provision for Leave Encashment	34.36	31.45
Provision for Gratuity	85.32	53.04
<b>Total</b>	<b>119.68</b>	<b>84.49</b>
<b>7. TRADE PAYABLES</b>		
total outstanding dues of micro enterprises and small enterprises and {Includes Acceptance of ₹ 237.38 mn (Previous Year ₹ 327.42mn)} (Refer Note No. 33 (b))	299.32	471.19
total outstanding dues of creditors other than micro enterprises and small enterprises {Includes Acceptance of ₹ 957.79 mn (Previous Year ₹ 1,497.92mn)} (Refer Note No. 33 (a))	7,447.18	7,741.92
	<b>7,746.50</b>	<b>8,213.11</b>
<b>8. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Rupee Term Loans from Banks (Refer Note No. 4)	3,643.75	5,052.19
Current Maturities of Finance Lease Obligation	138.23	17.77
Interest Accrued but not due on Borrowings	12.42	4.68
Income Received in Advance	4,560.34	4,602.50
Payable for Fixed Assets {Includes Acceptance of ₹ 140.43 mn (Previous Year ₹ 272.17 mn) (Refer Note No. 34 )	246.73	450.78
Other Payables {includes statutory dues of ₹ 253.34 mn (previous year 219.01 mn) & retention money of ₹ 174.95 mn (previous year ₹ 202.47 mn)}	491.94	474.70
<b>Total</b>	<b>9,093.41</b>	<b>10,602.62</b>
<b>9. SHORT-TERM PROVISIONS</b>		
Provision for Leave Encashment	8.86	3.70
Provision for Gratuity	20.88	0.80
<b>Total</b>	<b>29.74</b>	<b>4.50</b>

10. Property Plant and equipments

( ₹ in Millions)

Particulars	Gross Block				Depreciation, Amortization and Impairment					Net Block	
	As at 01st April, 2016	Additions During the year	Deductions	As at 31st March, 2017	As at 01st April, 2016	For the period	Adjustment	Deductions	Upto 31st March, 2017	As at 31st March, 2017	As at 01st April, 2016
<b><u>Property Plant and equipments *</u></b>											
Lease Hold Land	135.74	-	-	135.74	11.73	1.68	-	-	13.41	122.33	124.01
Building	243.98	1.02	-	245.00	48.70	8.17	-	-	56.87	188.13	195.28
Plant and Machinery *	3,583.40	80.54	-	3,663.94	1,375.78	288.75	-	-	1,664.53	1,999.41	2,207.61
Consumer Premises Equipments (CPE)* #	40,594.13	5,863.49	504.49	45,953.13	18,351.25	6,413.74	(164.81)	489.93	24,110.25	21,842.84	22,242.85
Electrical Installations	207.46	0.96	0.28	208.14	86.92	27.52	-	0.16	114.28	93.86	120.54
Furniture and Fixtures	67.29	1.42	0.05	68.66	26.61	8.02	-	0.02	34.61	34.05	40.68
Office Equipments	39.87	1.94	0.05	41.76	27.21	4.76	-	0.04	31.93	9.83	12.66
Computers *	706.58	21.01	0.02	727.57	569.79	55.08	-	0.02	624.85	102.72	136.79
Vehicles	20.23	-	17.84	2.39	10.66	2.12	-	11.08	1.70	0.69	9.57
<b>Sub-Total</b>	<b>45,598.68</b>	<b>5,970.38</b>	<b>522.73</b>	<b>51,046.33</b>	<b>20,508.65</b>	<b>6,809.84</b>	<b>(164.81)</b>	<b>501.25</b>	<b>26,652.43</b>	<b>24,393.86</b>	<b>25,089.99</b>
<b><u>Other Intangible Assets</u></b>											
License Fees	100.00	-	-	100.00	70.37	11.11	-	-	81.48	18.52	29.63
Computer Software	566.04	46.66	-	612.70	459.10	57.27	-	-	516.37	96.34	106.94
Technical Know-how and Designs *	274.87	137.34	-	412.21	172.51	31.82	-	-	204.33	207.88	102.37
Brand Development	1,225.31	-	-	1,225.31	576.15	122.53	-	-	698.68	526.63	649.16
<b>Sub-Total</b>	<b>2,166.22</b>	<b>184.00</b>	<b>-</b>	<b>2,350.22</b>	<b>1,278.13</b>	<b>222.73</b>	<b>-</b>	<b>-</b>	<b>1,500.86</b>	<b>849.37</b>	<b>888.10</b>
<b>Total as at 31st March, 2017</b>	<b>47,764.90</b>	<b>6,154.38</b>	<b>522.73</b>	<b>53,396.55</b>	<b>21,786.78</b>	<b>7,032.57</b>	<b>(164.81)</b>	<b>501.25</b>	<b>28,153.29</b>	<b>25,243.23</b>	<b>25,978.09</b>
<b>Total as at 31st March, 2016</b>	<b>39,666.84</b>	<b>8,099.13</b>	<b>1.07</b>	<b>47,764.90</b>	<b>15,697.36</b>	<b>210.01</b>	<b>5,880.08</b>	<b>0.65</b>	<b>21,786.78</b>	<b>25,978.09</b>	

\* It includes assets acquired on finance lease having gross capitalized value of ₹ 566.06 Mn , accumulated depreciation as on March 31, 2017 of ₹ 56.56 Mn (previous year ₹ 14.41 Mn) and WDV as on March 31, 2017 of ₹ 509.50 Mn (Previous year ₹ 43.47 Mn)

# The Company has made assessment as at 31st March 2017 for any indication of impairment in the carrying amount of the fixed assets and has determined that the impairment loss / (gain) on certain CPEs of ₹ (164.81) Mn which has been included in the depreciation, amortization and impariment for the period (Previous Year ₹ 210.01 Mn)



Particulars	As at 31st March 2017 (₹ in Millions)	As at 31st March 2016 (₹ in Millions)
<b>11. LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Capital Advances	1,975.10	1,570.05
Deposits	168.80	72.14
Advance Income Tax and TDS	108.23	84.50
<b>Total</b>	<b>2,252.13</b>	<b>1,726.69</b>
<b>12. INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Consumables and Spares (including Material-in-Transit)	380.85	400.23
<b>Total</b>	<b>380.85</b>	<b>400.23</b>
<b>13. TRADE RECEIVABLES</b>		
<b>(Unsecured)</b>		
Outstanding for a period exceeding six months		
Considered Good	-	-
Considered Doubtful	3.07	1.15
	3.07	1.15
Less: Provision for Doubtful Debts	3.07	1.15
	-	-
Others - Considered Good	1.36	2.79
<b>Total</b>	<b>1.36</b>	<b>2.79</b>
<b>14. CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Cash on hand	1.60	3.75
Balances with Banks in Current Accounts	660.23	174.94
Balances with Banks in Fixed Deposits (Maturity of less than 3 months)	-	1,250.00
<b>Sub Total</b>	<b>661.83</b>	<b>1,428.69</b>
<b>Other Bank Balances</b>		
Fixed Deposits (held as margin money for credit facilities and other commitments)		
- Maturity of more than 3 months & less than 12 months *	2,889.10	4,869.86
- Maturity of more than 12 months	558.04	412.37
<b>Sub Total</b>	<b>3,447.14</b>	<b>5,282.23</b>
<b>Total</b>	<b>4,108.97</b>	<b>6,710.92</b>
<b>15. SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Deposits	28.71	19.14
Interest Receivables	223.96	142.80
Balance with Central Excise / VAT Authority	585.85	1,067.42
Other Loans and Advances **	778.94	828.96
<b>Total</b>	<b>1,617.46</b>	<b>2,058.32</b>

\* A lien is marked on Fixed Deposits amounting to ₹ 2,000 Mn towards credit facility availed by a group entity from a bank.

\*\* Includes an inter corporate deposit of ₹ 500 Mn (Previous year- ₹ 500 Mn)

Particulars	Year Ended 31st March 2017 (₹ in Millions)	Year Ended 31st March 2016 (₹ in Millions)
<b>16. REVENUE FROM OPERATIONS</b>		
Income from DTH Services		
Subscription Revenue	28,059.54	26,024.69
Other Operating Revenue	317.19	483.50
Bandwidth Charges	1,033.72	744.02
Lease Rentals	1,143.83	1,032.46
Sales - Set Top Box and Other Accessories	87.40	90.57
<b>Total</b>	<b>30,641.68</b>	<b>28,375.24</b>
<b>17. OTHER INCOME</b>		
Exchange gain	14.73	-
Miscellaneous Income	37.98	36.64
<b>Total</b>	<b>52.71</b>	<b>36.64</b>
<b>18. COST OF MATERIALS CONSUMED</b>		
Material and Components Consumed		
Opening Stock	400.23	341.25
Add: Purchases	246.73	236.93
	646.96	578.18
Less: Closing Stock	380.85	400.23
<b>Total</b>	<b>266.11</b>	<b>177.95</b>
<b>19 OPERATING EXPENSES</b>		
Content and Programming costs	12,250.51	10,796.54
License fees and taxes	1,721.56	3,342.91
Space segment charges and fees	1,602.92	1,555.40
Installation and service expenses	7.73	273.42
IT support costs	342.68	346.57
<b>Total</b>	<b>15,925.40</b>	<b>16,314.84</b>
<b>20 EMPLOYEE BENEFITS EXPENSE</b>		
Salary, Wages and Other Benefits *	1,207.38	1,162.59
Contribution to Provident and Other Funds	49.36	43.42
Staff Welfare	31.79	31.03
<b>Total</b>	<b>1,288.53</b>	<b>1,237.04</b>
* Includes Rs 108.25 Mn towards share based payment (Previous Year Rs 147.51 Mn)		
<b>21 FINANCE COSTS (NET)</b>		
<b>Interest &amp; Bank Charges</b>		
On Fixed period Borrowings	2,666.20	3,406.48
On Others	340.94	348.19
Bank Charges	177.00	112.65
<b>Less:</b>		
Interest Income	368.26	724.48
<b>Total</b>	<b>2,815.88</b>	<b>3,142.83</b>

<b>Particulars</b>	<b>Year Ended 31st March 2017 ( ₹ in Millions)</b>	<b>Year Ended 31st March 2016 ( ₹ in Millions)</b>
<b>22 OTHER EXPENSES</b>		
<b>a) SELLING AND DISTRIBUTION EXPENSES</b>		
Advertisement and Marketing Expenses	955.73	966.42
Customer Support Services	1,304.70	1,131.71
Distribution Expenses	28.88	20.72
<b>Total Selling and distribution expenses</b>	<b>2,289.31</b>	<b>2,118.85</b>
<b>b) ADMINISTRATIVE EXPENSES</b>		
Power and Fuel	93.69	88.06
Rates and Taxes	2.01	25.99
Rent	118.08	116.16
Printing and Stationery	13.18	15.54
Repairs and Maintenance :		
Building	0.16	3.65
Plant and Machinery	5.84	8.65
Others	18.44	18.43
Insurance Expenses	21.49	13.98
Auditors' Remuneration	5.52	5.00
Directors' Sitting Fees	0.94	1.10
Legal and Professional Charges	219.88	84.66
Communication Expenses	26.09	29.37
Travelling and Conveyance Expenses	159.19	159.92
Exchange Fluctuation Loss (Net)	-	42.40
Provision for Doubtful Debts	1.92	1.04
Bad Debts	2.31	0.09
Office and General Expenses	125.00	88.85
<b>Total-Administrative expenses</b>	<b>813.74</b>	<b>702.89</b>
<b>Total-Other expenses</b>	<b>3,103.05</b>	<b>2,821.74</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**(All amounts in ₹ Millions unless otherwise stated)**

**23 Capital Commitment and contingent liability**

**(a) Capital Commitment**

Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances) ₹ 619.54 million (Previous Year ₹ 301.27 million).

**(b) Contingent liabilities not provided for**

<b>Particulars</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
DTH license fees ( <i>Refer below Sub Note (i)</i> )	6,413.67	5,052.91
Counter guarantees given for guarantees given by the bankers	968.86	972.50
Entertainment tax ( <i>Refer below Sub Note (ii)</i> )	297.18	683.22
Tax deducted at source ( <i>Refer below Sub Note (iii)</i> )	61.88	72.77
Letters of credit opened by a bank	9.33	29.50
Service Tax ( <i>Refer below Sub Note (iv)</i> )	1,610.23	1,610.23
Value Added Tax	56.21	74.74
Lien mark on fixed deposit for borrowings by a group entity	2,000.00	2,000.00
	<b>11,417.36</b>	<b>10,495.88</b>

**Sub Notes**

i) DTH License fee payable by the Company is calculated on adjusted gross revenue in accordance with the judgment given by TDSAT in the petition No. 92(C) and 93 (C) of 2009 dated 28th May 2010 and the same is provided for in the books of account. The Company has received a demand notice dated March 24, 2014 from Ministry of Information & Broadcasting demanding additional license fees of ₹ 1,582.89 million (including interest of ₹ 272.44 million) on the difference between gross revenue and adjusted gross revenue upto financial year 2012-13. The Company has filed a petition before TDSAT challenging the demand on, among others, the grounds of arbitrariness, non following principals of natural justice and during pendency of appeal before the Hon'ble Supreme Court dealing with the issue of license fees to be paid by DTH operators etc. and an interim stay has been granted for the payment of this demand. As per the stand of Ministry of Information and Broadcasting there would be a claim for additional license fees for financial year 2013-14 to 2016-17 of ₹ 4,830.79 million. Pending the matter for further hearing and final outcome, no provision is considered necessary by the management.

(ii) (a) In respect of Entertainment Tax in various States, the Company has preferred appeals / writ petitions in the High Court / Supreme Court challenging the applicability of Entertainment Tax to the Company. Pending the final outcome of these appeals / petitions, the Company has paid under

**(Formerly Bharat Business Channel Limited)**

protest and provided for the disputed liability, except for the disputed amount of ₹96.71 million (Previous Year ₹74.50 million) in respect of one state (Previous year two states).

(ii) (b) Further, the company has received show cause notice (SCN) dated 29 December, 2015 from the office of Commissioner of Entertainment Tax, Uttar Pradesh, asking the company to show cause as to why an additional demand of Rs 422.95 million together with interest of Rs 185.77 million upto 31st December, 2015 should not be raised on the company. The company has replied to the said SCN explaining that the amount in the notice is incorrect and that the Company has paid the entertainment tax dues as per its working even though writ petition is pending.

The office of Commissioner of Entertainment Tax, Uttar Pradesh has after reviewing the company's response to (SCN) has reduced the demand from Rs. 422.95 million to Rs. 137.95 million and interest thereon was reduced from Rs. 185.77 million to Rs. 62.52 million. The company has paid under protest one third of total demand as per court order amounting to Rs 69.03 million. The company has filed an appeal before Honorable High Court and pending the matter under litigation, no provision is considered necessary by the management.

iii) The Company had received demand notices for non-deduction of income tax at source from certain payments and interest thereon for Assessment Year 2010-11, 2011-12 and 2012-13. The Company had filed appeals against the said orders and demand notices. The appeals for Assessment years 2010-11 and 2011-12 have been disposed off by the Commissioner of Income Tax (Appeals) who has granted substantial relief. Based on the decisions of the first appellate authority, the Assessing officer has revised the demand at ₹ 12.70 million for the Assessment Year 2010-11, ₹ 12.31 million for the Assessment Year 2011-12 and ₹ 74.41 million for Assessment year 2012-13. The Company has preferred appeal before the Appellate Tribunal for Assessment Year 2010-11 & 2011-12. The Company has provided for ₹ 12.70 million for the Assessment Year 2010-11, ₹ 12.31 million for Assessment Year 2011-12 and ₹ 12.53 million for Assessment Year 2012-13 and no further provision is considered necessary by the management.

iv) (a) The Company has received two show cause notice dated June 13, 2014 and October 15, 2015 from Commissioner of Customs, Central Excise and Service Tax with regard to service tax on Advance Usage charges i.e., rental charges collected from the subscribers towards the usage of Set Top Boxes by the subscribers. The amount of service tax involved in respective show cause notices are ₹ 694.47 million (excluding interest) for the period from April 2009 to December 2013 and ₹ 266.23 million (excluding interest) for the period from January 2014 to March 2015.

The Company had submitted its reply to Commissioner of Central Excise, Customs and Service Tax, Aurangabad to both the notice on October 20, 2016. The Commissioner of Central Excise,

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Customs and Service Tax, Aurangabad has further issued an order which is received by the company on April 20, 2017 confirming the demand of original Show cause notice. The Company is in the process of filing the appeal in CESAT against the order of the Commissioner of Central Excise, Customs and Service Tax, Aurangabad. Pending the matter under litigation, no provision is considered necessary by the management

iv) (b) The Company has received two show cause notice dated June 13, 2014 and October 15, 2015 from Commissioner of Customs, Central Excise and Service Tax with regard to service tax on Advance Usage charges i.e., rental charges collected from the subscribers towards the usage of Set Top Boxes by the subscribers. The amount of service tax involved in respective show cause notices are ₹ 694.47 million (excluding interest) for the period from April 2009 to December 2013 and ₹ 266.23 million (excluding interest) for the period from January 2014 to March 2015.

The Company had submitted its reply to Commissioner of Central Excise, Customs and Service Tax, Aurangabad to both the notice on October 20, 2016. The Commissioner of Central Excise, Customs and Service Tax, Aurangabad has issued an order which is received by the company on 20.04.17 confirming the demand of original Show Cause notice issued by its office and dropped the Show Cause Notice issued by DGCEI Mumbai. The Company is in the process of filing the appeal in CESAT against the order of the Commissioner of Central Excise, Customs and Service Tax, Aurangabad. Pending the matter under litigation, no provision is considered necessary by the management.

**24 Disclosure of related parties/related party transactions pursuant to Accounting Standard (AS) 18 “Related Party Disclosures”**

**i) List of related parties (As identified and certified by the management)**

**(a) List of related parties where control exists – NIL**

**(b) Name of Key Management Personnel -**

Mr. Saurabh P. Dhoot (Whole Time Director)

Mr. Anil Khera (Chief Executive Officer)

Mr. Avanti Kumar Kanthaliya (Chief Finance Officer)

Mrs. Amruta Karkare (Company Secretary)

**(c) Relative of Key Management Personnel with whom transactions have taken place during the year.**

Mrs. Shelly Anil Khera (Wife of Mr. Anil Khera)

**ii) Details of transactions with related parties -**

<b>Particulars</b>		<b>Year Ended 31<sup>st</sup> March 2017</b>	<b>Year Ended 31<sup>st</sup> March 2016</b>
a.	Payment of salaries / remuneration / perquisites (including shares issued under Sweat Equity and Employees Stock Option Plan)		
	Key Management Personnel		
	Mr. Saurabh P. Dhoot	<b>18.77</b>	-
	Mr. Anil Khera	<b>30.25</b>	20.29
	Mr. Avanti Kumar Kanthaliya	<b>7.09</b>	5.63
	Mrs. Amruta Karkare	<b>1.59</b>	1.41
b.	Rent paid		
	Relative of Key Management Personnel		
	Mrs. Shelly Anil Khera (Inclusive of Service Tax)	<b>0.88</b>	1.57

**iii) Amount due to related parties -**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2017</b>	<b>As at 31<sup>st</sup> March 2016</b>
Rent payable to relative of Key Management Personnel	-	0.30

**25 Operating Lease**

**a) In Respect of Assets taken on Operating Lease:**

The Company's leasing arrangements are in respect of operating leases for premises (for offices and warehouses) and Transponder. These leasing arrangements are not non-cancellable and are usually renewable by mutual consent on mutually agreeable terms. The period of the agreements vary between 1 to 5 years in the case of office premises and between 11 months to 5 years in the case of warehouse premises. The period of the agreement is 3 years in case of transponders. The aggregate lease rentals payable are as rent on time pattern.

**b) In Respect of Assets given under Operating Lease:**

The Company has leased out Consumer Premises Equipments (CPE) to its subscribers whereby,

- the Company effectively retains substantially all the risk and benefits of ownership of the leased assets,
- these lease are cancellable at the option of lessee or lessor at any time during the period of lease,
- on the expiry of initial term, the Company reserves rights to renew the lease or may use the same as beneficial to the Company. Accordingly the lease of CPE has been classified

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as the operating lease. The gross book value of such assets, its accumulated depreciation (including impairment) and depreciation (including impairment) for the year are given below.

The Total Lease Rental Income for the year is ₹ 1143.83 million (Previous year ₹ 1032.46 million).

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Gross Value of the Assets	45,953.13	40,594.13
Accumulated Depreciation (including impairment)	24,110.25	18,351.25
Depreciation (including impairment) for the year	6,248.93	5,428.49

**26 Finance lease liabilities**

Future minimum lease payments and their present value under finance lease agreements were as follows:

Particulars	Mar-17	Mar-16
Finance lease future payments		
Within one year	175.44	19.67
Between one year and five years	261.65	5.49
Present value of future minimum lease payments		
Within one year	138.23	17.77
Between one year and five years	235.84	5.37
Finance Charges		
Within one year	37.21	1.90
Between one year and five years	25.81	0.13
Future interest charge	11-13%	12.53%

**27 Basic and diluted earnings per share [EPS] computed in accordance with Accounting Standard (AS) 20 “Earnings per Share”**

Particulars	Year Ended 31 <sup>st</sup> March 2017	Year Ended 31 <sup>st</sup> March 2016
Profit/(Loss) for the year attributable to Equity Shareholders (₹ in Millions)	427.65	(1,372.61)
Weighted Average Number of Equity Shares for Basic Earnings Per Share	416,623,764	416,359,600
Weighted Average Number of Equity Shares for Diluted Earnings Per Share	449,882,079	416,359,600
Basic Earnings per Share of ₹ 10/- each	1.03	(3.30)
Diluted Earnings per Share of ₹ 10/- each	0.95	(3.30)

Note: The potential equity shares in financial year 2016-17 includes 32,759,968 equity shares issuable pursuant to achievement of subsequent price hurdle in terms of ADS price target and 498,347 equity shares pending allotment to employees under ESOP Plan 2014. During the previous year ended March 31, 2016, impact of Potential conversion of ESOP 2014 Plan (Stock Option),



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Issuance of shares by way of bonus to certain existing shareholders, Global Eagle Acquisition LLC (Sponsor) and to Whole Time Director to be granted / issued were anti-dilutive and accordingly were not considered in the calculation of dilutive earning per share for calculation of diluted EPS.

28. In absence of taxable income during the year, no provision for the Current Tax has been made. Also, in view of unabsorbed losses and unabsorbed depreciation, considering the grounds of prudence, deferred tax assets is recognized to the extent of deferred tax liabilities as follows:

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Deferred tax asset</b>		
Arising on account of timing difference in:		
Provision for gratuity	36.75	18.98
Disallowances in Tax	953.84	613.81
Arising on account of timing difference in:		
Depreciation/ amortization	1,355.65	677.96
Unabsorbed depreciation allowance and carried forward business loss	6,664.75	7,850.39
<b>Deferred tax liability</b>		
Arising on account of timing difference in:		
Depreciation/ amortization	0.00	0.00
<b>Net deferred tax assets</b>	<b>9,010.99</b>	9,161.14
<b>Deferred Tax Assets Recognized in Financial Statement *</b>	<b>NIL</b>	NIL

\* Restricted to the extent of deferred tax liability in absence of virtual certainty

29. **Disclosure pursuant to Accounting Standard (AS) 15 (Revised) “Employee Benefits”**

a) **Defined Contribution Plans:**

Amount of ₹ 49.36 million (Previous year ₹ 43.42 million) related to contribution to Provident and Other Funds are recognized as expenses and shown under the head of “Employee Benefits Expense” (Refer Note No. 20) in Statement of Profit and Loss.

b) **Defined Benefit Plans:**

The Company makes provision for the Gratuity Plan based on independent actuarial valuations in accordance with Accounting Standard 15 (revised), “Employee Benefits” at the end of every Financial Year.

For Leave Encashment liability, the Company makes provision using the projected unit credit method with independent actuarial valuations at the end of every Financial Year.

Defined benefit plans as per actuarial valuation:

Particulars	Year Ended 31 <sup>st</sup> March 2017		Year Ended 31 <sup>st</sup> March 2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
a. The amounts recognized in the Balance Sheet as at the end of the year				
1. Present Value of Defined Benefit Obligation	133.03	43.23	54.85	35.15
2. Fair value of plan assets	26.82	Nil	1.01	Nil
3. Funded Status – Surplus/ (Deficit)	(106.21)	(43.23)	(53.84)	(35.15)
4. Net Assets/(Liability)	(106.21)	(43.23)	(53.84)	(35.15)
b. The amounts recognized in the Statement of Profit and Loss for the year				
1. Current Service Cost	13.41	9.89	8.73	13.63
2. Interest Cost	4.27	2.74	3.71	2.31
3. Actuarial (Gains)/Losses	72.91	26.18	1.53	3.25
4. Expected Return on Planned Assets	(0.08)	Nil	Nil	Nil
5. Total Expenses	90.51	38.82	13.97	19.19
c. The changes obligations during the year				
1. Present value of Defined Benefit Obligation at the beginning of the year	54.85	35.15	47.51	29.52
2. Current Service Cost	13.41	9.89	8.73	13.63
3. Interest Cost	4.27	2.74	3.71	2.31
4. Past Service Cost	Nil	Nil	Nil	Nil
5. Actuarial (Gain)/ Losses	72.91	26.18	1.53	3.25
6. Benefit Payments	(13.15)	(30.73)	(6.64)	(13.56)
7. Present value of Defined Benefit Obligation at the end of the year	133.03	43.23	54.85	35.15

**c) Actuarial Assumptions:**

Particulars	Year Ended 31 <sup>st</sup> March 2017		Year Ended 31 <sup>st</sup> March 2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount Rate	7.45%	7.45%	7.80%	7.80%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate		Indian Assured Lives Mortality (2006-08)	
Salary Escalation	5%	5%	5%	5%
Attrition Rate	2%	2%	2%	2%

**(Formerly Bharat Business Channel Limited)****30. Disclosures pursuant to Accounting Standard (AS) 17 “Segment Reporting”**

The Company operates in a single business segment viz. Direct to Home services in India; accordingly there is no reportable business segment or geographical segment as prescribed under Accounting Standard 17 “Segment Reporting”.

**31. Auditors’ Remuneration:**

Particulars	Year Ended 31 <sup>st</sup> March 2017	Year Ended 31 <sup>st</sup> March 2016
Audit Fees	2.50	2.00
Tax Audit Fees	0.10	0.10
Audit under IFRS	2.70	2.50
Certification and Other Matters Fees	0.30	0.20
Out of Pocket Expenses	0.01	0.20
<b>Total</b>	<b>5.61</b>	<b>5.00</b>

**32. Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006:**

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
a) Principal amount remaining unpaid as at the end of the year	299.32	471.19
b) Interest due thereon as at the end of the year	-	-
c) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year.	-	-
d) Interest due and payable for the period of delay in making payment	-	-
e) Interest accrued and remaining unpaid at the end of the year.	-	-
f) 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 enterprises for the purpose of disallowance as deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**Note:**

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such vendors/parties have been identified on the basis of information available with the Company.

**(Formerly Bharat Business Channel Limited)**

33. (a) The Company has availed bill discounting facility of ₹ 1,500 million from the bank to meet its working capital requirements. This facility is secured by way of Personnel Guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot and also by way of letter of comfort from Videocon Industries Limited and charge on current assets of the Company.
- (b) The Company has also availed line of credit for vendor bill discounting facility of ₹ 500 million from the bank to meet its working capital requirements. This facility is secured by way of Personnel Guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot and also by way of letter of comfort from Videocon Industries Limited.
34. The Company's non-funds based limits which includes Letter of Credit and Bank Guarantees are secured by First pari passu charge by way of equitable mortgage on the entire immovable assets, hypothecation of entire movable assets, and current assets both present and future, assignment of DTH License, personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot and first charge on Escrow Accounts.
35. The Company has an accumulated loss of ₹ 26,184.96 million as at March 31, 2017. During the year, the company has generated cash profit of ₹ 7,295.42 million. The Company's ability to continue as a going concern depends on its ability to fund its operating and capital expenditure requirements. Further the management is confident of mobilizing necessary resources for continuing the operations and generating cash flow from business operations by increasing subscribers' base. Accordingly, these financial statements have been prepared on a going concern basis.
36. The Company has adopted a change in the accounting treatment of entertainment tax effective April 1, 2016. Hitherto, the subscription revenue was inclusive of entertainment tax and the payment of the entertainment tax was accounted for under operating expenses under the head license fees & taxes. From April 1, 2016, the entertainment tax is charged separately and the entertainment tax collected and paid is accounted for separately in the memorandum account. As a result of the change, the subscription revenue and the license fees and taxes for the year are lower by Rs. 2263.52 Millions. The said change has no impact on the profit for the year.
37. The Board of Directors of the Company has approved a scheme of arrangement for amalgamation of the Company with Dish TV India Limited and the execution of definitive agreements in relation to such amalgamation (the "Proposed Transaction")

**(Formerly Bharat Business Channel Limited)**

Following the closing of the Proposed Transaction, the merged entity will be renamed as Dish TV Videocon Limited (“Dish TV Videocon”). Pursuant to the Scheme, Dish TV Videocon shall issue 857.79 million equity shares as consideration under the Scheme and the shareholders of the company shall be allotted 2.021 new shares of Dish TV Videocon for every one share held in company (subject to certain adjustments as set out in the Scheme), which would result in Dish TV shareholders owning 1,066.861 million existing shares or 55.4% of Dish TV Videocon, and company’s shareholders owning 857.791 million new shares or 44.6% of Dish TV Videocon.

Upon closing of the Proposed Transaction, Dish TV Videocon shall continue to be listed on the National Stock Exchange of India and the BSE Limited in India and proposed to list on the Luxembourg Stock Exchange in the form of GDRs. Under the Scheme, holders of company’s ADSs will receive their new shares in the form of GDRs, unless they elect to receive and hold new shares directly.

The proposed transaction has received the approval of Competition Commission of India. The company has also filed application with National Company Law Tribunal (NCLT). In the process, NCLT has convened the meeting of shareholders on dated May 8, 2017 and the shareholders have voted in favor of the scheme of arrangement of amalgamation with requisite majority.

The Proposed Transaction is expected to close in the second half of 2017.

**38. C.I.F. Value of Imports**

<b>Particulars</b>	<b>Year Ended 31<sup>st</sup> March 2017</b>	<b>Year Ended 31<sup>st</sup> March 2016</b>
i) Capital Goods	1,269.60	1,273.43

**39. Expenditure in Foreign Currency:-**

<b>Particulars</b>	<b>Year Ended 31<sup>st</sup> March 2017</b>	<b>Year Ended 31<sup>st</sup> March 2016</b>
i) IT Support Costs	141.30	87.82
ii) Office and General Expenses	1.34	0.89
iii) Travelling Expenses	4.06	3.82
iv) Legal and Professional Charges	44.09	28.98
v) Share Issue Expenses	-	1.27
vi) Advertisement	3.00	14.03
vii) Capital Goods	115.63	63.16

- 40.** The details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 are provided in the table below:

Particulars	SBN	Other demonetisation notes	Total
Closing cash in hand as on November 8, 2016	1.81	0.50	2.31
Add: Permitted receipts	-	2.57	2.57
Less: Permitted payments	0.02	2.38	2.40
Less: amount deposited in Banks	1.79	-	1.79
Closing cash in hand as on December 30, 2016	-	0.68	0.68

- 41.** In the opinion of the management, the value of realization of Current Assets and Short Term and Long Term Loans and Advances in the ordinary course of business would not be less than amount at which they are stated in the Balance Sheet and the provisions for all known liabilities and determined liabilities is adequate and not in excess of the amount reasonably required.
- 42.** The previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year presentation.

As per our report of even date

For **KHANDELWAL JAIN & CO.**

*Chartered Accountants*

Firm Reg. No. – 105049W

For **KADAM & CO.**

*Chartered Accountants*

Firm Reg. No. – 104524W

For and on behalf of the Board

**AKASH SHINGHAL**

*Partner*

Memb. No.103490

**U. S. KADAM**

*Partner*

Memb. No. 31055

**SAURABH P. DHOOT**

*Whole Time Director*

**PRADEEP R. RATHI**

*Director*

Place: Mumbai

Date: May 29, 2017

**AVANTI KUMAR**

**KANTHALIYA**

*Chief Financial Officer*

**AKARSHAK**

**MAHESHWARI**

*Company Secretary*



(contd....)

as my/ our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the Annual General Meeting of the Company held on Tuesday, 26<sup>th</sup> September, 2017 at 11.00 a.m. at Auto Cars Compound, Adalat Road, Aurangabad – 431 005 (Maharashtra), at any adjournment thereof in respect of such resolution as are indicated below:

Resolution Number	Resolution	For	Against
<b>Ordinary Business:</b>			
1.	To adopt the Audited Statement of Profit and Loss for the financial year ended 31 <sup>st</sup> March, 2017 and the Audited Balance Sheet as at that date together with the Cash Flow Statement, Reports of the Board of Directors and Auditors thereon		
2.	To appoint a Director in place of Mrs. Radhika Saurabh Dhoot (DIN 00007727), who retires by rotation, and being eligible offers herself for re-appointment.		
3.	To appoint M/s. S.Z. Deshmukh & Co., as Auditors (in place of M/s. Kadam & Co., retiring Auditors) and fix their remuneration		
4.	To ratify the appointment of M/s. Khandelwal Jain & Co., Auditors and fix their remuneration		
<b>Special Business:</b>			
5.	To re-appoint Mr. Saurabh Pradipkumar Dhoot as Whole-time Director		
6.	To ratify the remuneration payable to the Cost Auditor for the financial year ended on 31 <sup>st</sup> March, 2017.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

.....  
Signature of the Shareholder

.....  
Signature of the Proxy holder(s)

Affix  
Revenue  
Stamp  
Re. 1

Notes:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. This is only optional. Please put a '√' in the appropriate column against the resolutions indicated in the box above. If you leave the 'For' or 'Against' column blank against the resolution, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.



## ATTENDANCE SLIP

### Videocon d2h Limited

CIN-U92100MH2002PLC137947

**Regd. Office:** Auto Cars Compound, Adalat Road, Aurangabad-431005 (Maharashtra)

**Tel No.:** (+91 240) 232 0750 **Fax No.:** (+91 240) 233 5755

**E-mail id:** companysecretary@d2h.com **Website:** [www.videocond2h.com](http://www.videocond2h.com)

### 14<sup>th</sup> Annual General Meeting – 26<sup>th</sup> September, 2017

Regd. Folio No. / Client ID No.

DP ID No.

No. of shares held

I certify that I am a registered Shareholder/Proxy for the registered Shareholder of the Company.


I hereby record my presence at the Annual General Meeting of the Company held on Tuesday, 26<sup>th</sup> September, 2017 at 11.00 a.m. at Auto Cars Compound, Adalat Road, Aurangabad – 431 005 (Maharashtra).

.....  
Member's / Proxy's Name in Block Letters

.....  
Member's / Proxy's Signature

**Note:** Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.  
*Please read errata for typesetting matter.*

## Route Map to the Venue of the AGM

 **Autocars Compound,**  
Adalat Road, Aurangabad - 431 005, (Maharashtra)

