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11 November 2016

VALUATION REPORT
To
The Board of Directors

Dish TV India Limited
FC – 19, Sector 16A Film City,
Noida – 201 301,
Uttar Pradesh, India.

Sub: Recommendation of fair exchange ratio for the proposed merger of Videocon d2h Limited into Dish TV India Limited

Dear Sir / Madam,

We refer to the engagement letter whereby, Dish TV India Limited (hereinafter referred to as "DTIL") has requested S. R. Batliboi & Co. LLP (hereinafter referred to as "SRBC" or "Valuer" or "We") for recommendation of fair exchange ratio of equity shares for the proposed merger of Videocon d2h Limited (hereinafter referred to as "VL") into DTIL, based on the discussions that we have had with and information that we have received from the representatives and Management of DTIL ("Management") from time to time in the above matter.

DTIL and VL are hereinafter jointly referred to as the "Companies". The exchange ratio for this report refers to number of equity shares of face value of INR 1/- each of DTIL, which would be issued to shareholders of VL in lieu of their shareholding in VL.

SCOPE AND PURPOSE OF THIS REPORT

DTIL, together with its subsidiaries, provides direct-to-home ("D2H") and teleport services primarily in India. DTIL is listed on the Bombay Stock Exchange ("BSE") and the National Stock Exchange in India ("NSE") and has recorded unaudited consolidated total income and profit after tax of INR 31,286.9 mn and INR 6,621.8 mn respectively for trailing twelve months ended 30 September 2016.

VL provides D2H subscription television services to subscribers under the Videocon d2h brand in India. VL's ADR is listed on NASDAQ and has recorded unaudited consolidated total income and net loss after tax of INR 30,302.8 mn and INR 393.2 mn respectively for trailing twelve months ended 30 September 2016 as per Indian Generally Accepted Accounting Principles ("IGAAP").

We understand that the Management are contemplating the merger of VL into DTIL ("Transaction") under a Scheme of Arrangement ("Scheme") under the provision of Sections 391-394 of the Companies Act, 1956 ("Proposed Merger").

DTIL has appointed SRBC to recommend a fair exchange ratio, for the issue of DTIL's equity shares to the equity shareholders of VL, to be placed before the Board of Directors of DTIL. We were requested to recommend total number of equity shares of DTIL to be issued to the equity shareholders of VL and based on the same we were also requested to recommend

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number DTIL equity shares to be issued to each equity shareholder of VL under 3 scenarios as contemplated by the Management. As we understand total number of equity shares of DTIL to be issued to the equity shareholders of VL would remain the same in each of the 3 scenarios (except to the extent of adjustments arising out of rounding-off the fractional share as per the Scheme). These 3 scenarios have been explained subsequently in this report.

The scope of our services is to conduct a relative (and not absolute) valuation of the equity shares of the Companies and report on a fair exchange ratio for the Transaction in accordance with generally accepted professional standards.

We have been provided with historical financial information of DTIL and VL up to 30 September 2016 as per IGAAP. We have factored current market parameters in our analysis and have made adjustments for further facts made known (past or future) to us till the date of our report. The current valuation does not factor impact of any event which is unusual or not in normal course of business.

We have relied on the above while arriving at the fair exchange ratio for the Transaction.

This report is our deliverable for the above engagement.

This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information about the Companies as received from the Management and/or gathered from public domain:

- Annual reports of DTIL for years ended 31 March 2013, 31 March 2014, 31 March 2015 and 31 March 2016 as per IGAAP.
- Audited accounts (from 10K filling) of VL for years ended 31 March 2014, 31 March 2015 and 31 March 2016 as per IFRS.
- Unaudited financials for the year ended 31 March 2015 and 31 March 2016 for VL as per IGAAP.
- Unaudited financial for trailing twelve months for the period ended 30 September 2016 for DTIL and VL under IGAAP;
- Draft Scheme of Arrangement;
- Other information and documents for the purpose of this engagement.

It may be noted that no future business plans for the Companies have been provided to us.

During the discussions with the Management, we have also obtained explanations and information considered reasonably necessary for our exercise. DTIL has been provided with the opportunity to review the draft report (excluding the recommended exchange ratio) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our report.

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SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this report and (iii) are based on the balance sheets as at 30 September 2016 of the Companies. The Management has represented that the business activities of DTIL and VL have been carried out in the normal and ordinary course between 30 September 2016 and the Report date and that no material changes have occurred in their respective operations and financial position between 30 September 2016 and the Report date.

A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. quality and integrity of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions.

The recommendation rendered in this Report only represent our recommendation based upon information furnished by DTIL and gathered from public domain and the said recommendation shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this report.

The determination of exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no indisputable single exchange ratio. While we have provided our recommendation of the exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the exchange ratio of the equity shares of DTIL and VL. The final responsibility for the determination of the exchange ratio at which the proposed merger shall take place will be with the Board of Directors of DTIL who should take into account other factors such as their own assessment of the proposed Transaction and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data.

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In accordance with the terms of our respective engagements, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this report and (ii) the accuracy of information made available to us by DTIL. In accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. We have not independently investigated or otherwise verified the data provided by DTIL. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from DTIL, we have been given to understand by the Management of DTIL that they have not omitted any relevant and material factors about the Companies and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the assumptions and information given by/on behalf of DTIL. The Management of DTIL has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by DTIL and their impact on the report. Nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the report. Also, we assume no responsibility for technical information (if any) furnished by DTIL.

The Report assumes that Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited/unaudited balance sheet of the Companies. Our conclusion of value assumes that the assets and liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the Valuation Report date.

We are not advisors with respect to legal, tax and regulatory matters for the Transaction.

The valuation and result are governed by concept of materiality.

This Report does not look into the business/ commercial reasons behind the Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Companies' claim to title of assets has been made for the purpose of this report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.

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We owe responsibility to only the Boards of Directors of DTIL that has appointed us under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to DTIL. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Valuation Report is subject to the laws of India.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme, without our prior written consent. In addition, this report does not in any manner address the prices at which equity shares of the Companies will trade following announcement of the Transaction and we express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the Transaction.

BACKGROUND

Dish TV India Limited

The issued and subscribed equity share capital of DTIL as at 30 September 2016 is INR 1,065.9 million consisting of 1,065,928,565 equity shares of face value of INR 1 each. The shareholding pattern is as follows:

Shareholding Pattern as on 30-09-2016	No of Shares	% Share Holding
Promoter & Group	686,878,060	64.44%
Public	379,050,505	35.56%
Grand Total	1,065,928,565	100.00%

Source: BSE filing (As at 30 September 2016)

The Management has informed us that there would not be any capital variation in DTIL till the Transaction becomes effective other than on account of existing ESOP schemes.

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Videocon d2h Limited

The issued and subscribed equity share capital of VL as at 30 September 2016 is INR 4,200.6 million consisting of 420,064,600 equity shares of face value of INR 10 each. The shareholding pattern is as follows:

Shareholding Pattern as on 30-09-2016	No of Shares	% Share Holding
Promoter & Group	**265,360,000**	**63.17%**
Total Non-Promoter	**154,704,600***	**36.83%**
Grand Total	420,064,600	100.00%

Source: Management

**Includes 3,705,000 equity shares allotted to Employee Welfare Trust out of which 3,236,103 shares have been granted to and accepted by employee of VL and remaining 466,647 equity shares pertain to the lapsed ESOPs. Also, we have been informed by the Management that these shares would be cancelled as a part of the Scheme.*

We are required to recommend number DTIL equity shares to be issued against one equity share of VL under three scenarios, which are considered based on the number of outstanding equity shares of VL.

Scenario 1: Equity shares outstanding as at 30 September 2016 less 466,647 equity shares pertaining to the lapsed ESOPs which would be cancelled as a part of the Scheme as informed by the Management. The number of outstanding equity shares to be considered for scenario 1 are mentioned in the table below:

Shareholding Pattern for Scenario 1	No of Shares
Shares outstanding at as 30 September 2016	420,064,600
Less: Shares held in trust for employees to be cancelled as per the scheme	466,647
Total equity shares to be considered for Scenario 1	419,597,953

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Scenario 2: Number of shares as per Scenario 1 above plus equity shares to be issued on account of the occurrence of the initial performance hurdle. The number of outstanding equity shares to be considered for scenario 2 is mentioned in the table below:

Shareholding Pattern for Scenario 2	No of Shares
Total equity shares to be considered for Scenario 1	419,597,953
Add: Shares to be issued on occurrence of initial performance hurdle	5,399,984
Total equity shares to be considered for Scenario 2	424,997,937

Scenario 3: Number of shares as per Scenario 2 above plus equity shares to be issued on the occurrence of the subsequent performance hurdle. The number of outstanding equity shares to be considered for scenario 3 is mentioned in the table below:

Shareholding Pattern for Scenario 3	No of Shares
Total equity shares to be considered for Scenario 2	424,997,937
Add: Shares to be issued on occurrence of subsequent performance hurdle	28,759,984
Total equity shares to be considered for Scenario 3	453,757,921

APPROACH - BASIS OF MERGER

The proposed Scheme contemplates the merger of the Companies pursuant to the Merger Scheme under Sections 391-394 of the Companies Act, 1956. Arriving at the fair exchange ratio for the proposed merger of VL into DTIL would require determining the fair value of the equity shares of VL in terms of the fair value of the equity shares of DTIL. These values are to be determined independently but on a relative basis and without considering the current Transaction.

There are several commonly used and accepted methods for determining the fair exchange ratio for the proposed merger of VL into DTIL, which have been considered in the present case, to the extent relevant and applicable, including:

1. Market Price method
2. Comparable Companies Quoted Multiples method
3. Discounted Cash Flows method
4. Net Asset Value method

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous

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assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of the Companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Market Price (MP) Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, the shares of DTIL are listed on BSE and NSE and the ADR's of VL are listed on NASDAQ and there are regular transactions in their respective equity shares and ADR's. In these circumstances, the share price observed on NSE for DTIL and ADR observed on NASDAQ for VL over a reasonable period have been considered for determining the value of DTIL and VL respectively, under the market price methodology.

Comparable Companies' Quoted Multiple (CCM) method

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

We have considered the Enterprise ("EV")/ Earnings before Interest, Tax, Depreciation and Amortization ("EBITDA") multiple of DTIL for valuation of equity shares of VL. We have not used this method for valuation of DTIL as there are no companies listed in India which are comparable to DTIL.

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Discounted Cash Flows (DCF) Method

Under the DCF method the projected free cash flows to the equity shareholders are discounted at the cost of equity. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to the providers of the company's equity capital.

Appropriate discount rate to be applied to cash flows i.e. the cost of equity:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the equity capital providers (namely shareholders). The opportunity cost to the equity capital provider equals the rate of return the equity capital provider expects to earn on other investments of equivalent risk.

We have not used DCF method as the Management has not provided us with the projections of DTIL and VL.

Net Asset Value (NAV) Methodology

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. A Scheme would normally be proceeded with, on the assumption that the Companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their book values. In such a going concern scenario, the relative earning power is of importance to the basis of merger, with the values arrived at on the net asset basis being of limited relevance.

We have not used NAV method as it is not a true indicator of profit generating ability of the Companies.

BASIS OF AMALGAMATION

The basis of merger of the VL into DTIL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending a fair exchange ratio of equity shares it is necessary to arrive at a single value for each of the Companies' shares. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of the Companies but at their relative values to facilitate the determination of a fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

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Recommendation of fair exchange ratio for the proposed merger of Videocon d2h Limited into Dish TV India Limited

The fair exchange ratio has been arrived at on the basis of a relative equity valuation of the Companies based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations. To arrive at the Exchange Ratio for the proposed merger, suitable rounding off have been done in the values arrived at by us.

We have applied methodologies as discussed above and have arrived at their assessment of value per share of the Companies.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove; we consider that 857,785,766 (Eighty five crore seventy seven lakh eighty five thousand seven hundred and sixty six) equity shares of DTIL (of INR 1/- each fully paid up) should be issued to the equity shareholders of VL. We have been informed by the Management that, as a part of the Scheme, total number of equity shares of DTIL to be allotted to the shareholders of VL to remain same under all the 3 scenarios (except to the extent of adjustments arising out of rounding-off the fractional share as per the Scheme). Base on the above, the number of DTIL equity shares to be issued against 1 equity share of VL under 3 scenarios is mentioned below:

Scenario 1: We consider that the Exchange Ratio of equity shares for the merger of VL into DTIL should be a ratio of 2.04 (rounded) equity shares of DTIL (of INR 1/- each fully paid up) for every 1 (One) equity share of VL (of INR 10/- each fully paid up).

Scenario 2: We consider that the Exchange Ratio of equity shares for the merger of VL into DTIL should be a ratio of 2.02 (rounded) equity shares of DTIL (of INR 1/- each fully paid up) for every 1 (One) equity share of VL (of INR 10/- each fully paid up).

Scenario 3: We consider that the Exchange Ratio of equity shares for the merger of VL into DTIL should be a ratio of 1.89 (rounded) equity shares of DTIL (of INR 1/- each fully paid up) for every 1 (One) equity share of VL (of INR 10/- each fully paid up).

Respectfully submitted,

S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

R Bansal

S.R. BATLIBOI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

per Ravi Bansal
Partner
Membership No: 049365
Date: 11 November 2016