# MANAGEMENT DISCUSSION AND ANALYSIS

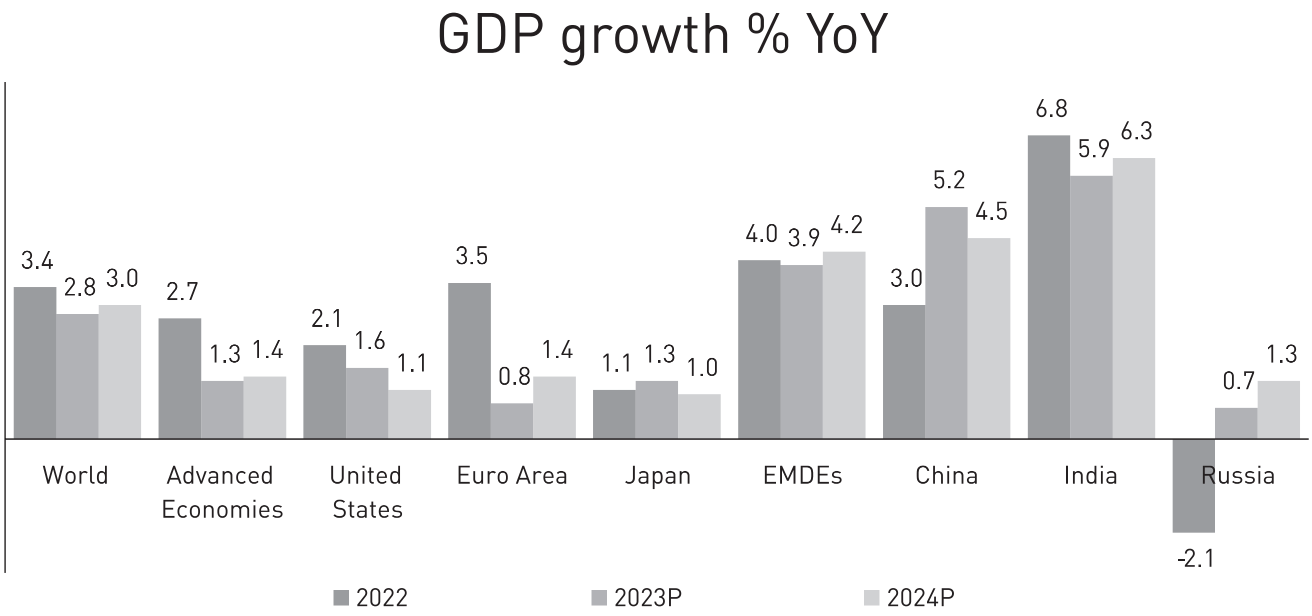
## ECONOMY OVERVIEW

### Global Economy

The global economy had largely recovered from the COVID-19 pandemic and the conflict between Russia and Ukraine by 2022, but it continued to endure unforeseeable crises. Inflation reached multi-decade highs in several economies in 2022 as a result of pent-up demand, supply disruptions, and rising commodity prices. This prompted central banks to aggressively tighten monetary policy in an attempt to return inflation to target levels. The global economy is expected to grow by 2.8% in 2023 and 3.0% in 2024, as compared to 3.4% growth registered in 2022.

The impact of the most recent liquidity issues following a string of global bank crises appears to have been contained by the rapid intervention of central banks. However, the authorities and government had effectively contained the financial crisis by swiftly implementing the necessary measures to control it. The advanced economies are expected to experience a GDP growth rate of 1.3% in 2023 and 1.4% in 2024, as against 2.7% growth in 2022.

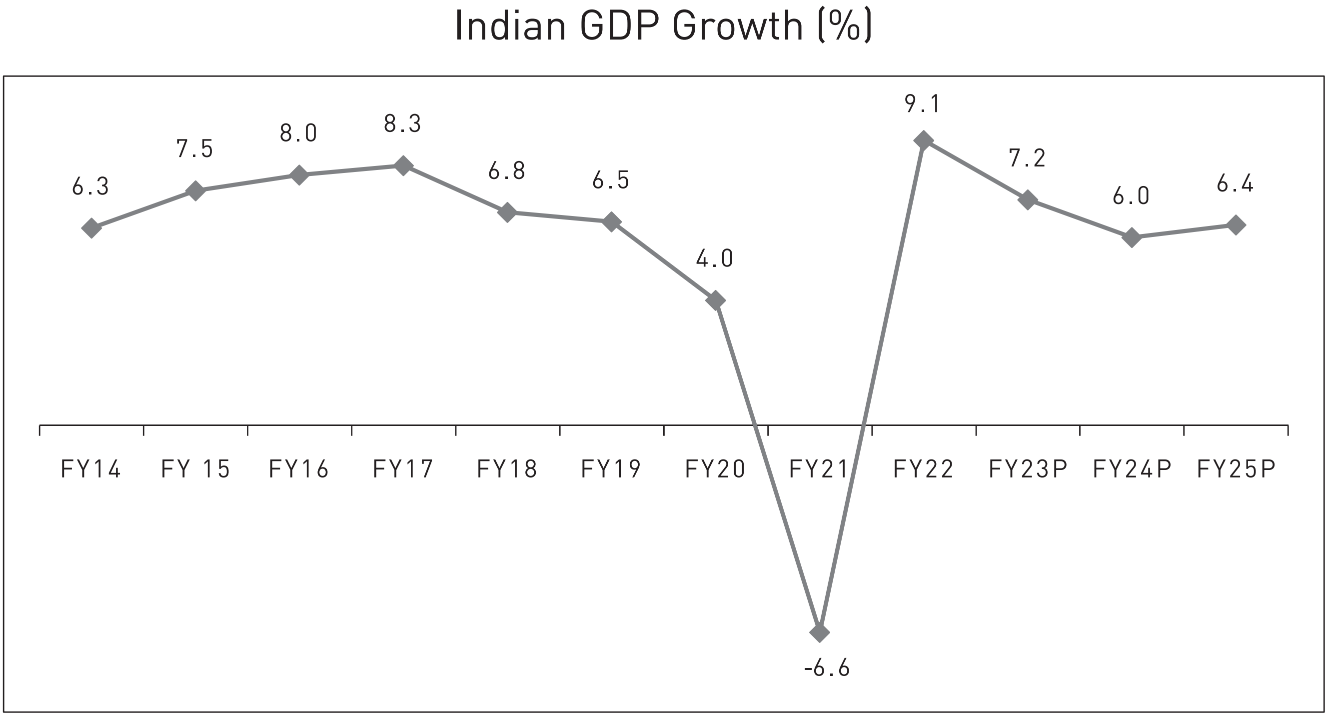
China's reopening in 2022 and sustained global financial conditions have contributed to a strong beginning for emerging markets in 2023. Emerging markets and developing economies, which grew by 4.0% in 2022, are anticipated to continue to grow by 3.9% in 2023 and 4.2% in 2024. The impressive regional growth projections and robust economic development in India and other ASEAN nations would lead to emerging markets outperform other global markets in the future.




*Source: International Monetary Fund (IMF) April 2023 report*

### Indian Economy

India has emerged as a major global economy over the past decade due to the government's consistent efforts to encourage balanced growth and equitable development. When global markets began to show signs of slowing economic growth, India remained resilient and is now the world's fastest-growing economy, clocking 7.2% YoY (Year over Year) GDP growth in FY 2022-23, according to the National Statistical Office's Second Advance Estimates Report. The recent outperformance of India's economy, its enormous and expanding population, and its rapid ascent as a manufacturing alternative to China have all attracted significant global investor interest. During FY 2022-23, international exports of goods and services reached new heights, with robust demand for Indian services fuelling the economic growth within the country.




*Source: NSO's Second Advanced Estimates dated 31st May, 2023*
*RBI SPF report as on 8th June 2023*

The Reserve Bank of India (RBI) tightened its monetary policy to maintain a balance between inflation and growth as consumer inflation grew in FY 2022-23. The RBI's Monetary Policy Committee (MPC) halted the repo rate increase cycle and maintained its 'withdrawal of accommodation' stance after raising the repo rate from 4.0% in May 2022 to 6.5% in February 2023 over the course of five separate sessions. The RBI anticipates that consumer inflation will decrease to 5.3% in FY 2023-24, and its SPF (Survey of Professional Forecasters) report forecasts real GDP growth of 6.0% for FY 2023-24 and 6.4% for FY 2024-25.

Digital India scheme was introduced in 2015 to transform India into a digitally empowered society and knowledge-based economy. Following the implementation of digital payment services in India, e-commerce has experienced significant growth, especially in the aftermath of the pandemic. According to the State of India's Digital Economy Report 2023 by ICRIER (Indian Council for Research on International Economic Relations), approximately 23 billion digital payment transactions were recorded in India during FY 2022-23. Recent estimates indicate that approximately 300 million Indians use UPI, making India the world's second-largest digital payment system after China. Moreover, it is anticipated that the Union Budget FY 2023-24's emphasis on capital expenditure will stimulate private investment, increase job creation and overall consumer demand, and enhance India's growth potential. Several measures and strategies have been implemented to facilitate the granting of credit to micro, small, and medium-sized enterprises (MSMEs) and businesses. Accelerated digital transformation and increased demand for high-speed data, increased adoption of 5G services, along with the incorporation of 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. We have seen green shoots in private capital expenditure, mild increase in rural consumption, acceleration in services export and improved PMI in recent months.

**INDUSTRY OVERVIEW**

**Indian Media and Entertainment (M&E) Sector**

The Indian Media and Entertainment (M&E) industry has been a major contributor to the country's GDP and has been growing rapidly. The M&E industry exerts immense influence and transformational capacity over society. The industry has demonstrated its adaptability and willingness to confront and overcome obstacles by regaining its former appeal and outperforming its pre-pandemic performance. The following table shows the health and future growth of media and entertainment Industry.

**Indian M&E Industry: size and projections (in Rs. billion)**

| | 2019 | 2020 | 2021 | 2022 | 2023E | 2023E | CAGR 2022-2025 |
|---|---|---|---|---|---|---|---|
| Television | 787 | 685 | 720 | 709 | 727 | 796 | 3.9% |
| Digital media | 308 | 326 | 439 | 571 | 671 | 862 | 14.7% |
| Print | 296 | 190 | 227 | 250 | 262 | 279 | 3.7% |
| Filmed entertainment | 191 | 72 | 93 | 172 | 194 | 228 | 9.8% |
| Online gaming | 65 | 79 | 101 | 135 | 167 | 231 | 19.5% |
| Animation and VFX | 95 | 53 | 83 | 107 | 133 | 190 | 21.1% |
| Live events | 83 | 27 | 32 | 73 | 95 | 134 | 22.2% |
| Out of Home media | 39 | 16 | 20 | 37 | 41 | 53 | 12.8% |
| Music | 15 | 15 | 19 | 22 | 25 | 33 | 14.7% |
| Radio | 31 | 14 | 16 | 21 | 22 | 26 | 7.5% |
| **Total** | **1,910** | **1,476** | **1,750** | **2,098** | **2,339** | **2,832** | **10.5%** |
| **Growth** | | **-23.2%** | **19.3%** | **19.9%** | **11.5%** | | |

*Source: 'Windows of Opportunity - India's Media & Entertainment Sector Maximising Across Segments' by FICCI-EY, April 2023*

The key important trends that were seen in the M&E industry in 2022 includes the following:

- Total subscriptions, which include television, digital, print, and film subscriptions, climbed by ₹ 79 billion from ₹ 632 billion in 2021 to ₹ 711 billion in 2022, reflecting a YoY increase of 12.5%.
- While television remained the largest segment, digital media solidified its position as the second largest, followed by a resurgence of print media.
- In 2022, television remained the most important segment of the M&E industry. The second largest segment, digital media, has expanded significantly, reaching ₹ 571 billion and increasing its market share across the total M&E industry, from 16% in 2019 to 27% in 2022.
- In addition, digital media advertising revenues increased by 30.3% from ₹ 383 billion in 2021 to ₹ 499 billion in 2022.
- In 2022, traditional media (television, print, film entertainment, out-of-home (OOH), music, and radio) accounted for 58% of the M&E sector's revenue.
- The number of unique mobile and desktop users of news websites, portals, and aggregators reached 473 million in 2022.

**Indian Television (TV) Industry**

The Indian television industry recorded revenues of ₹ 709 billion in 2022, a decline of 2% compared to ₹ 720 billion in 2021. Despite the marginal growth of 1.6% in the television advertising segment in 2022, the decline in growth of approximately 3.7% in the distribution segment impeded the overall growth of the television segment. Television advertising grew by 2% in 2022, as it is the most cost-effective mass medium in terms of ad rates, and as a result of a slight decrease in ad rates. We have huge number of households yet to be televised. Hence opportunity exist for roll out of our offerings for a much longer period. Moreover, varieties of TV manufactured by reputed International brands hasten the replacement of old models of TVs, which further requires upgraded Set Top Boxes which are being offered by our Company.

Television subscription revenue experienced a decline of 4% YoY, due to a reduction of five million pay TV homes and stagnant consumer-end ARPUs (Average Revenue Per User). The decline in homes has been caused by both cord-cutting at the top of the consumer pyramid and a shift to free DTH at the bottom of the pyramid.

In 2022, broadcasters earned revenue from 107 to 115 million paid subscriptions, compared to 110 to 130 million in 2021. The decline in paid subscriptions can be attributed to subscribers leaving and migrating to FTA (Free to Air) and/or digital streaming, including social media, short video, and gaming platforms, as well as a small number of subscribers shifting their consumption to connected TVs.

Connected TV sets reached 25 million units in 2022 and are expected to reach to 45 million units by 2025. In addition, the increased adoption of permanent and temporary work-from-home cultures has resulted in a large 'laptop audience', which has been the primary reason for second TV sets not being reconnected and for pricing parity between linear TV feeds and OTT.

By creating lower-priced FTA packs, differential pricing and bundling for rural markets in accordance with the Telecom Regulatory Authority of India (TRAI) most of the cable dark households could be brought into the mainstream. Moreover, reactivating millions of inactive set-top boxes through incentive schemes, and creating relevant content bundles for unpenetrated markets, would also assist in demand creation for the cable and broadcasting market.

**COMPANY OVERVIEW**

Dish TV India Limited, (hereafter referred to as 'Dish TV' or 'the Company'), is a leading player in the direct-to-home (DTH) market and has been recognized for revolutionizing Indian television with its innovative digital entertainment services. The Company extends its services across urban, rural, and semi-urban regions of India through a range of brands, including Dish TV, D2H, Watcho OTT app and Zing Super. These brands have established a robust brand reputation by offering a wide range of SD/HD channels and value-added services across various price points, resulting in strong brand equity.

The Company provides more than 700 channels and services, including HD channels. The Company's enormous distribution network, which spans the length and breadth of the country, consists of over 2,100 distributors and approximately 1,37,000 dealers/ recharge outlets in 9,300 cities. In addition, the Company possesses multiple call-centres in 22 cities to provide multilingual customer service around the clock, given India's linguistic diversity. We have also facilitated *Ghar se Call* facility, initiated during the COVID period and now being used more and more for call centre facility. This facility enables better call quality and is also saving lot of money for the Company.

Dish TV has been consistently collaborating with renowned digital Fintech Companies in order to provide customers with recharging convenience. The Company is committed to grow strongly in the DTH and OTT Aggregation space and constantly endeavours to serve the customer wherever, whenever, whatever (content) and on whichever (device). The Company's DTH product range spans the entire spectrum from the SD set top box to the top-of-the-line hybrid box.

In response to customers' growing interest in streaming services, Watcho, an over-the-top (OTT) platform, was launched which is becoming an integral element of the business strategy. Watcho is a platform with multiple facets that provides original content, live TV, and user-generated content. With an extensive consumer base and many more planned enhancements, it is anticipated to play an even larger role in Dish TV's future success. Watcho continues to attract a large number of rural and urban subscribers and offer them a variety of new-age genre-spanning content.

**Product and Services Portfolio:**

**Connected Devices**

The Company has made significant strides in expanding its portfolio of connected devices by introducing two cutting-edge innovations: Dish SMRT Hub and DTH Stream. These hybrid HD set-top-boxes, powered by Android TV 9.0, provide internet content, games, and smart services, changing any conventional TV into a smart TV. In addition, the Chromecast feature enables simple mirroring of content from mobile devices to the big screen, while the integrated Google Assistant enables voice-controlled interactions via the Bluetooth-enabled universal remote. These additions have considerably strengthened the Company's position in the DTH segment, by enhancing its overall product offering.

**Regional Content**

With a pioneering presence in India's digital domain, Dish TV has garnered substantial expertise in comprehending the consumer market and its distinct requirements. Thus, the Company provides substantial regional content *via* Dish TV and D2H. This commitment is the reason for the Company's impressive performance in the southern markets of India, as well as in West Bengal, Orissa, and Maharashtra.

**Watcho OTT**

The OTT industry is undergoing an evolutionary change as a multitude of OTT applications enter the market and compete for market share. To strengthen the portfolio, your Company entered the digital video content market with its OTT app - Watcho. Watcho has surpassed over 80 million downloads and strengthened its presence across the market. The platform has a significant presence in semi-urban markets and is acquiring momentum and visibility in Tier-1 cities. Throughout the year, numerous original series in genres such as action, thriller, suspense, romcom, and family drama were released.

Viewers of linear TV, especially those with younger members in their households, have a preference for a seamless viewing experience that combines both linear and OTT content from a single service provider. There is an increasing demand for the convenience of packaging linear channels together with OTT content. With the intention of providing the convenience of a single subscription at an affordable price, Watcho has introduced a variety of bundled OTT plans. It was also the first aggregator of over-the-top (OTT) content to offer customizable plans, providing access to an entirely new universe of digital content with a single plan. Aggregating and bundling OTT apps of various shapes and sizes, genre-based categorization of programming, and providing a single payment portal to access more than a dozen curated apps has been like a natural extension of the Company's DTH business. The Watcho OTT plans offer access to content from various leading OTT platform including the regional platforms, with total count of OTT platforms in the aggregation app being around 20. The Company continues to make efforts to add all important and relevant OTT apps. Dish TV India has now expanded its presence across the entire spectrum of available content.

**Zing**

The Zing Super Box, a 2-in-1 box that combines freemium Pay TV channels with a Free-to-Air package, is another notable product. It provides 230 odd channels of entertainment for free for the first two years for its consumers. This has resulted in attracting subscribers from the Hindi heartland and capturing the attention of the trade partners, offering a feasible alternative to Free Dish and local cable operators.

**Value-Added Services**

The entertainment landscape in India is evolving, and individuals cannot get enough of their preferred forms of entertainment. Dish TV has always been at the forefront of providing its subscribers with a variety of wholesome, exclusive, and relevant content.

Dish TV, in keeping with consumers viewing interests, launched new services to keep its subscribers' entertained. In collaboration with Hungama Digital Media Entertainment Pvt. Ltd., Dish TV launched "Bollywood Hungama Active." a single platform for all Bollywood news, fun facts, and updates, with interviews and unknown facts about superstars of Bollywood.

In tune with content going vernacular and to strengthen the platforms' connect with its subscribers, the Company launched an ad-free service 'Hollywood Indie Active', which offers Hollywood content in four Indian languages - Hindi, Tamil, Telugu, and Marathi.

**Empowering subscribers**

The Company has incorporated technological advances in both its back-end and front-end operations to improve user-friendliness and broaden the reach of its services. By combining Artificial Intelligence (AI) and Machine Learning (ML), a new feature dubbed 'Scan to help' has been added to the My Dish TV app. This feature supports both Hindi and English languages to facilitate user comprehension. The primary objective of "Scan to help" is to encourage subscribers to autonomously resolve simple technical errors on their Set-top Boxes. By merely scanning the error plate, users can receive account status and subscription information updates. Moreover, the application can generate a "Service Ticket" if necessary.

In the event of bad weather at the broadcasting centre, the app can collect weather updates from the subscriber's locality and proceed with troubleshooting accordingly. On the Company's websites, similar self-help options such as DIY or Self-Help centres are also available. These centres answer questions pertaining to recharges, bundle information, troubleshooting, service-related questions and complaints, and more. By providing these tools for self-service, the Company has reduced the number of cases referred to customer service, which will benefit both the Company and its subscribers. The ultimate goal is to establish a fully automated customer service ecosystem in which the tool provides a one-stop shop for all customer inquiries. The Company optimises productivity, improves user experience, and boosts client satisfaction by automating customer service operations and allowing subscribers to find quick solutions. Overall, the incorporation of AI and ML technologies into the Company's services and products makes them more user-friendly, encourages subscribers to assist themselves, and facilitates the customer service ecosystem. The Company recently provided a QR code facility for ease of payment without any loss of viewership days.

**BUSINESS STRENGTHS**

- **Pioneer in digital entertainment**: Dish TV experienced a transformative year in FY 2022-23, in which it transitioned from predominantly being a DTH and pay TV service provider to offering comprehensive entertainment services on all available screens. Dish TV has progressively streamlined its business and strategically introduced connected devices and now, by streaming all of the major OTT applications on Watcho App, it has created a substantial market moat. Dish TV is the only Company that offers all entertainment services in a single app, including broadcast and linear channels, pay TV content streaming, and an aggregation of all major OTTs across the market on all available screen types. The Company has established its dominance in the Indian M&E market by virtue of its first-mover advantage, vast distribution, technological advantage, strong channel partner ecosystem, and broad range of products and offerings.

- **Strong foothold in semi-urban and rural areas**: Inadequate market penetration in semi-urban and rural areas presents the Company with ample growth opportunities. The Company has been benefitted from its deeply entrenched vast distribution network. The improvement of the standard of living and the accelerated development of infrastructure bodes well for the growth of subscribers in the rural and semi-urban markets.

- **Extensive dealer/distributor network**: The Company has been successful in expanding its distribution network across the country, with a particular emphasis on smaller communities and villages.

- **Multi-brand Product Portfolio**: The Company offers services in urban, rural, and semi-urban regions across India with its multiple brands such as Dish TV, D2H, Watcho OTT app and Zing Super. The Company's diverse brands allow it to offer products at a range of price points to meet the requirements of various consumer segments. Each of the four brands has strong presence in a distinct geographical area. While Dish TV enjoys brand recognition among consumers, D2H has strong brand loyalty in trade circles. Besides, Watcho OTT app and Zing Super has gained popularity among the customers and established itself as a popular brand.

- **Watcho – the unique and next big thing**: The Company's in-house OTT platform has garnered huge acceptance reflected in the downloads during the year. Watcho OTT app, has not only strengthened its portfolio it also caters to the larger regional language and semi-urban area market. With a variety of original content, the app has become highly popular with the youth, socially aware and contemporary socials. During FY 2022-23, Dish TV India had upgraded its Watcho OTT app to consolidate multiple OTT platforms into a single window. To access content from the aforementioned platforms, only a single Watcho subscription is required. Watcho OTT App has registered significant growth in the number of downloads by growing to over 80 million.

- **Deleveraging its balance sheet:** Dish TV has significantly reduced its debt level from ₹ 31,539 million as of March 2018 to ₹ 725 million as of March 2023. The lower level of debt would assist the Company in reducing its financial expenses and also to efficiently use its capital employed in its business operations. We have no Debt obligation as on date and we are a Zero Debt Company. Now onwards the Company can invest free cash flow exclusively for growth of subscribers, adoption of new technology, brand building exercise and overall expansion of business.

**BUSINESS STRATEGIES**

- **Strong Customer Connect:** Dish TV has adapted a customer centric approach which is crucial to its success. The Company is continually focused on launching technologically advanced set top boxes in order to maintain its connection with its young audiences as technology evolves over time. The Company has already introduced the Zing Super Box, a two-in-one box for accessing both FTA and pay TV channels. In addition to launching a plethora of innovative and original content on Watcho OTT app, the Company launched several new channels and value-added services on the Dish platform. Flexi packs were introduced, allowing subscribers to alternate between applications within a single subscription. To better serve its consumers, Dish TV has been investing in data management and analytics for both Dish and non-Dish platforms, allowing for a greater comprehension of consumption and behavioural data. The Company is also using widely known websites *e.g.*, google, facebook, twitter, Instagram, to connect and resolve issues faced by the customers. We have also strengthened two-way WhatsApp facility allowing the subscriber to resolve his queries in the shortest possible time.

- **Technological Innovation**: Technology has become the enabler and crucial game changer in the modern world and has been one of the pillars of the Company's business functions. The Company's IT systems have been CMMI ML5 V2 (DEV & SVC) and ISO 20000-2018 certified. Dish TV has CMMI certification. The addition of QR code-based capture of 'Signal strength' and 'signal quality' to the technician app is intended to improve the service technicians' productivity. We have also reviewed and strengthened the cyber security measures to avoid any unpleasant event going forward.

  The Company is aware of the vital role technology plays in the industry in which it operates, and as a result, it strives to not only keep up with technological advancements, but also remain ahead of them. The consumption pattern has shifted from linear family viewing to individual viewing *via* OTT applications. This does not significantly affect the reach of linear channels, but it does increase the consumption of OTT video content.

  The Company has effectively expanded its bandwidth to accommodate this new market while continuing to serve its current clientele. Dish TV has been working to integrate its digital content library with the enhanced viewing experience offered by televisions compared to smaller screens. The Company's Dish TV and D2H brands had separate set top boxes earlier. This year, the Company has introduced a unified set-top box that combines both brands into one unit of hardware, thereby reducing the expenditures associated with developing distinct boxes for each brand. Thus, the Company continues to evolve with rapidly changing technologies.

- **Strengthening D2C (Direct to Consumer) Business**: Most of the Company's revenues are coming from the digital channels and Direct to Customer ('D2C') business. The Company is able to provide both offline and online B2B (Business to Business) including hotels and corporates as well as the D2C business. The Company has further planned to expand its products and services portfolio to better serve the D2C segment.

- **Increasing the Distribution Footprint**: Dish TV has a strong and devoted distribution markets for its traditional business. The Company has focussed on strengthening its distribution network by introducing effective distribution management initiatives. Dish TV has identified markets where it can expand its distribution footprints and is concentrating on growing the D2H and Dish TV market. Additionally, the Company added newer content and value-added services, which would help to strengthen its traditional retail business and thereby assist in effective distribution of its products and services.

**OUTLOOK AND OPPORTUNITIES**

The media and entertainment industry has undergone a rapid transformation, providing consumers with a wide range of content choices on linear channels and OTT platforms. Dish TV has adopted innovation to keep up with the changing times. We have launched new set-top devices and value-added services (VAS) to reach a larger audience and have performed well by adapting to viewers' changing preferences.

Competition has intensified not only within the DTH market, but also among streaming platforms, government-run distribution platforms, telcos, and cable TV providers. Dish TV recognises this competition and is actively engaged in exploring new methods to serve both current and prospective subscribers.

Offering of multiple content distribution platforms are viewed as an opportunity for Dish TV. We are looking beyond current offerings of hybrid devices and the OTT platform 'Watcho' to develop innovative solutions. Watcho has integrated the majority of major OTTs into its single platform, and the Company intends to introduce additional OTT platforms under the Watcho brand.

Zing Super has been rolled out last year, which is a combination of FTA and pay TV subscription, and where the customers are given an option to pay for their favourite shows along with the FTA services. Dish TV is committed to prioritise both technological advancement and customer satisfaction. They endeavour to adapt to emerging trends and leverage them to provide seamless and valuable entertainment to their customers. With the recognition of the popularity of FTA (Free-to-Air) channels in rural India, the Company aims to capitalize on untapped rural areas that were previously devoid of cable services, thus expanding its appeal throughout the market.

Government initiatives, such as rural electrification, and rural income-focused programmes, are advantageous for Dish TV, because of its stronghold in smaller towns and villages. The Company anticipates a rise in demand for television and pay TV programming in rural areas on account of significant government Pro-Poor initiatives.

Dish TV believes that television will remain the most popular, cost-effective, and convenient form of entertainment for most Indians. The Company is dedicated to servicing the Indian population with high-quality content and accommodating both linear viewing and individual viewing via OTT platforms.

**OPERATIONAL PERFORMANCE**

The focus of the Company remained in reducing the churn, increase the ARPU and popularize the Watcho OTT app. A lion's share of management time was involved in making Watcho OTT app, a formidable platform amongst youth and urban customers. The Company introduced 'Box Service Plan' during the year under review, where the inoperative set top boxes are being replaced by the Company without any extra charge. During FY 2022-23, Dish TV continued to offer Long Term Recharge deals that encompassed complimentary viewing days with 3 months, 6 months, and 12 months of recharge. Additionally, the Company offered free Watcho OTT app subscriptions as a special incentive to win back consumers.

The Company continued to operate its subscriber-friendly pay-later scheme, in which viewers who missed their recharge dates are granted three days of grace viewing. The amount that is credited to their account is automatically adjusted from their subsequent recharge payment. Amid mounting inflationary pressure, the Company adopted a prudent approach to expense management, leading to overall operating efficiencies.

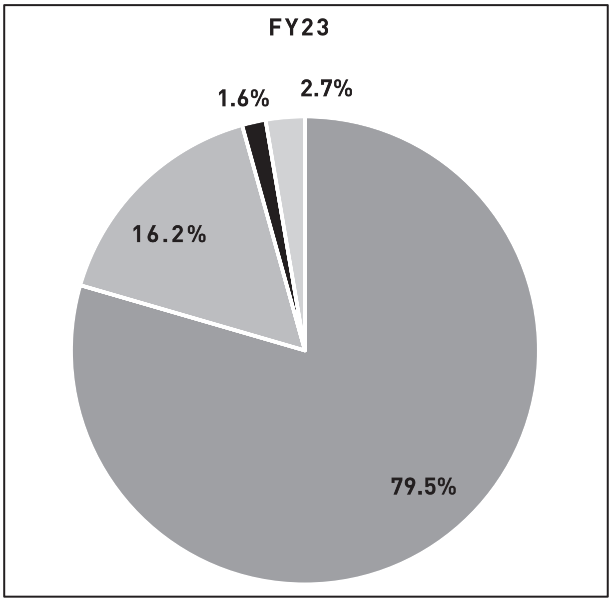
## FINANCIAL REVIEW

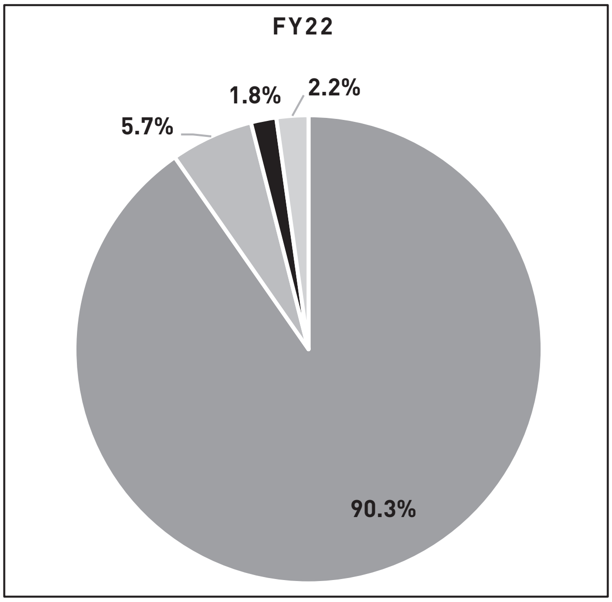
Key Consolidated financial highlights

| Particulars (₹ Million) | FY 23 | FY22 | % Change (YoY) |
|---|---|---|---|
| Subscription revenue* | 17,981 | 25,311 | (28.96) |
| **Total Revenue from Operations*** | **22,619** | **28,025** | (19.29) |
| **Expenditure** | **13,485** | **11,582** | **(16.43)** |
| **EBIDTA** | **9,134** | **16,442** | **(44.45)** |
| ***% EBITDA*** | ***40.38*** | ***58.67*** | **(31.17)** |
| Other Income | 332 | 239 | 38.91 |
| Depreciation | 8,491 | 10,709 | 20.71 |
| Financial Expenses | 2,780 | 3,246 | 14.36 |
| **PBT Before Exceptional Item** | **(1,805)** | **2,727** | **(166.19)** |
| ***% PBT*** | ***(7.98)*** | ***9.70*** | **(173.20)** |
| Exceptional Item | 19,076 | 26,539 | 28.12 |
| PBT After Exceptional Item | (20,881) | (23,812) | 12.31 |
| Tax | (4,046) | (5,140) | 21.28 |
| **Net Profit** | **(16,835)** | **(18,672)** | **9.84** |
| ***% Net Margin*** | ***(74.43)*** | ***(66.63)*** | ***(11.71)*** |

** Net of programming cost*

**Composition of Revenue from Operations**




■ Subcription Revenue ■ Addl. Mktg. Promo. Fee and BW Charges ■ Advertisement Income ■ Other Operational Income

During the year operating revenue stood at ₹ 22,619 million as compared to ₹ 28,025 million in FY 2021-22 led by 19.29 per cent decline in subscription revenue. EBITDA stood at ₹ 9,134 million as compared to ₹ 16,442 million in FY 2021-22. EBITDA margin contracted to 40.4 per cent from 58.7 per cent in FY 2021-22.

Depreciation declined 20.71 per cent to ₹ 8,491 million from ₹ 10,709 million in FY 2021-22. Finance costs continued to decline due to repayment of borrowings in FY 2022-23 as well. Finance cost declined by 14.36 per cent to ₹ 2,780 million from ₹ 3,246 million in FY 2021-22.

PBT before exceptional item declined 0.66x from ₹ 2,727 million to ₹ (1,805) million in FY 2022-23.

The Company reported exceptional losses of ₹ 19,076 million including ₹ 2,800 million as an impairment charge on intangible assets under development and related advances, ₹ 6,211 million and ₹ 6,784 million respectively as an impairment charge on the goodwill and other intangible assets and also impairment loss of ₹ 3,281 million recognised on Property, plant & equipments acquired from Videocon d2h Limited in FY 2017-18.

Net loss for the full year stood at ₹ 16,835 million as compared to ₹ 18,672 million in the previous year.

The Company stayed focused on deleveraging its balance sheet for the fourth year in a row and paid-off ₹ 3,031 million during the year thus reducing its overall debt to ₹ 725 million at the end of FY 2022-23 as compared to ₹ 3,756 million at the end of FY 2021-22.

Details of Significant Change in Key Financial Ratios:

| Ratio | FY 23 | FY 22 | Change FY 23 | Remarks for > 25% or < -25% Change |
|---|---|---|---|---|
| Debtors Turnover (x) | 5.67 | 3.86 | 47% | Debtors Turnover ratio has improved on account of increase in Credit Sales |
| Inventory Turnover (x) | 1.89 | 2.23 | (15%) | - |
| Interest Coverage Ratio (x) | 3.40 | 25.53 | (87%) | Interest coverage Ratio has decline on account of decrease in EBITDA |
| Current Ratio (x) | 0.14 | 0.13 | 13% | - |
| Debt Equity Ratio (x)* | 0.09 | 0.43 | 79% | Debt equity ratio has improved on account of repayment of debt during the year. |
| Operating Profit Margin (%) | 2.84 | 20.46 | (86%) | Operating profit margin has dipped due to decrease in Operating revenue during current year |
| Net Profit Margin (%) | (74.43) | (66.63 ) | (12%) | - |
| Return on Networth – RoNW (%) | (213.43) | (213.30) | 0% | - |

**RISK AND MITIGATION**

The risk is perceived as an integral part of management discussion, analysis and its mitigation. The Company endeavours constantly to strike a balance between risk management and opportunity exploitation. The Company has adopted an integrated Risk Management Policy within the overall Risk Management Framework to ensure the timely identification, evaluation, monitoring, mitigation, and reporting internal and external risks to the Company's growth. The most significant risks and mitigating measures adopted by the Company are discussed below:

- **Technology risk:** The devices and platforms (mediums) used by consumers to consume entertainment are swiftly evolving. This makes it critical to adapt to shifting consumer patterns in order to remain relevant. In the event that consumers transition to alternative devices and platforms, the Company faces the risk of losing business revenue.

**Mitigation:** The Company is aware of the fluctuating nature of consumer consumption patterns and strives to maintain its relevance in a dynamic environment. Dish TV continues to offer innovative new products, including new services with added value, and adapt to technological advancements. Periodically, the Company invests in both back-end and front-end technology upgrades. Dish TV closely monitors new technological developments and strives to keep up with the competition in terms of ease of use, cost, and variety of content. The Company is also storing data for emergency purposes which can be used for customer grievances and other finance related matter, but there is no disaster recovery alternate site for broadcasting services.

- **Regulatory risk:** As a part of the broadcasting industry, the Company is governed by the Ministry of Information and Broadcasting, Ministry of Electronics and Information Technology, and Telecom Regulatory Authority of India (TRAI) norms. It is obligatory for the Company, to adhere to all prescribed compliances, which regulate vital business aspects such as pricing, content bundling, etc. In the event of noncompliance or significant deviations, the Company runs the risk of incurring penalties, business suspension, or business losses.

  **Mitigation:** The Company maintains vigilant oversight of all relevant regulations and laws, ensuring meticulous compliance both in terms of their literal interpretation and the intended spirit.

- **Economic Risk:** The entertainment industry is a big contributor to India's GDP and is consequently influenced by macroeconomic changes. Any slowdown or environment of high inflation may have an impact on discretionary spending, which in turn may have an impact on consumer spending on entertainment.

  **Mitigation:** Television entertainment has practically become a basic necessity. Even during economic downturns, the M&E industry is one of the last to be affected, as television is a crucial engagement medium. Consequently, Dish TV is reasonably protected from temporary macroeconomic slowdowns, such as those witnessed during the pandemic. Additionally, innovative content, expanding media channels, and personalisation aid in consumer engagement for the Company. The Government is also taking adequate measures to make the industry more robust, relevant and responsible.

- **Competition Risk:** Given the industry's strong future prospects, the Company confronts intense competition from cable and other DTH players distributing TV content. With the increasing popularity of the internet, competition is evolving, and the Company competes with other entertainment mediums including the internet, OTT platforms, and free content providers such as DD (Doordarshan) Direct.

  **Mitigation:** The Company takes a subscriber-centric approach to risk mitigation. To stay ahead of the competition, the Company endeavours to develop original content, delivery platforms, and value-added services. In order to retain current consumers and attract new ones, Dish TV provides a vast selection of content and technology. In addition to the standard HD and SD set-top boxes, Dish TV launched a number of premium products, such as the Android-powered SMRT Hub & Stream set-top box, the Alexa-powered SMRT Kit & Magic set-top box, and the OTT platform Watcho. Zing Super is counter to the free Dish available in the market.

- **Capital Intensive Business:** The very nature of the industry itself is capital intensive, and digitization has only amplified this nature. The regular business operations require sophisticated broadcast equipment, communication equipment, and other information technology equipment. Increase in the component cost is a risk for the Company.

  **Mitigation:** As a capital-intensive business, the Company remains vigilant regarding technological advancements in the industry and implements cost-effective strategies to adopt these advancements in a timely manner. While embracing the latest technology, the Company also strives to maintain competitive pricing. The Company also engages with multiple vendors of the components to ensure that the rates are under control.

## INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has developed robust internal control systems that emphasise its strong culture of ethics and integrity. The internal control framework enables the efficient conduct of business, financial control, adequate asset protection, fraud/error prevention, and regulatory compliance commensurate with the scale and industry of operations. Regular monitoring of adequacy, accuracy, and efficacy allows for the close monitoring of risks and the implementation of appropriate mitigation measures. Periodic assessment by the internal audit function ensures impartial evaluation and monitoring of the internal control, processes, structure, and allocation of resources. Risk-based audits and routine review of financial, operational, and compliance controls ensure a high standard of Corporate Governance. The internal control framework is also responsible for aligning operations with its long- and short-term business goals. The Board of Directors evaluates the internal control framework and key audit findings on quarterly basis. Any deviations are promptly rectified and further corrective action is taken in order to strengthen the Company's internal control framework.

## HUMAN RESOURCES

Human capital has been highly valued as a key growth driver of the Company. Dish TV provides an employee-friendly work environment that fosters both personal and professional development. This allows the employee to maintain dedication towards the organisation's objectives. The Company endeavours to create an environment that is safe, conducive, and productive. Best-in-class human resource policies enables the Company to accomplish a high rate of employee retention and attract top talent. Across the country, the Company has been carrying out significant employee engagement initiatives. "SAMVAD" has been one of the prominent employee engagement initiative undertaken by the Company. A flat organisational structure, orientation, open-door policy, and incentive-based work culture ensure high productivity and widespread adoption of the Company's values and culture. The Company promotes the growth of skills by investing in training programmes. Dish TV also encourages employees to attend industry conferences in order to stay apprised of industry advancements. As of March 31, 2023, the number of permanent employees on the Company's payroll was 392.

## CAUTIONERY STATEMENT

Statements in this Management Discussion and Analysis of the Company describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, based on any subsequent developments, information or events. Thus, the Company's actual performance/results could differ from the projected estimates in the forward-looking statements. The discussions on our financial condition and result of operations should be read together with our audited, consolidated Financial Statements and the notes to these statements included in the Annual Report.

## FINANCIALS AND FINANCIAL POSITION

Standalone and Consolidated Financials as on FY 2023:

Table below presents Standalone & Consolidated Financials for the Current and Previous Financial Year.

**Statement of Profit and Loss Account for the year ended FY 2023**

(₹ in mn)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | FY 2023 | FY 2022 | FY 2023 | FY 2022 |
| **Income** | | | | |
| Revenue from Operations | 11,097.30 | 13,837.00 | 22,618.50 | 28,024.90 |
| Other Income | 1,465.40 | 1,303.30 | 332.00 | 239.21 |
| **Total Revenue** | **12,562.70** | **15,140.30** | **22,950.50** | **28,264.11** |

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | FY 2023 | FY 2022 | FY 2023 | FY 2022 |
| **Expenses** | | | | |
| Purchase of stock in trade (Consumer premises equipment related accessories /spares) | - | - | 236.60 | 225.58 |
| Change in inventories of stock- in- trade | - | - | (24.96) | 117.12 |
| Operating expenses | 4,646.20 | 4,789.10 | 5,944.90 | 6,078.96 |
| Employee benefit expense | 746.90 | 695.00 | 1,540.10 | 1,495.18 |
| Finance Cost | 2,567.50 | 2,685.50 | 2,779.80 | 3,245.81 |
| Depreciation & amortization expense | 1,930.60 | 2,361.30 | 8,491.00 | 10,708.99 |
| Other expenses | 2,447.60 | 2,313.80 | 5,788.19 | 3,665.47 |
| **Total Expenses** | **12,338.80** | **12,844.70** | **24,755.64** | **25,537.11** |
| **Profit before prior period items & tax from continuing operation** | **223.90** | **2,295.60** | **(1,805.06)** | **2,727.00** |
| Exceptional items | 22,062.90 | 27,719.00 | 19,076.10 | 26,538.80 |
| **Profit/ (Loss) before tax from continuing operation** | **(21,839.00)** | **(25,423.40)** | **(20,881.16)** | **(23,811.80)** |
| Tax expense | (1,542.70) | (1,199.20) | (4,045.79) | (5,139.60) |
| **Profit/ (Loss) after tax for the year from continuing operation** | **(20,296.30)** | **(24,224.20)** | **(16,835.37)** | **(18,672.20)** |
| **Profit/ (Loss) for the year** | **(20,296.30)** | **(24,224.20)** | **(16,835.37)** | **(18,672.20)** |

**Balance Sheet as at FY 2023**

(₹ in mn)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | FY 2023 | FY 2022 | FY 2023 | FY 2022 |
| **ASSETS** | | | | |
| **(1) Non-current assets** | | | | |
| (a) Property, Plant & Equipment | 1,233.30 | 2,173.70 | 10,517.40 | 15,758.50 |
| (b) Capital work-in-progress | 15.30 | 24.90 | 2,772.90 | 5,061.00 |
| (c) Goodwill | - | - | 0.60 | 6,211.50 |
| (d) Other intangible assets | 19.50 | 7,223.20 | 37.50 | 8,206.80 |
| (e) Intangible assets under development | - | - | 3,751.90 | 4,556.40 |
| (f) Financial assets | | | | |
| (i) Investments | 15,299.79 | 31,000.60 | 0.00 | 0.00 |
| (ii) Loans | 9,673.23 | 8,470.51 | - | - |
| (iii) Other financial assets | 36.70 | 99.60 | 37.60 | 102.50 |
| (g) Deferred tax assets (net) | 5,185.10 | 3,640.60 | 15,979.20 | 11,930.57 |
| (h) Current tax assets (net) | 681.00 | 460.50 | 793.50 | 352.74 |
| (i) Other non-current assets | 1,123.10 | 1,150.60 | 3,571.80 | 7,232.50 |
| | | | | |
| **(2) Current Assets** | | | | |
| (a) Inventories | - | - | 128.90 | 95.20 |

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | FY 2023 | FY 2022 | FY 2023 | FY 2022 |
| (b) Financial assets | | | | |
| (i) Investments | - | - | - | - |
| (ii) Trade receivables | 781.70 | 697.10 | 923.30 | 803.60 |
| (iii) Cash and cash equivalents | 102.40 | 65.70 | 368.01 | 373.11 |
| (iv) Bank balances other than (iii) above | 1,349.10 | 1,338.00 | 1,446.20 | 1,448.70 |
| (v) Loans | - | - | - | - |
| (vi) Other financial assets | 102.60 | 100.00 | 136.20 | 153.10 |
| (c) Other current assets | 607.60 | 494.70 | 4,596.60 | 4,359.61 |
| Group of assets classified as held for sale | - | 0.29 | - | 33.67 |
| **Total Assets** | **36,210.42** | **56,939.94** | **45,061.61** | **66,679.50** |
| | | | | |
| **EQUITY AND LIABILITIES** | | | | |
| **EQUITY:** | | | | |
| (a) Equity share capital | 1,841.26 | 1,841.26 | 1,841.26 | 1,841.26 |
| (b) Other equity | (13,704.91) | 6,596.80 | (9,728.60) | 7,519.00 |
| (c) Non-controlling Interest | - | - | (0.62) | (606.10) |
| **Total** | **(11,863.65)** | **8,438.06** | **(7,887.92)** | **8,754.15** |
| | | | | |
| **LIABILITIES:** | | | | |
| **(1) Non-current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | - | - | - | 739.10 |
| (ii) Lease liability | 19.60 | 18.90 | 19.60 | 18.90 |
| (iii) Other financial liabilities | - | 0.10 | - | - |
| (b) Provisions | 59.10 | 85.80 | 112.10 | 188.50 |
| (c) Deferred Tax Liabilities (net) | - | - | - | - |
| (d) Other non-current liabilities | 35.60 | 47.50 | 41.40 | 102.20 |
| | | | | |
| **(2) Current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | - | - | 725.00 | 3,016.70 |
| (ii) Trade payables | 3,755.60 | 5,738.80 | 4,478.20 | 7,004.32 |
| (iii) Lease liability | 1.40 | 1.40 | 1.40 | 1.40 |
| (iv) Other financial liabilities | 89.37 | 248.44 | 875.23 | 1,282.52 |
| (b) Other current liabilities | 2,812.10 | 2,692.70 | 5,389.89 | 5,651.76 |
| (c) Provisions | 41,091.90 | 39,458.90 | 41,097.30 | 39,464.60 |
| (d) Current tax liabilities (net) | 209.40 | 209.40 | 209.40 | 209.40 |
| Liability directly associated with group of assets classified as held for sale | - | - | - | 245.95 |
| **Total Equity & Liabilities** | **36,210.42** | **56,939.94** | **45,061.61** | **66,679.50** |

## (A) RESULTS OF OPERATIONS

We are pleased to share the Consolidated Financial information for the year ended March 31, 2023 compared to previous year ended March 31, 2022. At the close of FY 2023, Dish TV India Limited has two Subsidiary Companies i.e., Dish Infra Services Private Limited with 100% equity holding and C&S Medianet Private Limited with 51% equity holding. The Consolidated Financial Statements have been prepared after elimination of inter Company transactions, if any.

**Revenue from Operations**

Revenue from Operations includes Subscription Revenue, Infra support services, Lease rentals, Teleport services, and Marketing & Promotional Fee, Advertisement Income & Other operating income. Revenue from Operations decreased by INR 5406.40 Mn from INR 28,024.90 Mn in FY 2022 to INR 22,618.50 Mn in FY 2023.

**Other Income**

Interest & Other Income increased by INR 92.80 Mn from INR 239.21 Mn in FY 2022 to INR 332.00 Mn in FY 2023.

**Purchases of stock- in- trade**

Purchases of stock in trade increased by INR 11.02 Mn from INR 225.58 Mn in FY 2022 to INR 236.60 Mn in FY 2023.

**Change in inventories of stock- in- trade**

Change in inventories of stock in trade reduced by INR 142.08 Mn or (121.35%) from INR 117.12 Mn in FY 2022 to INR (24.96) Mn in FY 2023.

**Operating expenses**

Operating expenses decreased by INR 134.06 Mn or (2.21%) from INR 6,078.96 Mn in FY 2022 to INR 5,944.90 Mn in FY 2023.

**Employee benefit expenses**

Overall employee benefit expenses increased by INR 44.92 Mn or 3.00% from INR 1,495.18 Mn in FY 2022 to INR 1,540.10 Mn in FY 2023.

**Finance Cost**

Finance cost decreased by INR 466.01 Mn or (14.35%) from INR 3,245.81 Mn in FY 2022 to INR 2,779.80 Mn in FY 2023, This is due to Loan repayment during the year.

**Depreciation and amortization expense.**

Depreciation and amortization decreased by INR 2,217.99 Mn or (20.71%) from INR 10,708.99 Mn in FY 2022 to INR 8,491.00 Mn in FY 2023.

**Other Expenses.**

Other Expenses are increased by INR 2,122.72 Mn or 57.91% from INR 3,665.47 Mn in FY 2022 to INR 5,788.19 Mn in FY 2023.

**Profit and Loss before tax.**

Loss before Tax for the FY 2023 is INR 20,881.16 Mn. Loss before Tax for the FY 2022 INR 23,811.90 Mn.

**Profit and Loss for the year**

Loss for the FY 2023 is INR 16,835.37 Mn. Loss for FY 2022 is INR 18,672.20 Mn.

## (B) FINANCIAL POSITION

### (i) Equity and Liabilities

**Share Capital**

Share capital is INR 1,841.3 Mn in FY 2023 and FY 2022.

**Other equity**

Other equity decreased by INR 17,247.60 Mn or (229.39%), from INR 7,519.00 Mn in FY 2022 to INR (9,728.60) Mn in FY 2023.

**Non-current Borrowings**

Long Term Borrowings decreased by INR 739.10 Mn or (100.00%), from INR 739.10 Mn in FY 2022 to INR "Zero" in FY 2023.

**Lease Liabilities**

Lease Liabilities stood at INR 19.60 Mn as on March 31, 2023 as against 18.90 Mn as on March 31, 2022.

**Non-Current Provisions**

Non-current Provisions decreased by INR 76.40 Mn from INR 188.50 Mn as on March 31, 2022 to INR 112.10 Mn as on March 31, 2023.

**Other non-current Liabilities**

Other non-current Liabilities includes income received in advance.

Other Long Term Liabilities stood at INR 41.40 Mn as on March 31, 2023 against INR 102.20 Mn as on March 31, 2022.

**Current Liabilities**

Current Liabilities includes current Borrowings, Trade Payables, Other Financial Liabilities, Other Current Liabilities, current Provisions and Current tax liabilities.

Current Liabilities stood at INR 52,775.00 Mn as on March 31, 2023 against INR 56,630.40 Mn as on March 31, 2022.

### (ii) Assets

**Non-Current Assets**

**Property, plant & equipment**

Tangible assets stood at INR 10,517.40 Mn as on March 31, 2023 against INR 15,758.50 Mn as on March 31, 2022.

**Intangible Assets**

Intangible assets (including goodwill) stood at INR 3,790.00 Mn as on March 31, 2023 as against INR 18,974.70 Mn as on March 31, 2022.

**Capital Work-in-Progress**

Capital Work-in-Progress decreased by INR 2,288.10 Mn from INR 5,061.00 Mn as on March 31, 2022 to INR 2,772.90 Mn as on March 31, 2023.

**Non-Current Investments**

Non-Current Investments remains same as INR 10 as on March 31, 2023 against INR 10 as on March 31, 2022.

**Deferred tax assets**

Deferred tax assets stood at INR 15,979.20 Mn as on March 31, 2023 against INR 11,930.57 Mn as on March 31, 2022.

**Other non-current financial assets**

Other Long Term financial assets decreased by INR 64.90 Mn from INR 102.50 Mn as on March 31, 2022 to INR 37.60 Mn as on March 31, 2023.

**Other Non-Current Assets**

Other Non-Current Assets (Including Current tax assets) stood at INR 4,365.30 Mn as on March 31, 2023 against INR 7,585.24 Mn as on March 31, 2022.

**Current Assets**

**Inventories**

Inventories stood at INR 128.90 Mn as on March 31, 2023 against INR 95.20 Mn as on March 31, 2022.

**Current Investments**

Current Investments stood at Nil as on March 31, 2023 and as on March 31, 2022.

**Trade Receivables**

Trade Receivables stood at INR 923.30 Mn as on March 31, 2023 against INR 803.60 Mn as on March 31, 2022.

**Cash and Bank Balances**

Cash and Bank Balances stood at INR 1,814.21 Mn as on March 31, 2023 against INR 1,821.81 Mn as on March 31, 2022.

**Current Loans**

Loans and Advances stood at NIL as on March 31, 2023 and in March 31, 2022.

**Other current financial assets**

Other current financial assets stood at INR 136.20 Mn as on March 31, 2023 against INR 153.10 as on March 31, 2022.

**Other Current Assets**

Other Current Assets stood at INR 4,596.62 Mn as on March 31, 2023, registering an increase of 5.44% against INR 4,359.61 Mn as on March 31, 2022.