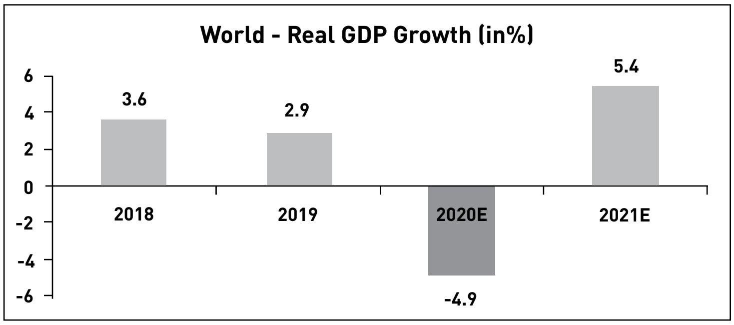
MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY OVERVIEW

Global Economy

The global economy growth was weak but stabilizing until the coronavirus (COVID-19) pandemic hit the world. The outbreak of COVID-19 pandemic in early 2020 has spread with alarming pace, infecting millions and has crippled the economic activity across the world due to continued lockdowns by all the countries. The International Monetary Fund (IMF) has projected global growth to decline to 4.9% in 2020 that will mark the steepest downturn since global financial crisis in 2009.

To combat the economic disruption caused by COVID-19, Central banks and monetary authorities in developed and emerging market economies have engaged in an ongoing series of interventions in financial markets and national governments have adopted an array of fiscal policy initiatives to stimulate their economies. Major economies of the world are also engaged in mitigating the adverse impact of the Pandemic and have taken various initiatives to ease the impact of the Pandemic and strengthen the economies. As per IMF, the global economy is expected to witness a rebound in 2021. However, the economy is still exposed to re-escalation of US-China frictions and a global credit crunch. Further the growth prospects would depend on many factors, including containment period for COVID-19, the duration of any shutdowns, the impact on business activities, and the implementation of fiscal and monetary policy support.



Source: IMF Report – June 2020

Indian Economy

The Indian economy had been facing tough situation over the past year due to cyclical factors. Investment and consumption demand had been languishing however a number of stimulus measures have been taken by the Government to bring back the economy on a growth path. COVID-19 outbreak has raised fresh challenges for the Indian economy, causing severe disruptive impact on both demand and supply side elements. As per the provisional estimates of Central Statistics Organisation (CSO), the growth of India's real GDP during FY20 is estimated at 4.2%, as compared to 6.1% in FY19.

Despite near-term volatility, the Indian economy is expected to recover faster and resume its growth trajectory on the back of digitization, globalization, favourable demographics, the Government's structural reforms and fiscal stimulus packages. To support the economy, the Reserve Bank of India (RBI) has eased monetary policy by cutting policy rates and providing liquidity through long-term repo operations. On the fiscal front, the government had implemented economic stimulus package named as 'the Atmanirbhar Bharat Abhiyan' of 20 trillion, which represents roughly 10% of the Indian GDP. This was aimed at infusing credit flow into the severely impacted sectors and to create a multiplier effect on the economy. The package includes a series of relief measures, guarantees, relaxations and liquidity infusions primarily focusing on four themes – MSMEs, rural economy, liquidity support and long-lasting policy reforms. The package included wider section of the community specially farmers, youths, MSME and vulnerable section of the society. However, in a rapidly evolving environment, the shape of economic recovery could differ depending on the intensity and duration of the pandemic, the extent of global slump and further domestic policy support.

INDUSTRY OVERVIEW

Indian Media and Entertainment (M&E) Sector

The Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand, increasing digitalisation and improving advertising revenues. According to FICCI EY report - 'The era of consumer A.R.T. – Acquisition Retention and Transaction', the Indian M&E sector grew 9% over 2018 to reach ₹ 1.82 trillion (US$25.7 billion) in 2019. The growth was mainly driven by increase in quantum of content produced, rise in content consumption on improving digital infrastructure and increase in per capita income. Backed by exponential progress expected due to digital accessibility and adoption, the M&E industry is expected to grow at a CAGR of 10% over 2019-2022 to reach ₹ 2.42 trillion (US$34 billion) by 2022.

The growing subscription-based business models and India's attractiveness as a content and post production destination are driving the growth of M&E sector in India. While television and print still rules their positions as the two largest segments, digital media overtook filmed entertainment in 2019 to become the third largest segment of the M&E sector in 2019. It is further expected to overtake print by 2021, to become the second largest segment. However the growth of M&E is also a function of growth of GDP and any adverse impact on the economy may affect this sector also.

The M&E industry in India continues to undergo substantial change. The rapid proliferation of mobile access is enabling on-demand, anytime-anywhere content consumption nationwide. The sector firmly turned towards a B2C operating model driven by the ability to create direct-to-customer (D2C) relationships.

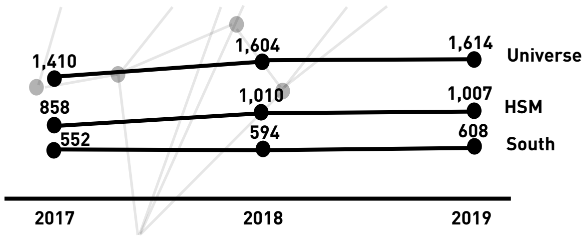
India is among the fastest growing entertainment and media market globally and is expected to keep that momentum. Digitization of the M&E industry has, in many ways, transformed the industry structure. Digital Media increased by 31% in 2019 driven by significant increase in digital subscription by more than two times from 2018 level, as a large section consumed online quality content. Digital advertising revenues grew to command 24% of total advertising spend. Digital video has seen significant rise in terms of consumption. Television industry grew by 6.4% in 2019 led by increase in both advertising and subscription revenues.

Indian Television (TV) Industry

In 2019, the Indian TV industry grew by 6.4% over 2018 to reach ₹ 788 billion from ₹ 740 billion in 2018. This growth has been aided by continued rise in viewership, which was indeed helped by significant increase in the number of channels, deeper market penetration through regional channels and new genres. The growth was also helped by large-scale events such as IPLs, reality shows, etc.

Overall viewership on TV remained stable in 2019. Regional channels benefited from the New Tariff Order as their consumption increased by over 20% in certain cases. General entertainment and movie channels led with 74% of viewership.

Viewership on TV (in billion)



HSM: Hindi Speaking Markets
Source: EY

Total distribution income or the subscription paid for television in India by viewers increased 7.5% in 2019 to ₹ 468 billion, despite a fall in active paid subscriptions on account of higher ARPUs. The subscription base for traditional unidirectional television services such as Cable, Direct-to-home (DTH), Headend-in-the-Sky (HITS) are expected to keep growing over the next few years owing to higher penetration.

Connected Devices to drive the growth

The television sector in India is undergoing a deep restructuring. The connected devices especially have gained traction over the past few years. Connected TV's allows the consumer to access all forms of non-linear web content through a form of remote control. Apart from this, connected TV's supports Ethernet, USB, Wi-Fi, Bluetooth, and flash memory cards from digital cameras and HDMI and other video-audio connections. Total TV subscriptions are expected to increase at a 4% CAGR over 2019-2025 to reach more than 220 million subscribers across 70% of Indian households by 2025. The growth will be majorly driven by increasing subscriptions from connected TVs. The growth in Pay TV such as DTH, HITS etc. will be driven by content innovation and product offerings.

Emergence of OTT

Over-the-streaming (OTT) platforms is emerging as a relevant media platform from a niche media platform with a rise in user base on the back of new content. It will act like a snacking and will compliment with the DTH sector. Both taken together will provide comprehensive and variety of program suited to the entire family including youth and old alike.

Key Regulations

Television industry in India is regulated by Ministry of Information and Broadcasting ('MIB') and Telecom Regulatory Authority of India ('TRAI'). Licenses and approval are required to be obtained from Ministries to operationalize a channel to be broadcasted in and from India.

In 2019, the TRAI notified New Interconnection Regulations and Tariff Order which holistically aimed at changing the way the entire Broadcast and Distribution Industry operated. Among other changes prescribed in the said notification, the TRAI laid down rules to ensure effective choice to be given to the consumers. Accordingly, from April 2019 the industry has been operating under the new regime.

The new tariff order implementation was a paradigm shift for the industry. The Regulator had modified the ceiling price of a channel for inclusion in a bouquet, number of channels in initial network carriage fees etc.

Recently, TRAI has amended its regulations and notified the Tariff (Second Amendment) Order, 2020, commonly referred to as NTO 2.0, which was to come into force on March 1, 2020. The Order, however, has been challenged in courts and is yet to be implemented completely.

INDUSTRY OUTLOOK

The slowdown in the economy owing to the Coronavirus pandemic is expected to impact the overall growth of the M&E industry. During the lockdown period, TV, gaming, digital and OTT platforms are seeing consumption growth as individuals spent higher time at home. On the other hand, outdoor consumption models such as films, events, theme parks, are witnessing a dramatic fall with social distancing norms in place. It also impacted the advertisement revenue but increased consumption of content due to various stages of lockdown resulted in temporary higher revenue for distribution industry.

Since the implementation of the new regulatory framework, the broadcasters and distribution platforms have faced several challenges in past one year. With digital consumption on rise, the TV distribution industry is increasingly realising the importance of focusing on customer needs and are now looking at the digital distribution landscape to ensure relevance in the years to come. Further, the growth in entertainment industry with growing demand for international TV channels and shows is also propelling the growth of Indian broadcasting revenues. Direct-to-home (DTH) subscriptions are growing rapidly with increasing per capita disposable income of the country.

Connected TVs could prove fortuitous for growing long-form video consumption. Although there is much uncertainty in terms of what the future holds there are three factors driving M&E industry dynamics *viz.* competitive landscape, technological change, and shifting customer expectations. With a series of regulatory changes along with disruptions caused by digital technology, massive opportunities are being unleashed in the segment. The price difference between the major OTT content provider and the Television distribution player will always go in favour of Television in mass markets and vulnerable section of the society.

COMPANY OVERVIEW

Dish TV India Limited is a leading direct-to-home (DTH) Company with a subscriber base of more than 23 million. The Company owns recognised and powerful brands like "Dish TV", "d2h" and "Zing" under its umbrella. Dish TV, under its three brands, offers a large number of SD and HD Channels to cater to the requirements of the customers spread all across the country in addition to providing various Value Added Services. The Company benefits from multiple satellite platforms including NSS-6, SES-8, GSAT-15 and ST-2. The Company also provides wide range of packages that caters to all segment keeping in mind the needs of various customers such as Dish Maxi Plus, Dish Maxi, Dish Welcome, Dish Freedom Plus, Dish Freedom, Silver Pack, Child Pack, Dish Mini, Dish A La Carte etc.

The Company has a huge distribution network of over 3,800 distributors & around 3,50,000 dealers / recharge outlets that span across 9,400 towns in the country. The Company is also engaging with major digital Fintech Companies for ease of recharge availability and widespread acceptance of such platforms.

Diverse Product Offerings

Dish TV offers a wide range of channels to choose from, DTH service network and highly potential OTT platform. The Company has widened its portfolio of offering for its subscribers by launching the range of new age connected devices which would meet the needs of the entire spectrum of subscribers with an unmatched experience.

Orbit

During the year, the Company has launched 'Orbit', a new user interface (UI) for the recently launched SMRT & Magic range of connected products for both Dish TV & d2h. 'Orbit' is packed with an array of exciting features which enable a seamless user experience across the plethora of both traditional and online platform. The Company has collaborated with Tata Elxsi for carrying out the enhancements for its connected devices. The new interface will enhance content discovery, presentation, recommendation and navigation.

Connected Devices

With an aim to further strengthen the product portfolio, the Company has launched new Android TV 9.0 powered hybrid HD set-top boxes called Dish SMRT Hub and d2h Stream for DishTV and d2h brands respectively. The set-top-box can convert an ordinary TV into an Android powered smart-TV to enable online content, games and smart services through the Google Play store. Built-in Chromecast, it allows users to stream content from any device directly on the big screen without any lag. Available with native support for video content OTT platforms, the integrated Google Assistant converts this box into a smart home hub, enabling users to control their connected devices with a single remote and do a lot more with their TV.

Alexa-enabled smart dongles called Dish SMRT Kit and d2h Magic were also launched. These devices are the first ever Alexa enabled devices for a DTH platform in India and can transform an existing Dish TV set-top-box into an Alexa enabled connected box to access popular OTT apps, 30,000 plus Alexa Skills and smart home functionalities. So, high end functionalities like surfing a wide range of content, getting up-to-date information of their account, setting reminders for their favourite programs, getting recommendations on trending programs, basic trouble shooting and a lot more features are possible with this device. Through these devices, Dish TV has associated with leading players in the OTT and entertainment space like Amazon Prime, Zee5, Sony Liv, You Tube, Eros Now, MX Player, Hungama and Watcho to bring best in class entertainment to its customers. This service will act as enabler for OTT content consumption without the hassle of separate connectivity and will also save cost in the long run.

Watcho

Watcho, in-house OTT platform of Dish TV, has displayed exponential growth with regular content updates and partnerships with leading technology platforms like Amazon Fire TV Stick, Huawei App Store, Dish SMRT Hub and Dish SMRT Stick. The platform has received a good response since launch as the users are delighted with the seamless experience of watching new-age and bite-sized video content. We have already seen download of more than 10 million and it is ever increasing due to veracity of content and short films suited for on-go entertainment.

Value Added Services

The Company also offers value added service 'Shorts TV Active' in partnership with ShortsTV, the world's only TV channel dedicated to short movies. The Company has also introduced regional value added services in the form of 'Punjabi Active' and 'Telugu Active' for its Punjabi and Telugu speaking viewers. Both services offer unique and engaging content including chat shows of top celebrities, behind-the-scenes of new movies, action and comedy scenes, chat shows and songs on both Dish TV and d2h platform.

The Company also launched 'Rangmanch Active', a theatre service dedicated on showcasing plays across genres – from musicals and classics to drama, mystery, comedy and satire, featuring some of the most acclaimed actors from theatre and small screen. 'Ayushmaan Active' was also launched during the year to meet the content needs of senior citizen viewers on both of its brands, Dish TV and d2h. The Company intends to leverage these value added services to drive incremental growth in revenues and boasts of a diverse portfolio catering to varied genres.

BUSINESS STRENGTH

- **Leading player:** Dish TV is amongst leading distribution platform in India. The Company has a strong leadership position in the pay TV market and will benefit from ongoing digitization as more viewers likely to opt for the digital viewing experience. The satellite capacity, widespread network of trade partners, comprehensive digital offerings and first mover advantage continue to add feathers in the wings of the Company.

- **Consistent business based on Annuity plans:** The Company's business model is largely based on annual subscriptions, which helps consistent business operations with significant free cash flow potential.

- **Strong foothold in semi-urban and rural areas:** Customer First is one of the core values at Dish TV. The Company is committed to delivering the best TV viewing experience while offering unique content options to its customers. The Company offers customised packages and services as per the customers' requirements, which has led to establish strong market position especially in semi urban and rural areas. The recent upsurge in rural economy will help in increased penetration and improvement in revenue going forward.

- **Large dealer / distributor network:** With a robust sales and distribution network, Dish TV India ensured strong foothold in retail outlets combined with an All India Service Network. The Company continues to expand its distribution footprint and now reaches over 3,800 distributors & around 350,000 dealers / recharge outlets that span across 9,400 towns in the country

- **Multi brand leverage:** The three brands - Dish TV, d2h and Zing have their own geographical strengths. Dish TV has always had a high top of- the-mind consumer brand recall while d2h is having high brand loyalty in trade circles. Zing on the other hand has been the undisputed leader when it comes to having tailor-made packages for regional audiences. The Company leverages its legacy of multi brand portfolio coupled with the legacy, lead in technology and innovation.

- **Watcho – Company's OTT Offering:** Watcho is going from strength to strength in all major genre of youth, social awareness and contemporary thought process. It is aiming to compete with major OTT platforms in India specially in regional language and semi urban areas. The Company is planning to further enrich the content involving stories around nationalism, sports, religion and social mellow drama.

BUSINESS STRATEGIES

- **Strong Customer Connect:** Subscriber centricity is at the heart of the Company's business operations The Company is rightly focusing on HD subscribers and will continue to maintain its dominance in the DTH market. Dish TV has established strong customer connect by improving on digitalisation. The Dish TV subscribers can purchase new connections, manage their accounts, recharge, browse for content, use our app to control their set top boxes, schedule services, provide feedback at their own time, place and convenience without any human intervention. The Company is making strategic investments in understanding customer needs and expectations in various phases of digitalisation to further improve services to the customers.

- **Technological Innovation:** Technology being vital to the customer proposition, the Company will continue to invest in new and advanced technologies to enable subscribers to watch content anywhere, anytime. The Company had recently expanded the footprint of Watcho on leading technology platforms like Amazon Fire TV Stick, Dish SMRT Hub and the Dish SMRT stick. The Company is in the process of releasing content in different Indian local languages in OTT platform to reach out to more subscribers.

- **Strategic Partnership and collaboration:** To address the aspirational demand of customers, the Company has tied up with Amazon Prime Video, Amazon Alexa, ShortsTV, Zee5, Hungama Play, Voot, Sony Liv, Alt Balaji and many more.

OUTLOOK AND OPPORTUNITIES

Even as the economy and entertainment sector face a slowdown in growth, the DTH category can be expected to perform well during the year. Options of entertainment for subscribers will, by and large, be restricted to those which can be enjoyed from the homes. This provides a tremendous strength and growth opportunities for the Television industry. In addition, increasing TV households, urbanization, growing multi-TV households, rural electrification and an improving consumer sentiment should continue to be primary drivers of DTH growth. A fast growing interest in streamed content should give a major boost to the market for hybrid and connected devises. Dish TV is well on its way to making the most of this opportunity and this will be one of the key focus areas going forward.

Considering the strong subscriber base and the fact that television in its traditional form is not going anywhere, Dish TV and d2h will continue to be the preferred choice of pay –TV subscribers in their respective markets. Watcho, which is Dish TV India's entrant into the OTT ecosystem has the ability to reach both our current subscribers as well as the larger target audience who may not be a Dish TV/ d2h users. It is well poised to reap the growing demand of streamed content. With this offering, the Company expects to gain higher wallet and screen share of not only the present subscribers but also new users across demographics.

OPERATIONAL PERFORMANCE

FY20 was a mixed year for Dish TV with both challenges and opportunities due to weak macro-economic situation, an over active monsoon and the novel Coronavirus pandemic. The year began on a solid note with the market having stabilized after the implementation of NTO. The Company continued to add subscribers in the DTH market. In the first half of FY20, subscription revenues were strengthened due to a fantastic cricket season. TV viewership went up significantly due to the general elections, which positively impacted the subscriber additions and revenues. In the last month of the financial year, as the country slipped into a COVID-19 induced lockdown, television became the default fallback option and Dish TV witnessed a surge in renewals and recharges.

FINANCIAL REVIEW

Key Consolidated financial highlights

Particulars (₹ Million)	FY19	FY20	% Chg (YoY)
Subscription revenues*	56,638	31,929	(44%)
Marketing, Promotional Fee and Bandwidth Charges	1,446	1,922	33%
Advertisement income	1,113	552	(50%)
Other Operational income	2,464	1,161	(53%)
Total Revenue from Operations*	61,661	35,563	(42%)
EBIDTA	20,443	21,060	3%
PBT Before Exceptional Item	268	1,282	377%
Net Profit	(11,634)	(16,548)	-

** Net of Content cost*

- Dish TV India recorded revenue of ₹ 35,563 million in FY20 as compared to ₹ 61,661 million in FY19. Due to programming cost being considered a pass-through item in the new tariff regime, subscription Revenue and Total Revenue from Operations for FY20 are not comparable with the corresponding period last year.
- EBIDTA of the Company increased by 3% to ₹ 21,060 million in FY20.
- Depreciation decreased marginally by 1% to ₹ 14,262 million in FY20 as compared to ₹ 14,409 million in FY19.
- Finance costs decreased by 10% to ₹ 5,652 million in FY20 from ₹ 6,287 million in FY19. This is mainly attributed to repayment of borrowings during the year.
- PBT before exceptional item increased significantly by fivefold times to ₹ 1,282 million in FY20 as compared to ₹ 268 million in FY19.
- During the year under review, the Company reported exceptional losses of ₹ 19,155 million in FY20 as against exceptional loss of ₹ 15,625 million in FY19. It comprises of goodwill impairment recognised in respect of d2h cash generating unit (CGU) pursuant to merger of the Company with Videocon d2H Limited.
- Consequently, the Company reported loss at PBT level after exceptional item which stood at ₹ 17,874 million in FY20 as against loss of ₹ 15,357 million in FY19.
- The Company has adopted section 115BAA of the Income Tax Act, 1961 and hence has adjusted the deferred tax assets and liabilities. Additionally MAT credit entitlement has been reversed due to implementation of tax ordinance. Subsequently, the total tax expense in FY20 stood at ₹ – (1,325) million as against ₹ (3,723) million in FY19.
- The Company registered net loss of ₹ 16,548 million in FY20 as against net loss of ₹ 11,634 million in FY19.

Details of Significant Change in Key Financial Ratios

Ratios	FY19	FY20	Change
Debtors Turnover (x)	2.07	3.63	75.38%
Inventory Turnover (x)	0.29	0.15	(48.82%)
Interest Coverage Ratio (x)	5.06	7.01	38.54%
Current Ratio (x)	0.27	0.10	(64.72%)
Debt Equity Ratio (x)*	0.51	0 .47	(7.02%)
Operating Profit Margin (%)	15.24%	19.11%	25.45%
Net Profit Margin (%)	(29.38%)	(46.53%)	(58.38%)
Return on Networth – RoNW (%)	(21.33%)	(43.57%)	(104.33%)

** Include Long term borrowings, short term borrowings and current maturities of long term borrowings and accrued Interest if any)*

Note: All ratios has been rearranged on the basis of FY 20

- Debtor turnover is higher due to efficiency in collection and constant monitoring and follow of the dues.
- Inventory turnover is lower due to stocking of material in anticipation of higher sale in the new NTO regime.
- Interest coverage ratio is higher due to higher cash availability and lower outstanding debt.
- Current Ratio deteriorated to 0.10x in FY20 from 0.27x in FY19 due to decline in current assets led by decrease in debtors and other financial assets.
- Debt equity ratio has improved on account of repayment of debt during the year.
- Operating margins improved to 19.11% in FY20 from 15.24% in FY19 owing to optimization of cost and cost reduction on account reduced expenses
- The exceptional loss related to impairment of goodwill has impacted the profit before tax which was partially offset by tax reversal adjustments. Consequently net profit as a percentage of net sales deteriorated significantly in FY20.
- Return on Networth (RoNW) decreased to -43.57% in FY20 as compared to -21.33% in FY19. This is largely attributed to decrease in net profit during the year.

COVID-19 Impact

Dish TV has continued to operate and provide DTH services to its customer without any disruptions subsequent to the outbreak of Coronavirus (COVID-19) and consequential lock down across the Country. To keep the accounts of subscribers active, the Company extended services by 3 to 5 days without any additional service charges to ensure uninterrupted TV viewing experience even when the due date has passed. The Company also launched 'Friends and Family Recharge', 'Special online recharge' offers and educated subscribers on the different alternate modes of recharges available. Three platform services, Kids Active, Ayushman Active and Fitness Active, which would meet the needs of the entire family were offered on free preview basis for the subscribers. The Company also launched D2H Stay Home Stay safe Stay entertained campaign and exciting contests like d2h Funtertainemnt and d2h Alag Hi Tasveer etc. which saw widespread participation.

The COVID-19 pandemic is having a high impact on Indian businesses and has already caused an unprecedented collapse in economic activities. However, the television consumption spiked to touch highest ever numbers in the history of Indian television. Though the future course of the pandemic is unpredictable, TV as a medium has a significant scope for further penetration in India. Though this will not have impact on television distribution, but if it continues for a longer period of time then it may impact the disposable income, changes in lifestyle, expenses on healthcare, which may impact the ARPU, going forward. Average subscription ticket size and average revenue per user could remain on the lower side as consumers may want to be conservative due to the uncertain environment. However, with consumer sentiment remaining cautious to spend, it could cause migration of subscribers from costlier mediums like IPTV to more pocket-friendly options like DTH and cable TV. Dish TV sees opportunity in this adversity and looks forward to leverage its pan-India reach, strong rural connect, brand strength, OTT platform - Watcho to build resilience and closer connect with consumers. So far the impact of COVID was a mixed bag in terms of revenue, new subscriber addition and availability of recharge facility. The Company's post-COVID operational plan incorporates the touchless way of getting new acquisitions, installations and service.

RISK AND MITIGATION

Effective risk management has the potential to minimize the impact of risks and prepare the Company to face challenges and strengthen its processes. The Company is cognizant of the various risks inherent to the business and, hence, has adopted a Risk Management Policy as a part of its Risk Management Framework. The Company has established systems and reporting structures in place as a part of an all-inclusive risk management framework. This framework is aimed at timely identification, evaluation and pre-emption of potential risks. Appropriate risk mitigation measures are established to overcome adverse situations which may arise on account of foreseeable risks. A few inherent risks associated with the Company are discussed herein.

1. **COVID-19 Risk** – The world has been threatened by the novel Coronavirus pandemic. It has changed the way of life both personally and professionally. It has the ability of impacting subscribers, trade and employees alike.

   Mitigation: Safety of all the stakeholders is of paramount importance. Dish TV has taken multiple steps in this direction. Subscribers always had the option of managing their accounts online. For subscribers not abreast with these options, a campaign was run, which informed them of these means. Service charges for 'Pay Later' facility were waived off, allowing customers to avail extra recharge extension option during the lockdown period, without making an extra payment. Continuous lockdown in different areas in different form impacted the smooth flow of functioning of the Company, though the impact was mitigated by adopting digital modes of communication, work from home and curtailment of discretionary expenses. The Company's strong digital backbone has allowed the employees to manage most of the critical operations by staying safe from their homes

2. **Technology risk**: There is rapid change and evolving of new technology in the television industry. Customer preferences are changing and they are moving towards getting content in a nonlinear manner. Any change in customers' preferences, behaviour or usage pattern could adversely impact the growth prospects of the Company.

   Mitigation: Dish TV is well placed to serve the arising needs of the customers by offering new age connected devices, OTT services and other value added services. The Company continuously invests in adopting new technology at appropriate time to introduce new products based on latest technology and at prices, which works for all segments. Continuous upgradation, vigilant management and adoption of the best in class technology for all additional items will always keep a check on sudden risk arising out of any technology issue.

3. **Regulatory risk:** Regulations dictate the way broadcasting industry operates. The Company's revenue and profitability will be directly impacted by relevant policy and regulation changes initiated by the Ministry of Information & Broadcasting, TRAI, etc.

   Mitigation: While the subscriber is at the focal point for decisions made by the authorities, they keep a holistic vision of the industry while taking decisions. Dish TV always complies with all provisions of applicable laws and regulations. Further, the diverse business portfolio helps to avoid a huge impact on the Company due to impact of regulatory changes on a single business.

4. **Economic Risk:** The economic situation has an impact on both subscriber sentiments and ability to pay. COVID-19 and the consequent lockdown have taken a toll on the economy. The longer the situation lasts, the more long lasting will its effects be. The GDP is likely to be adversely impacted due to continued pandemic situation and will impact larger section of the community in terms of income, propensity to consume and general optimism in the society.

   Mitigation: With the easing of the lockdown, current slowdown has shown some signs of abating and a normal monsoon would also be big boost to the economy. On the other hand, entertainment is a fundamental need and homebound subscribers can be expected to invest both time and money in consuming entertainment.

5. **Competition Risk –** The Company is in the business of providing a distribution platform for access to content. With the advances in technology, competition today is not restricted to cable and other DTH players. OTT platforms have emerged as a key player in delivering entertainment to homes, thereby increasing the size of the competitive pie. DD Direct is also acting as shadow competition for the rural and not so well off subscribers.

Mitigation: Dish TV continues to focus on subscribers, superior delivery of content, regular introduction of VAS, launch of new set top boxes & devices and updating technology on all fronts to retain existing subscribers and attract the new ones. In the entertainment industry, content is king and the Company delivers the best of content in the most efficient manner. This may be by its wide range of set top boxes, which include the top of the line Android powered SMRT Hub & Stream, devices such as the Alexa powered SMRT Kit & Magic, HD & SD set top boxes or through OTT platform Watcho.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company is committed to good corporate governance practices and has an adequate system of internal controls for business processes, operations, financial reporting, fraud control and compliance with applicable laws and regulations. The Board of Directors monitors the internal financial controls based on the internal control over financial reporting criteria established by the Company. Dish TV also has an audit function to provide reasonable assurance regarding the effectiveness and efficiency of operations, safe guarding of assets, reliability of financial records and reports and compliance with applicable laws and regulations. The Company follows stringent procedures to ensure accuracy in financial information recording, asset safeguarding from unauthorized use and compliance with statutes and laws.

HUMAN RESOURCES

The Company believes that the key to excellent business results is a committed talent pool. Human resources are the most critical element responsible for growth and the Company acknowledges their contribution and works towards their satisfaction as a top priority. The HR policies continually strive towards attracting, retaining, and developing the best talent required for the business to grow. Regular trainings are conducted for the employees to ensure skill upgradation and personal development throughout the various organizational levels.

Dish TV values its talent pool and works hard to retain its best talent by providing ample opportunities to grow. The Company focuses to provide opportunity for the development and enhancing the skill sets of its employees at all levels of the business. Several workshops have been conducted for employees across the country so they understand and exhibit the values of the Company in their work and behaviour. Continuous training program for upgradation of skill and behavioural maturity has been imparted which helped in keeping the optimization and moral of the Organisation at a higher level despite Pandemic situation prevailing all across. Town hall sessions were conducted for better interactivity, understanding issues faced by the employees and providing solutions. Work from Home facility continues seamlessly across the hierarchy of employees and acting as enabler to lessen the adverse impact of pandemic. As on March 31, 2020, the total numbers of permanent employees on the records of the Company were 407.

Cautionary 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, on the basis of 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 2020:

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

Statement of Profit and Loss Account for the year ended FY 2020

(₹ in mn)

Particulars	Standalone		Consolidated	
	FY 2020	FY 2019	FY 2020	FY 2019
Income				
Revenue from Operations	**15,180.00**	39,378.8	**35,563.39**	61,661.25
Other Income	**1,604.80**	1,121.9	**136.14**	521.50
Total Revenue	**16,784.8**	40,500.7	**35,699.53**	62,182.75
Expenses				
Purchase of stock in trade (Consumer premises equipment related accessories /spares)	**-**	-	**7.49**	223.88
Change in inventories of stock- in- trade	**-**	-	**26.97**	(133.73)
Operating expenses	**5,568.00**	29,906.1	**7,872.99**	33,828.01
Employee benefit expense	**811.4**	998.9	**1,931.14**	2,475.11
Finance Cost	**3,383.5**	2,505.6	**5,652.22**	6,286.46
Depreciation & amortization expense	**3,122.5**	3,202.8	**14,262.13**	14,409.17
Other expenses	**3,090.5**	3,697	**4,665.07**	4,825.37
Total Expenses	**15,975.9**	40,310.4	**34,418.02**	61,914.27
Profit before prior period items & tax from continuing operation	**808.9**	190.3	**1,281.51**	268.48
Exceptional items	**19,191.6**	17,045.30	**19,155.00**	15,625.34
Profit/ (Loss) before tax from continuing operation	**(18,382.70)**	(16,855.00)	**(17,873.49)**	(15,356.86)
Tax expense	**(4,441.80)**	(3,960.80)	**(1,325.04)**	(3,722.80)
Profit/ (Loss) after tax for the year from continuing operation	**(13,940.90)**	(12,894.20)	**(16,548.45)**	11634.06
Profit/ (Loss) before tax from discontinuing operation	**-**	-	**-**	-
Tax expense	**-**	-	**-**	-
Profit/ (Loss) after tax for the year from discontinuing operation				-
Profit/ (Loss) for the year	**(13,940.90)**	(12,894.20)	**(16,548.45)**	(11,634.06)

Balance Sheet as at FY 2020

(₹ in mn)

Particulars	Standalone		Consolidated	
	FY 2020	FY 2019	**FY 2020**	FY 2019
A. ASSETS				
(1) Non-current assets				
(a) Property, Plant & Equipment	**4,581.20**	5,584.20	**28,488.00**	33,488.60
(b) Capital work-in-progress	**49.00**	209.30	**6,227.20**	7,666.00
(c) Goodwill	**4,528.80**	23,683.80	**28,169.88**	47,324.90
(d) Other intangible assets	**18,674.20**	19,823.60	**20,155.40**	21,538.30
(e) Intangible assets under development	**-**	-	**5,250.00**	-
(f) Financial assets				
(i) Investments	**51,534.34**	34,006.80	**-**	-
(ii) Loans	**6,602.70**	112.60	**107.90**	112.90
(iii) Other financial assets	**3.10**	8,787.80	**4.50**	121.70
(g) Deferred tax assets (net)	**5,466.12**	1,026.27	**11,477.62**	10,155.04
(h) Current tax assets (net)	**565.20**	518.40	**989.74**	808.30
(i) Other non-current assets	**1,161.90**	1,386.60	**8,382.19**	1,797.55
(2) Current Assets				
(a) Inventories	**-**	-	**220.10**	247.10
(b) Financial assets				
(i) Investments	**-**	-		-
(ii) Trade receivables	**654.50**	1,098.40	**868.40**	1,405.90
(iii) Cash and cash equivalents	**60.20**	656.23	**1,127.13**	920.29
(iv) Bank balances other than (iii) above	**278.64**	90.93	**335.54**	786.53
(v) Loans	**120.85**	65.70	**160.70**	119.71
(vi) Other financial assets	**6.40**	10,545.26	**13.10**	10,567.33
(c) Other current assets	**469.40**	649.80	**4,111.25**	6,395.65
Total Assets	**94,756.55**	1,08,245.69	**1,16,088.40**	1,43,455.80
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	**1,841.32**	1,841.32	**1,841.32**	1,841.32
(b) Other equity	**37,585.16**	51,506.66	**36,656.78**	53,058.48
(c) Non-controlling Interest	**-**	-	**-520.68**	-345.81
	39,426.48	53,347.98	**37,977.42**	54,553.99
LIABILITIES				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings		-	**5,604.39**	12,392.70
(ii) Other financial liabilities	**87.80**	199.80	**17.77**	-
(b) Provisions	**100.00**	109.00	**259.20**	272.80
(c) Deferred Tax Liabilities (net)		-		-
(d) Other non-current liabilities	**206.60**	150.91	**318.40**	362.80
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	**2,984.50**	5,039.10	**4,369.60**	6,914.20
(ii) Trade payables	**11,586.40**	12,406.20	**12,910.73**	13,899.20
(iii) Other financial liabilities	**1,118.20**	1,013.10	**10,772.23**	14,583.77
(b) Other current liabilities	**3,458.34**	3,386.90	**8,056.37**	7,867.10
(c) Provisions	**35,788.20**	32,592.70	**35,802.30**	32,609.20
(d) Current tax liabilities (net)		-		
Total Equity & Liabilities	**94,756.52**	1,08,245.71	**1,16,088.41**	1,43,455.82

(A) RESULTS OF OPERATIONS

We are pleased to share the Consolidated Financial information for the year ended March 31, 2020 compared to previous year ended March 31, 2019. At the close of FY 2020, Dish TV India Limited has three Subsidiary Companies *i.e.*, Dish T V Lanka (Private) Limited (Dish Lanka) with 70% equity holding, 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, Sale of CPE & accessories, Advertisement Income & Other operating income. Revenue from Operations decreased by INR 26097.90 mn from INR 61,661.30 mn in FY 2019 to INR 35,563.40 mn in FY 2020. This is due to subscription is net off content cost in FY 2020.

Other Income

Interest & Other Income decreased by INR 385.36 mn or -73.90% from INR 521.50 mn in FY 2019 to INR 136.10 mn in FY 2020.

Purchases of stock-in-trade

Purchases of stock-in-trade decreased by INR 216.38 mn or -96.65% from INR 223.90 mn in FY 2019 to INR 7.50 mn in FY 2020.

Change in inventories of stock-in-trade

Change in inventories of stock-in-trade increased by INR 160.70 mn or 120.19% from INR -133.70 mn in FY 2019 to INR 27 mn in FY 2020.

Operating expenses

Operating expenses decreased by INR 25,955.03 mn or -76.73% from INR 33828.01 mn in FY 2019 to INR 7872.99 mn in FY 2020. This is due to Content expenses that has been netted off from Subscription Revenue in FY 2020.

Employee benefit expenses

Overall employee benefit expenses decreased by INR 543.97 mn or -21.98% from INR 2475.11 mn in FY 2019 to INR 1931.14 mn in FY 2020.

Finance Cost

Finance cost decreased by INR 634.25 mn or -10.09% from INR 6286.50 mn in FY 2019 to INR 5652.22 mn in FY 2020, This is due to Loan repayment during the year.

Depreciation and amortization expense

Depreciation and amortization decreased by INR 147.04 mn or -1.02% from INR 14409.17 mn in FY 2019 to INR 14,262.13 mn in FY 2020.

Other Expenses

Other Expenses is decreased by INR 160.19 mn or -3.32% from INR 4825.26 mn in FY 2019 to INR 4665.07 mn in FY 2019.

Profit and Loss before tax

Loss before Tax for the FY 2020 INR 17,873.49 mn. Loss before Tax for the FY 2019 INR 15,356.86 mn.

Profit and Loss for the year

Loss for the FY 2020 is INR (16548.45) mn. Loss for FY 2019 is INR (11634.06) mn.

(B) FINANCIAL POSITION

(i) Equity and Liabilities

Share Capital

Share capital is INR 1,841.3 mn in FY 2020 and FY 2019.

Other equity

Other equity decreased by INR 16,401.68 mn or -30.91%, from INR 53,058.48mn in FY 2019 to INR 36,656.80 mn in FY 2020.

Non-current Borrowings

Long Term Borrowings decreased by INR 6788.34 mn or -54.78%, from INR 12392.73 mn in FY 2019 to INR 5604.39 mn in FY 2020.

Other financial Liabilities

Other financial Liabilities stood at INR 17.70 mn as on March 31, 2020 as against NIL as on March 31, 2019.

Non-Current Provisions

Non-current Provisions decreased by INR 13.60 mn from INR 272.80 mn as on March 31, 2019 to INR 259.20 mn as on March 31, 2020.

Other non-current Liabilities

Other non-current Liabilities includes income received in advance. Other Long Term Liabilities stood at INR 318.40 mn as on March 31, 2020 as against INR 362.80 mn as on March 31, 2019.

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 71,911.30 mn as on March 31, 2020 as against INR 75873.50 mn as on March 31, 2019.

(ii) Assets

Non-Current Assets

Property, plant & equipment

Tangible assets stood at INR 28,488 mn as on March 31, 2020 as against INR 33,488.59 mn as on March 31, 2019.

Intangible Assets

Intangible assets (including goodwill) stood at INR 53,575.28 mn as on March 31, 2020 as against INR 68,863.2 mn as on March 31, 2019.

Capital Work-in-Progress

Capital Work-in-Progress decreased by INR 1438.80 mn from INR 7,666.0 mn as on March 31, 2019 to INR 6,227.20 mn as on March 31, 2020.

Non-Current Investments

Non-Current Investments stood at INR Nil as on March 31, 2020 as against NIL as on March 31, 2019.

Deferred tax assets

Deferred tax assets stood at INR 11,477.62 mn as on March 31, 2020 as against INR 10,155.04 mn as on March 31, 2019.

Non-current Loans

Long Term Loans and Advances decreased by INR 5 mn from INR 112.90 mn as on March 31, 2019 to INR 107.9 mn as on March 31, 2020.

Other non-current financial assets

Other Long Term financial assets decreased by INR 117.20.0 mn from INR 121.70 mn as on March 31, 2019 to INR 4.50 mn as on March 31, 2020.

Other Non-Current Assets

Other Non-Current Assets (Including Current tax assets) stood at INR 9,371.81 mn as on March 31, 2020 as against INR 2,605.90 mn as on March 31, 2019.

Current Assets

Current Investments

Current Investments stood at Nil as on March 31, 2020 and as on March 31, 2019.

Trade Receivables

Trade Receivables stood at INR 868.40 mn as on March 31, 2020 as against INR 1,405.92 mn as on March 31, 2019.

Cash and Bank Balances

Cash and Bank Balances stood at INR 1,462.67 mn as on March 31, 2020 as against INR 1,706.82 mn as on March 31, 2019.

Current Loans

Loans and Advances stood at INR 160.70 mn as on March 31, 2020 as against INR 119.71 mn as on March 31, 2019.

Other current financial assets

Other current financial assets stood at INR 13.10 mn as on March 31, 2020 as against INR 10,567.33 as on March 31, 2019.

Other Current Assets

Other Current Assets stood at INR 4,111.25 mn as on March 31, 2020, registering an decrease of 35.72% against the INR 6,395.70 mn as on March 31, 2019.