



Chairman's Message

Dear Shareholders,

Let me begin by expressing my joy in connecting with you once again and placing the Annual Report of Dish TV India Limited for the financial year ended March 31, 2021 before you. We began the financial year amidst a never-before-seen lockdown to prevent an upsurge in COVID 19 cases because of the pandemic. This year has been fraught with one of mankind's greatest challenges and I hope that you and your family continue to remain safe and in the best of health. Our collective resilience will ensure that not only do we overcome this challenge but emerge even stronger from it. Your company has been adapting itself to the ever-changing scenario and responding while keeping the safety and interest of all stakeholders in mind. The strict but necessary measure of the lockdown along with other precautionary measures to prevent the spread of infections have brought some unprecedented and far-reaching changes in the way of life across all aspects of our existence. The downside risks to the

economy from the pandemic remain with slow pace of global vaccination and emergence of mutating variants. The other trends that will drive the Indian economic story are digital penetration, urbanization, reforms, Government spending, infrastructure development and rebound of consumption.

Your company played a significant role by continuing to provide a dedicated channel for dissemination of information pertaining to COVID-19. This was to augment the efforts made by the Ministry of Health and Family Welfare in disseminating information on crucial COVID-19 safety protocols and Government guidelines and encouraging people to adhere to the same.

Vaccination is the biggest weapon mankind has in the battle against COVID-19 and your company went all out to encourage viewers to get this safety net for themselves. Going beyond communication, your company announced that it would thank its subscribers who get vaccinated by crediting one day worth of entertainment to every customer of Dish TV and D2H who uploads his/her details of vaccination on respective brand websites.

Moreover to aid patients and Covid warriors battling it in hospitals, Dish TV further announced that all hospitals and nursing homes having Dish TV or D2H connections will get one month of free subscription. Hospitals that could not recharge their connections would receive the benefit upon recharge.

Your Company is a pioneer in the space of channel distribution and has a diverse and powerful portfolio of its three Direct-To-Home (DTH) brands and a newly launched Over The Top (OTT) platform. The Company's OTT platform Watcho, strengthens the business portfolio and aims at focusing on the larger regional language and semi urban market. It is leading the industry in providing a versatile library of owned and 3rd party content across various technology platforms and leveraging the connected TV as a medium to deliver innovative services. Despite facing a challenging external environment, we were able to sustain our performance without a major blip and further consolidate our operations to generate efficiencies and to prepare ourselves for the future.

India's M&E Industry Developments

The Indian Media and Entertainment (M&E) industry faced headwinds in 2020 due to the pandemic driven shrinkage in advertising spends, restrictions on live events, shooting, film screening and depressed consumer spending affecting subscription revenues. Notwithstanding the decline in size by 24% experienced during the year, the long-term prospects of the sector as one of the fastest growing sectors, within the country and globally, remain intact. This is predicated on the phenomena that the pandemic has only accelerated the trends that were driving the transformation and explosive growth of the sector. Be it shift towards on-demand, interactive and user-generated content or personalization or digitalization of platforms and payments, these have only deepened because of the pandemic.

The industry has used the opportunity of the digital content consumption rush to introduce paywalls and subscription models. This has brought the digital platforms whether OTT or online websites at par with the traditional segments in terms of monetization. The country's advantage in this space stems from its traditions of storytelling and the diversity of narratives. The players who will succeed in tapping this need for stories by offering contextualized content and leverage the capability to tell them engagingly by reaching out to the world are likely to take the sector to newer heights.

In the distribution space, proliferation of smart devices, penetration of wired and wireless broadband deeper into the hinterland, and high speeds offered by upcoming 5G networks will drive the user behaviour and habits. The industry is already evolving new distribution models and monetization strategies across devices to address these changes. Although, the ever-changing trends in the industry have opened up several growth opportunities, the shift in consumer demand for personalization is implying constant pressure on entertainment companies to drive innovation and embrace new technologies.

Performance Overview

Dish TV has a pan India distribution network and has established strong foothold in semi urban and rural areas. With a diverse offering of products and services, we are one of the preferred entertainment brands in the country. The first mover advantage

continues to play a major role in rural and semi-urban areas where the brand acceptability is much better and is almost synonymous with the category.

Our Company has always innovated and launched the best-in-class technology to meet the needs of the subscribers to access linear as well as non-linear content on their television sets. In this direction, we have launched Android powered hybrid HD set-top boxes called DishSMRT Hub and D2H Stream for Dish TV and D2H brands respectively. We have associated with the leading players in the OTT and entertainment space like Amazon Prime Video, Zee5, Sony Liv, You Tube, Eros Now, MX Player, Hungama, Watcho etc. to bring their services on these devices.

Watcho, our in-house OTT platform, has already seen more than 25 Millions of downloads and has started generating revenue through subscription model. This platform will enable us to capture a larger wallet share and screen share of existing subscribers and also tap new user demographics. The innovation to allow users to create their own content on Watcho can differentiate us from the other OTT players and also help in making this application a one-stop shop for all entertainment needs for our subscribers. There is a continuous pressure on retention of subscribers due to various alternatives available for entertainment at various price points. There is a huge push for online contemporary content provided by various paid / free OTT platform attracting youth and students across the income strata. Various regulatory changes in the past 3 years have also created lot of behaviour change in the manner in which television content is being consumed. This has resulted in widespread upheavals and heterogeneity in the consumption pattern.

In terms of performance, FY21 was a mixed bag. Due to conscious constraints on marketing spending, the Company did not attract enough new subscribers to compensate for the higher churn in existing subscribers, a result of pandemic influenced consciousness in curtailing expenses. This impacted the subscription revenue which saw a small drop of 6.4 per cent during the year under review. However, due to our focus on operational efficiencies, we increased our EBITDA margins from 59.2 per cent to 62.1 per cent. In absolute terms, the EBITDA for the year was ₹ 20,170 million. PBT before exceptional item declined from ₹ 1,282 million in FY2019-20 to ₹ 823 million due to increased depreciation. However, the Company's net loss was significantly lower than ₹ 16,548 million recorded in FY2019-20 due to much lower impairment of goodwill related to D2H acquisition. The reported net loss for the year 2020-21 was ₹ 11,899 million. The Company continued to reduce its debt with improved cash flows and has shaved off more than ₹ 10 billion from the total borrowings.

Looking ahead

Even as we see COVID subsiding, we may continue to see its latent impact on different sectors and in different ways. In a connected world, layers of insulation are thin at best and mostly non-existent. While the future has always had a degree of uncertainty, what is certain is that people and organisations will have to be nimble and light-footed to thrive in the fast paced changes we may expect to see. Technology being vital to the customer proposition, our Company will continue to invest in new and advanced technologies to enable subscribers to watch content anywhere, anytime. We believe that the growth will be majorly driven by increasing subscriptions from connected TVs and the growth in Pay TV such as DTH will be driven by content innovation and product offerings. We will continue to collaborate with technology partners for carrying out the enhancements for our connected devices, maintain and enter into strategic partnership and collaboration with leading players in the OTT and entertainment space to bring best in class entertainment to our customers.

With the market environment improving, we will do our best to regain the title of the fastest growing DTH brand by leveraging the diverse strengths of our multi-brands viz. "Dish TV", "D2H" and "Zing". The focus will also be shifting our existing subscribers to our premium offerings to ensure we do not lose them to direct digital subscriptions. Watcho will be another anchor for us to compete against the pure OTT platforms and also increase our addressable market. In our strategy, we will keep the customer first and build our offerings around their behaviour, habits, and needs. To achieve success in doing so, we will continue to invest in evolving technologies to that would best fulfil their needs. The special packages and zero human-touch services offered to counter COVID-19 pandemic will continue as the situation has not become completely normal. We seek to leverage and enhance our brand to strengthen our presence in the direct-to-home broadcasting services sector and develop new customer and industry relationships. We will endeavour to improve upon these by responding to customer feedback and adopting the latest technology in make the interactions most efficient.

I take this opportunity to thank all the Shareholders including our Subscribers, Central and State Government bodies, Ministry of Information and Broadcasting, TRAI and other Regulatory authorities, Investors and Business associates, for continued faith in us. I also thank my colleagues on the Board for their valuable contribution and all the employees, for their constant efforts towards growth of the organisation.

Your trust has been our biggest inspiration. I thank you all and look forward to your continuous support and co-operation. Stay entertained at home!

Sincerely,
Jawahar Lal Goel
Chairman & Managing Director