



CEO's Message

Dear Shareholders,

I welcome you all to Dish TV India Limited's 35th Annual General Meeting. Our company's efforts to expand our broadcasting and entertainment services contribute to the growth of our business. In other words, as we expand, so does the overall 'pie' of entertainment services in the country. We have expanded opportunities for our clients, business partners, and consumers, who make up our Company's network collectively. This was made possible by our comprehensive entertainment services, relevant content, and the nation's growing wave of digital content adoption. We believe in being customer focussed, since it allows us to be pioneering in offering unique and wide range of entertainment services to our valued customers.

While the entire global economy had mostly recovered by 2022, the conflict between Russia and Ukraine resulted in supply disruptions, rising commodity prices and inflation in several economies. However, such disruptions had gradually eased out in the second half of 2022.

India has emerged as an influential global economy over the past decade because of the government's constant efforts to promote balanced growth and equitable development. Recent outperformance of India's economy led by demography, government efforts for constant reforms and rising aspirations of growing population, has led to improved socio-economic condition leading to higher GDP growth and per capita income. RBI projects real GDP growth of 6.0% for FY 2023-24 and 6.4% for FY 2024-25 as compared to 7.2% growth witnessed in FY 2022-23.

The emphasis on capital expenditure in the Union Budget for FY 2023-24 is expected to stimulate private investment, increase job creation and overall consumer demand, and boost India's growth potential. Several measures have been implemented to facilitate the credit-granting process for micro, small, and medium-sized enterprises (MSMEs) and businesses. Incorporating cutting-edge technologies such as artificial intelligence, the Internet of Things (IoT), and machine learning would also significantly contribute to the digital empowerment of the nation.

The development of 4G and 5G stacks has been one of the government's highest priorities as it endeavours to become self-sufficient in telecom equipment manufacturing as well as to promote exports. The increasing mobile data consumption and data speeds will also help in deepening the entertainment variety to a wider range of rural and unserved population.

Industry Developments

The Media and Entertainment (M&E) industry in India has been a major contributor to the country's GDP and is expanding significantly. By regaining its former appeal and outperforming its pre-pandemic performance, the industry has demonstrated its adaptability and willingness to confront and overcome challenges. According to April 2023, report of FICCI EY, the Indian M&E industry grew by 20% year-over-year (YoY), with revenues reaching ₹ 2.1 trillion in 2022. The essence of this industry is to create high-quality, relevant information while keeping up with an ever-changing environment. The Indian M&E industry has entered a robust growth phase due to increasing consumer demand, the expansion of the digital sector, and rising advertising revenues.

As per FICCI-EY report, driven by strong volume growth, television advertising grew substantially in 2022, by almost reaching its 2019 levels. Due to a decline of five million Pay-TV homes and stagnant consumer-end ARPUs (Average revenue per User), subscription revenue continued to decline during the year. Although linear viewership witnessed a decline by 2021, the number of smart TVs connected to the internet daily has increased to 8 to 10 million in 2022, compared to 5 million in 2021. Digital advertising revenues also grew in 2022, driven by growth in advertising by SME & long-tail advertisers and e-commerce platforms. Digital subscriptions grew by 27% to a total of ₹ 72 billion. Paid video subscriptions grew from nearly 45 million to 99 million Indian households and generated ₹ 68 billion in revenues in 2022.

Filmed entertainment, live events, and Out-of-home media contributed 40% of the M&E industry's total revenue in 2022. Advertising surpassed the ₹ 1 trillion threshold for the first time at ₹ 1.05 trillion. The mergers and acquisitions (M&A) activity also witnessed strong growth in 2022. There were over 125 M&A deals in 2022 compared to 118 in 2021, of which 65% were in digital, gaming, and new media segments.

It is an exciting time to be in the M&E industry, as we leverage the three pillars of the industry — content, commerce, and community, along with technological advancements. As per the said FICCI-EY report, the M&E sector is anticipated to grow 11.5% in 2023 to reach ₹ 2.34 trillion, and 10.5% annually thereafter to reach ₹ 2.83 trillion by 2025. Digital, online gaming, and television will collectively contribute majority of the growth, followed by animation and VFX, live events and films. Through liberalisation of the creator economy and innovation in digital distribution, we envision an India wherein an infinite number of storytellers find an infinite number of platforms to share their stories, engaging with audiences in every language, and where India leads the global entertainment landscape.

Performance Overview

At Dish, the pioneer of digital entertainment in India, we have significantly altered the Indian television landscape using cutting-edge technology. Our Company is certified by CMMI. With our four reputed brands, including Dish TV, D2H, Watcho OTT app and Zing Super, we provide services in India's urban, rural, and semi-urban areas. Our Company's diverse brand portfolio enables it to offer products at a variety of price points to meet the needs of different consumer segments. Our Company has endeavoured to take television viewing to the next level by supporting a variety of futuristic features that provide consumers with simple access to a vast array of digital content. With a large number of SD and HD channels, value-added services, and multiple brands encompassing a variety of price points and Pan-India distribution network, our Company enjoys strong brand equity. Moreover, with a focus on the customer at the centre of our operations, the business endeavours to provide superior quality at competitive prices.

During FY 2022-23, our Company has transformed significantly as a complete entertainment service provider from being a broadcasting and Pay-TV services provider. Viewers of linear TV, especially those with young members at home, are preferring a unified experience of linear and Over the Top (OTT) content delivered by a single service provider, with the packaging convenience of linear channels increasingly desired for OTT content as well. Watcho OTT app, has introduced a variety of integrated OTT plans in an effort to provide the convenience of a single subscription at a reasonable price. During the year, Watcho OTT aggregation app has achieved enormous success by acquiring over 70 million downloads. Watcho OTT app aims to evolve into the future of consumer focus by embracing additional innovation in content creation and leveraging technology to provide an enhanced entertainment experience to consumers across various viewing platforms.

Traditional broadcasting services have also continued to drive the growth of our Company. In FY 2022-23, our Company has introduced a unified set-top box that incorporates both brands Dish TV and D2H into a single piece of hardware, reducing the costs associated with developing separate boxes for each brand. Thus, our Company continues to adapt to swiftly changing technologies. With the launch of Watcho OTT app, and Zing Super, a combination of Free-to Air (FTA) and Pay-TV services, there is a significant opportunity ahead, and our strategy and accomplishments are proving effective. The Watcho OTT app has gained immense popularity among young, socially aware, and modern socials due to its diversity of original content.

In recent times we have tied up with most of the prominent recharge national outlets which allows our customers to pay at the comfort of home without visiting the marketplace. We have also enabled QR code on the TV itself for recharge facility. More than 70% of our monthly recharge revenue is generated out of digital platforms across the country.

During the previous fiscal year, subscription revenues were lower than the previous year due to volatile viewing patterns, high inflation, and conservative spending. The revenue from operations for the year stood at ₹ 22,618 million, compared to ₹ 28,025 million in FY 2021-22. EBITDA contracted to ₹ 9,134 million from ₹ 16,442 million in FY 2021-22. In FY 2022-23,

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finance cost decreased on account of continuous repayment of borrowings by our Company from ₹ 3,246 million in FY 2021-22, the finance cost decreased 14.4% to ₹ 2,780 million. The loss before exceptional items and tax was ₹ 1,805 million, compared to a profit of ₹ 2,727 million in FY 2021-22. The annual net loss decreased to ₹ 16,835 million from ₹ 18,672 million in the prior year. Our Company remained committed to deleveraging our balance sheet and paid off ₹ 3,031 million during the year, reducing our total debt to ₹ 725 million at the end of FY 2022-23 from ₹ 3,756 million at the end of FY 2021-22. We are happy to note that we have no Debt obligation as on date and we are a Zero Debt Company.

Promising Future Outlook

Our Company views the prevalence of multiple content delivery platforms as an opportunity. We are actively exploring beyond our current offerings of Hybrid Boxes and Watcho OTT app, to find new ways to serve both existing and new subscribers. Last year, Zing Super was introduced, which is a combination of FTA and Pay-TV, and where customers have the option to pay for their favourite programmes in addition to the FTA services. Given the popularity of FTA channels in rural India, we are confident to gain from formerly cable-dark rural areas while expanding our market reach.

For our traditional business, we have strong and dedicated distribution markets. Effective distribution management has helped us in strengthening our distribution network. We have also added almost all e-commerce platform for new subscriber addition. Our ultimate goal is to establish a fully automated customer service ecosystem where the tool serves as a one-stop shop for all customer inquiries. By automating customer service operations and enabling quick solutions, we have effectively enhanced our Company's productivity, user experience, and client satisfaction.

Competition has increased not only inside the DTH industry, but also among streaming sites, government-run distribution platforms, telcos, and cable TV providers. Given our customer-centric approach, superior TV viewing experience, distinctive content, value-added services options, and custom-tailored packages, our Company is well placed to gain market share and maintain lead in various categories in which we operate. Our focus will remain on ensuring that existing users upgrade to premium services while expanding Watcho OTT app subscription base in the direct digital market. We will continue to invest in evolving technologies while leveraging and enhancing our brand to strengthen our position as the market leader.

Today, Our Company stands on the verge of a new beginning, poised to establish a more robust version of itself and shape the future media and entertainment landscape of the country. Over the years, we've expanded both vertically and horizontally, becoming one of the most popular content brands in India. We will continue to maintain a sharp focus on growth as we invest time and effort in maximising our core, expanding into adjacent spaces, and investigating new business areas in the future.

To conclude, I would like to express my sincere gratitude to all our valued stakeholders, including our Subscribers, Central and State Government entities, Ministry of Information and Broadcasting, TRAI and other Regulatory authorities, Investors, and Business partners. I would also like to express my deepest appreciation to Board members for their invaluable contributions and to all of the employees for their hard work and support in business endeavours. A new and thrilling journey has just begun for us at Dish TV.

I would like to express my sincere gratitude and assurance of my continuous appreciation for your unwavering support and encouragement.

Sincerely,

Manoj Dobhal
Chief Executive Officer