

## Dish Infra Services Private Limited

	Amount	Rating Action
	In Rs. Crore	
Long-term loans	400.0	[ICRA]A+; placed on rating watch with developing implications
Long-term /short-term – Interchangeable *	(400.0)	[ICRA]A+ / [ICRA]A1; ratings placed on rating watch with developing implications

\* Sub-limits of long-term Loans and fully interchangeable

ICRA has placed the rating of [ICRA]A+ (pronounced ICRA A plus) assigned to the Rs. 400.00 crore<sup>1</sup>, long-term loans of Dish Infra Services Private Limited (DISPL)<sup>2</sup> on 'rating watch with developing implications'. ICRA has also placed the ratings of [ICRA]A+ and [ICRA]A1 (pronounced ICRA A one) assigned to the Rs. 400.00 crore, long-term/ short-term, interchangeable bank facilities of DISPL, which are sub-limits of above mentioned Rs. 400.00 crore, long-term loans of the company on 'rating watch with developing implications'.

While assigning the ratings, ICRA has taken a consolidated view of DISPL, along with its parent, Dish TV (India) Limited (Dish TV).

The ratings have been placed on watch with developing implications following the recent announcement of a scheme of amalgamation of Videocon d2h Limited (Vd2h) into and with Dish TV, aimed at benefitting from the increased scale and resultant synergies, increased operational efficiencies and optimal utilization of various resources. Post the amalgamation; the combined entity will be renamed as Dish TV Videocon Limited. This amalgamation is likely to be concluded in H2 CY2017, subject to receipt of appropriate regulatory approvals, including from the Competition Commission of India.

The proposed amalgamation is a non-cash deal, wherein Dish TV Videocon Limited (merged company) will issue 857.79 million fresh shares to the shareholders of Vd2h, who will receive 2.02 shares (share exchange ratio is subject to certain adjustments contemplated in the scheme) for every one share in Vd2h. Post the transaction closure, Dish TV shareholders will own 55.4% of the merged company while the balance will be held by Vd2h shareholders.

ICRA is in discussions with the company's management to understand the impact of the proposed amalgamation on its business and financial profile and shall conclude the rating thereafter.

**About Videocon d2h:** Videocon d2H is a direct-to-home (DTH) service provider, offering over 570 channels (including 60 high definition (HD) channels) as on September 30, 2016. The company offers a wide range of active services including Smart English, Smart Games, d2h Hollywood HD, d2h music, d2h spice, d2h cinema in standard definition (SD) and HD. It has also launched India's first 4K Ultra HD DTH channel service. Vd2h has a pan India sales and distribution channel comprising over 2,800 distributors and direct dealers, with a reach of over 230,000 retailers/dealers (as on September 30, 2016). Vd2h has over 300 own service centres spread across 7,500 towns in India to attend and resolve the service issues within four to six hours.

Vd2h had a net subscriber base of 12.5 million as on September 30, 2016. Around 64.04% of the shareholding of Vd2h is held by promoters (as on March 31, 2016); with balance 35.95% being listed on NASDAQ in the form of American depository receipts (ADR).

As per the audited financials for twelve months ended March 31, 2016, Vd2h reported a net loss of Rs. 92.2 crore on an operating income of Rs. 2,855.9 crore as against a net loss of Rs. 272.7 crore on an operating income of Rs. 2,337.7 crore during the twelve months ended March 31, 2015.

As per the unaudited financials for six months ended September 30, 2016, Vd2h reported a profit after tax (PAT) of Rs. 17.4 crore on an operating income of Rs. 1,539.4 crore (net of entertainment tax).

<sup>1</sup> 100 lakh = 1 crore = 10 million

<sup>2</sup> For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications.

**About Dish Infra Services Private Limited**

Dish Infra Services Private Limited (DISPL) is a wholly-owned subsidiary of Dish TV India Limited (DTIL), which is a part of Essel group of companies. Dish TV (combine of DTIL and DISPL) is India's first DTH company to launch its service in May 2005. Dish TV offers more than 582 channels and services, including 22 audio channels and over 55 HD channels as of November 2016. The company has a vast distribution network with over 2,268 distributors and over 244,668 dealers that span across 9,322 towns in India (as of November 2016). As on September 30, 2016, Dish TV had a net subscriber base of 15.1 million.

With effect from April 1, 2015, the infrastructure and support business of DTIL has been transferred to DISPL. The Scheme has enabled the management to streamline operations, wherein DTIL is focusing on branding and distribution, while DISPL is focusing on DTH related infrastructure and service related aspects. The other subsidiary of DTIL is Dish TV Lanka (Private) Ltd in Sri Lanka, where DTIL holds 70% of share capital and balance 30% is held by Satnet (JV partner). This company has commenced its operations in July 2015.

**Recent results**

As per the unaudited financials for six months ended September 30, 2016, Dish TV (consolidated) reported a PAT of Rs. 111.0 crore on an operating income of Rs. 1,557.9 crore (net of entertainment tax).

As per audited financials for twelve months ended March 31, 2016, Dish TV (consolidated) reported a PAT of Rs. 692.4 crore on an operating income of Rs. 3,060.0 crore as against a PAT of Rs. 3.1 crore on an operating income of Rs. 2,688.0 crore during the twelve months ended March 31, 2015

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