MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY OVERVIEW

Global Economy

The world economies continued to fight the spread of Coronavirus in its second year. While 2020 saw the healthcare infrastructure even in advanced economies struggle to cope with the onslaught of the virus, the lockdowns and restrictions on people movement implemented to prevent the spread resulted in widespread economic upheavals. In addition to depressing the consumer demand, the business activity was also adversely impacted which resulted in the de-growth of the Global Economy by 3.2 percent in 2020. Almost all the Advanced Economies were severely affected by the pandemic and their economies as a grouping declined by 4.6 percent during this period.

As post-COVID new normal became a part of life, most sectors developed coping strategies and the gradual opening of economies began after the number of infections started reducing towards the second half of 2020, prospects for a smart recovery in 2021 became stronger. However, the subsequent second and third waves of infections in most economies have dampened the initial estimations of global growth. Vaccine access has emerged as the key factor that will determine the normalization of activity in a country and hence its economic recovery. It is driving the divergence in prospects of recovery across economies as the global rollout of vaccines has been highly unequal and seeing challenges as the supplier nations struggled to manage their surges due to the spread of mutating variants of the COVID-19 virus. Even after factoring in these downside risks, the global GDP is projected to grow by 6 percent in 2021 and 4.9 percent in 2022. With most of the Advanced Economies managing to have a relatively faster rollout of vaccination, the bloc is expected to grow by 5.6 percent. Some of the key factors that will have an impact on the shared and individual prospects of economic recovery in 2021, other than the vaccine access, are:

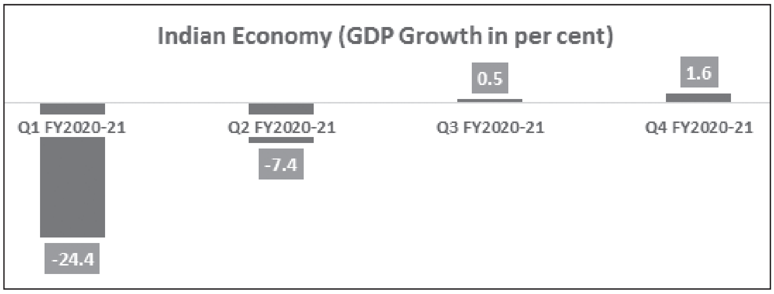
- the fiscal policies of the governments to support disposable income,
- pent-up consumer demand and savings to finance it,
- inflationary shocks in some parts that are either seeing overheating or significant supply disruptions,
- structural adjustments in global supply chains, and
- other policy interventions by the governments to control the pandemic and mitigate its impacts on the business activities.

GDP growth in percent	2020 (E)	2021 (P)	2022 (P)
United States	-3.5	7.0	4.9
Euro Area	-6.5	4.6	4.3
Japan	-4.7	2.8	3.0
Advanced Economies	**-4.6**	**5.6**	**4.4**
China	2.3	8.1	5.7
ASEAN-5	-3.4	4.3	6.3
Brazil	-4.1	5.3	1.9
EMDEs	**-2.1**	**6.3**	**5.2**

(Source for all the data points in the above paragraph including the GDP growth table: IMF World Economic Prospects Report, July 2021)

Indian Economy

The COVID-19 infection numbers for India have followed the trend in Advanced Economies albeit with a lag. Although the country was able to substantially control the infection count during the first wave in 2020 on a per capita basis compared to some of the worst affected countries, it witnessed high peak numbers during a short but highly devastating second wave of infections in 2021. During the first wave as it struggled to develop administrative and healthcare capacity to deal with the pandemic, the country's economy went into a tailspin especially in the first quarter of the FY 2020-21 when a strict lockdown was imposed. Once the economic activity gradually resumed as the people adapted to the restrictions, shifted to online interactions and transactions, wherever possible, or restrictions were lifted in phases, the economy once again returned to growth mode in the second half of the financial year. The lockdowns and displacement of labour across the country created a sense of fear about joblessness and livelihood. The marginal and vulnerable population bore the brunt of loss of jobs, lack of healthcare infrastructure and increased frustration on account of day-to-day management of life. The rural population suffered more due to a lack of available resources and knowledge to deal with the situation. For the full year, India's economic output saw a decline of 7.3 percent in FY 2020-21.



(Source: National Statistical Office (NSO), Ministry of Statistics & Programme Implementation (MOSPI), Government of India, Press Note – May 31, 2021)

However, despite disruptions and partial closure of economic activity in the year gone by, the future of economic growth is expected to be around 8-10% as per various estimates. The Trade, Hotels, Transport, Communication and Broadcasting-related services segment that saw a maximum dip of -18.2% in FY 2020-21 (Source: MOPSI, Government of India, Press Note – May 31, 2021) and was expected to see a slower recovery in output during FY 2021-22. Gross Value Added (GVA) was expected to recover from a 6.2 percent decline to a 7 – 8.5 percent growth in FY 2021-22. The headline inflation number was expected to moderate from 6.16 percent in FY 2020-21 (Source: https://bit.ly/3xB7NYY - Inflation data from NSO) to 5.1 percent in FY 2021-22 (Source: https://bit.ly/3iGrB8V - RBI Monetary Policy June 2021). Similarly, the fiscal deficit was expected to reduce from 9.3 percent of GDP in the previous financial year (Source: https://bit.ly/3jPDuJ9) to 6.8 percent in FY 2021-22 (Source: https://bit.ly/2VNN46W). The current account, which saw a surplus after more than one and a half-decade due to lower imports in FY 2020-21, is likely to return to a deficit during the next year (Source: https://bit.ly/2Udqu7t).

INDUSTRY OVERVIEW (*Source: FICCI EY "Playing by new rules" Media & Entertainment sector report, March 2021)*

Indian Media and Entertainment (M&E) Sector

2020 had an all-pervasive impact on the Indian Media and Entertainment sector as the economic slowdown due to the COVID-19 pandemic affected advertising and subscription revenue. However, it also accelerated some long-term trends and brought some sustainable changes in the viewing habits of the consumers. This meant the industry had to revamp its customer engagement models because of the emergence of new demand-side patterns, thus bringing structural changes in the sector.

The size of the Indian M&E sector shrunk to ₹ 1.38 trillion in 2020 from ₹ 1.82 trillion in 2019. This contraction increased the churn among segments with the Digital Media segment taking over the second position on the leader board from Print and Online Gaming leaping to the fourth position from the seventh position in 2019. This performance was since only these two segments grew in 2020 over 2019. Filmed entertainment and Print were the most impacted, followed by Television. However, Television remained the largest segment of the industry in 2020.

However, the long-term story of the Indian M&E sector remains strong because of the size of its population, diversity of content creation, long storytelling tradition, growing digital penetration, and development of competencies to become the content production hub for the world. These factors are expected to translate into a pace of growth that will see the sector doubling in size by 2025 making it one of the fastest growing countries in the M&E space.

A few important trends that were seen in the M&E space during the year 2020 are as follows:

- The contribution of subscription revenue to the industry pool increased from 49.7% in 2019 to 51.5% in 2020 due to the resilience of subscription models vs ad-based models. This was applicable for OTT, print and television.
- 28 million Indians subscribed to 53 million paid OTT subscriptions. This number was only 10.5 million Indians in 2019, hence growth of 49% in 2020.
- The number of online gamers touched 360 million in 2020 translating into a growth of 20% over 2019.
- While the Digital advertising revenue remained flat in 2020 over the previous year, its contribution to the total advertising revenues jumped to 32 percent from 24 percent in 2019.

- The content formats have become the differentiation factor in terms of consumption vis-à-vis segments as all the segments offer content in video, audio, text and experiences formats. 2020 also saw acceleration of the long-term trend favouring content consumption in video format.

Indian Television (TV) Industry

The Television industry in India contracted by 13 percent in 2020 from ₹ 787 billion in 2019 to ₹ 685 billion. A major part of the fall was in the advertising revenues at 21.5 percent although the ad volumes fell only by 3 percent. The number of channels also saw a decline in 2020 by net 9 channels, however, the viewership increased by 7.3 percent from 1,614 billion Average Minute Audience (AMA) to 1,731 billion AMA. This was a significantly higher jump than the 0.6 percent increase seen in 2019 over 2018 because of considerably higher time spent indoors due to lockdowns. Hindi Speaking Markets saw a higher jump than the southern markets. In terms of genres, News and Kids channels saw an increase in viewership share and cannibalised the share of Sports and Music and Youth channels.

On average the regional Television channels received 26.6 percent more ad volumes than national channels in 2020, as against a 13 percent lead on national channels in 2019. On the other hand, the subscription revenue dipped by 7.3 percent mainly because of lower ARPUs driven by reverse migration, cautious spending, and lack of fresh content (including live sports events). A reduction in Pay-TV universe by 2 million households also contributed to this fall. There was a major shift in the consumer behaviour reflected in the higher number of OTT consumption both in terms of time and amount spent by the consumer.

INDUSTRY OUTLOOK *(Source: FICCI EY "Playing by new rules" Media & Entertainment sector report, March 2021)*

The M&E sector is projected to expand by 25 percent to ₹ 1,729 billion in 2021 and at a CAGR of 17 percent from 2020 to 2023. Television is expected to retain its dominant position amongst all the segments, whereas Digital Media and Online Gaming will continue to surge ahead at an above industry average pace despite showing growth during the pandemic year.

Television segment size in 2021 would touch ₹ 760 billion translating into a growth of 10.9 percent over 2020. It is expected to grow at a CAGR of 7 percent from 2020 – 2023 and achieve a revenue base of ₹ 847 billion. Overall TV subscriptions are projected to go up from 176 million in 2020, including 171 Unidirectional TV and 5 million Connected TV, to 231+ million in 2025. The maximum increase will be from Connected TV which will cross 40+ million subscriptions in 2025 as broadband penetration and connection speeds improve across the country. The Unidirectional TV will see only a secular growth to 191+ million TV sets. Total viewership of video content will shift away from Mass consumers towards those who are tactically digital, or view bundled digital offerings along with primary content consumption on pay TV. The share of the tactically digital and bundled digital category of video viewers is estimated to go up from 41 percent in 2020 to 60 percent by 2023.

There is increasing competition both from within the industry as well as alternate solution providers. High-speed Internet at lower costs continues to be a potential alternative and could be a threat. However, restricted bandwidths are still a bottleneck to take to mass markets. Increased consumption of TV content via mobile is proliferating fast, although, the mobile viewing experience as of now is restrictive. Competition in the DTH Pay-TV industry has intensified in recent years as the industry has matured and seen the growth of digital cable-based Pay-TV services offered by digital cable operators. These cable-based Pay-TV services have significantly greater capacity, enabling them to offer substantial HD programming content as well as bundled services. In addition, huge growth has been witnessed in the free DTH platform of Doordarshan because of many private channels being available on the said platform. The difference in the pricing between the Pay-TV, Free-TV from Doordarshan and OTT platforms has also led to increased competition.

COMPANY OVERVIEW

Dish TV India Limited is a leading direct-to-home (DTH) Company, providing its services across the segments and the Country. The Company owns recognised and powerful brands like 'DishTV', '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 also provides a wide range of packages that caters to all segment keeping in mind the needs of various customers.

The Company has a huge distribution network of over 3,100 distributors & around 3,03,000 dealers/ recharge outlets that span across 9,300 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.

Entertainment is the raison de'etre for your company and it is extremely exciting to look at the number of avenues we have today to ensure it reaches the subscriber wherever, whenever, whatever (content) and on whichever (device). We are geared to provide entertainment to the length and breadth of our country across all segments of subscribers. From an array of devices starting from the SD set top box to the top of the line hybrid box, your company has it all. Moreover the OTT platform, Watcho is there to meet needs of digital age subscribers for snackable and on-the-go entertainment.

Connected Devices

To strengthen the product portfolio, the Company offers 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 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 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 troubleshooting 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 to bring best in class entertainment to its customers. This service will act as an enabler for OTT content consumption without the hassle of separate connectivity and will also save costs in the long run. These products have found widespread appreciation and are hugely popular amongst the youth and the newly connected subscriber.

Regional Content

DishTV and d2h have a strong regional content portfolio. We added channels for the Southern markets making them one of the strongest players in those markets. For the Bengal market, Dish TV has a partnership with 'Hoichoi,' a leading Bengali on-demand platform, whose app was added to the App Zone of the Company's Android-based connected devices.

Watcho

Watcho, the in-house OTT platform, has displayed exponential growth with regular content updates and partnerships with leading technology platforms. 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 downloads of more than 25 million and it is ever increasing due to the 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 DishTV and d2h platform.

The Company also launched 'Rangmanch Active', a theatre service dedicated to 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, DishTV 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.

An educational channel 'Kalvi Tholaikkatchi,' was launched by Dish TV to enable students to receive quality education at home as they are stuck there due to the pandemic causing the closure of the schools.

Empowering subscribers

A key aspect of improvement in technology is how it becomes simpler to use - reaching out to a larger set of users and enabling more use cases. Your company has always been quick to adopt technology both at the back end as well as the front end. One such feature which was introduced for the benefit of its subscribers was 'Scan to Help' on My DishTV app. It is powered by Artificial Intelligence & Machine Learning and supports Hindi and English language for easy understanding. With this feature, the company aims to empower all existing and new subscribers for self-help in case of any technical errors on the Set-top Box. The subscribers can seamlessly initiate the self-help journey by scanning the error plate and it will automatically share an update on the account status and current subscription. In case of bad weather conditions at the broadcasting center, it will take an update of the weather conditions in the subscriber's locality and proceed with technical troubleshooting. The app also provides an option to raise a 'Service Ticket' within the journey itself. Another utility to aid subscribers was the introduction of a Do-it-yourself (DIY) or Self Help centre on the websites.

It give subscribers an opportunity to avoid calling customer care for regular queries related to recharges made, pack information, troubleshooting, service related queries/complaints and more. The vision for this tool is to automate the entire customer service ecosystem intended to become a one-stop solution for all subscriber queries.

Wallets have become extremely popular and have played a crucial role in enabling digital payments amongst the masses. Your company receives a significant amount of recharges through this mode, a deep Integration of recharge options with key platforms has been enabled to add to the convenience of subscribers using these wallets.

Technology is playing a crucial role in shaping the world and it forms the backbone of your company's operations. Your Company's IT systems are now CMMI ML5 V2 (DEV & SVC) certified. This is in addition to the company receiving the ISO 20000-2018 certification as well. To make our service technicians more efficient, we launched a feature of QR code based capture of "Signal strength" and "signal quality" in the technician app. This would be an extremely helpful tool for new Installations as well as regular service requests.

BUSINESS STRENGTHS

✓ **First mover advantage:** Dish TV is a leading content distribution platform in India. The first-mover advantage with a technological edge, superior network quality, strong channel partner ecosystem, comprehensive digital offerings add to its competitive strengths.

✓ **Strong foothold in semi-urban and rural areas:** The metros and larger cities are saturated from a new subscriber growth perspective. Hence, Dish TV's robust market penetration in the semi-urban and rural areas gives it the advantage to capture new subscribers. With the increased focus on improving ease of living and infrastructure investments in the rural economy, the greater spending capacity will assist in greater penetration. With its Customer First approach, best TV viewing experience, unique content and Value-added Services options, and customised packages as per the customers' requirements, it can retain these subscribers and prevent churn.

✓ **Large dealer/distributor network:** With a wide sales and distribution network, Dish TV has established a strong presence in thousands of retail outlets supported by a large number of service touch-points across the country. At the end of FY21, the Company's distribution footprint comprises 3,100 distributors & around 3,03,000 dealers/ recharge outlets that span across 9,300 towns in the country.

✓ **Multi-brand leverage:** The three-brand portfolio with diverse strengths allows the Company to cater to multiple consumer segments of the market. In addition, each brand has its own geographical pockets of strength. Dish

TV has always had a high top of- the-mind consumer brand recall while d2h is having high brand loyalty in trade circles.

- ✓ **Watcho – Company's OTT Offering:** The Company launched Watcho to strengthen its business portfolio and aims at focusing on the larger regional language and semi-urban area market. It has caught the fancy of the viewers across the most popular genres of youth, social awareness and contemporary socials. The Company is planning to further enrich the content involving stories around nationalism, sports, religion and social melodrama to broaden the viewer demographic.

BUSINESS STRATEGIES

- ✓ **Strong Customer Connect:** By constantly enhancing the value proposition for the customers through offering a wide variety of offerings not only in terms of boxes but also access to online content, apps, services on TV, the Company has put subscribers at the centre of its business model. This approach not only helps it cater to different customer segments but also expand its wallet share from its existing customers. The Company is focusing on up scaling its subscriber base by focusing on HD offerings. With the COVID-19 pandemic as a big driver, the Company has strengthened its digital services infrastructure for its subscribers and enabled the execution of nearly all interactions without any human contact. 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:** The Company has always focused on being ahead in terms of technology. With content consumption becoming increasingly personalised because of the availability of screens and ease of access to entertainment content online, the Company has been innovating to integrating the digital content library with the superior viewing experience available on a TV vis-à-vis smaller screens. In addition, it is also expanding its target subscriber base by launching the Watcho OTT platform that will allow subscribers to watch content anywhere, anytime, and be natively available for viewing on TV by expanding its footprint on leading technology platforms.

OUTLOOK AND OPPORTUNITIES

The economic recovery in FY 2021-22 and projected growth for the M&E sector and TV segment means the Company is likely to perform well during the year. With the reduced debt on the balance sheet and optimised cost structure, the Company believes that it shall further strengthen the operational parameters.

With its diverse offerings catering to both Unidirectional TV and Connected TV viewing, the Company can leverage the segment's growth. Localized restrictions due to continued COVID would mean TV viewership will continue to sustain its high levels and increase going forward. In addition, increasing TV households, urbanization, growing multi-TV households, rural electrification and 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 devices. 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.

OPERATIONAL PERFORMANCE

FY21 was a challenging year for the Company as the COVID-19 pandemic not only impacted the subscriber base but also brought in constraints in terms of operations that necessitated the Company innovating and implementing completely online/no-touch customer interfaces. The subscriber base saw a reduction owing to cautiousness in spending by viewers due to the economic situation, job losses and absence of fresh content from broadcasters. The Company waived off re-connection charges at the beginning of the lockdown to reduce subscriber churn. The Company focused on online subscriber engagement campaigns to keep costs under control and restricted spending on customer acquisition. This meant lower new subscriber additions, which combined with higher subscriber churn resulted in a net reduction in the subscriber base during the year.

The Company leveraged its existing digital infrastructure and took it to the next level by offering contactless home delivery, installation of CPE, online recharge and contactless service experience with help from DIA (d2h Intelligent Assistant), an AI-enabled chatbot, and on-screen guides. Digital recharge contributed most of the cash inflow. In addition to implementing its app to enable the call centre team to operate from home, it also made sure Work From Home for other employees did not hamper productivity and collaboration by ensuring connectivity and infrastructure. With the revenue getting impacted due to lower subscriber count, it focused on cost rationalization during the year. Robust cash flow and lower costs meant the quality of the balance sheet improved significantly due to improved operating profitability and reduction in debt.

Dish D2H won the 'e4m Play Awards 2020' for the category 'Best Use of Video by/ on a Brand Owned Channel' for its subscriber launch campaign.

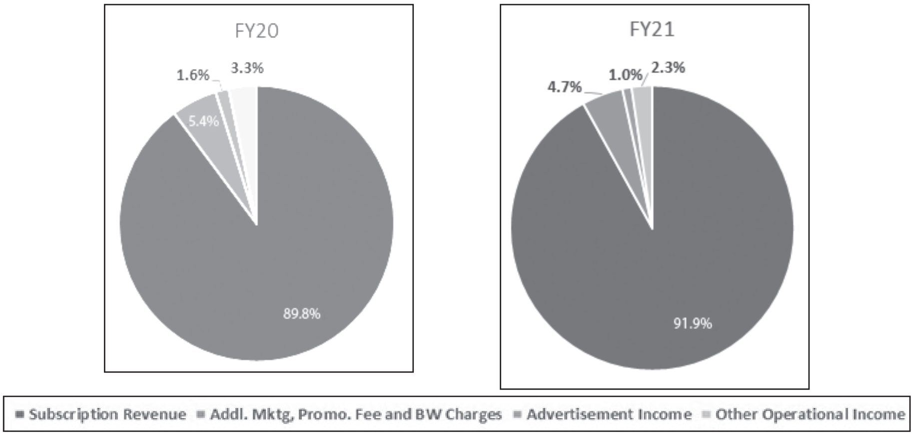
FINANCIAL REVIEW

Key Consolidated financial highlights

Particulars (₹ Million)	FY 20	FY 21	% Change (YoY)
Subscription Revenues*	31,929	29,874	(6.4)
Total Revenue from Operations	**35,563**	**32,494**	(8.6)
Expenditure	14,503	12,324	(15.0)
EBIDTA	**21,060**	**20,170**	(4.2)
% EBIDTA	**59.2**	**62.1**	4.8
Other Income	136	156	14.6
Depreciation	14,262	15,319	7.4
Financial Expenses	5,652	4,184	(26.0)
PBT Before Exceptional Item	**1,282**	**823**	(35.8)
%PBT	**3.6**	**2.5**	(29.7)
Exceptional item	19,155	7,798	(59.3)
PBT After Exceptional Item	(17,873)	(6,975)	61.0
Tax	(1,325)	4,924	471.6
Net Profit	**(16,548)**	**(11,899)**	28.1
% Net Margin	(46.5)	(36.6)	21.3

** Net of programming cost*

Composition of Revenue from Operations



The Company recorded revenue of ₹ 32,494 million in FY21 as compared to ₹ 35,563 million in FY20 on account of a 6.4 percent dip in revenue from subscribers and a 29 percent drop in operating revenue from other sources due to the COVID pandemic.

While in absolute terms the EBITDA marginally dipped to ₹ 20,170 million in FY21, the EBITDA margin improved from 59.2 percent to 62.1 percent as the reduction in total operating expenses was 15 percent vis-à-vis 8.6 percent in Total Revenue from Operations.

Depreciation jumped by 7.4 percent to ₹ 15,319 million in FY21 as compared to ₹ 14,262 million in FY20.

Finance costs continued to decline due to repayment of borrowings in FY20 as well. They decreased by 26 percent to ₹ 4,184 million in FY21 from 5,652 million in FY20.

PBT before exceptional item was ₹ 823 million, a fall of 35.8 percent from ₹ 1,282 million in FY20.

The Company reported exceptional losses of ₹ 7,798 million during the year under review that included impairment loss amounting to ₹ 5,790 million recognised in respect of goodwill allocated to d2h Cash Generating Unit (CGU) that was created from the merger of erstwhile Videocon d2H Limited with the Company and an impairment loss of ₹ 2,008 million was recognized on Trademark/Brand. This was lower by 59.3 percent from ₹ 19,155 million exceptional loss on account of goodwill impairment in respect of d2h CGU in FY20.

Net loss for the full year was ₹ 11,899 million, a reduction of 21.3 percent from ₹ 16,548 million loss in the previous year.

Operating free cash flows generated by the Company climbed by 16.1 percent to ₹ 16,092 million, which contributed to the reduction in debt from ₹ 17,844 million at the end of FY20 to ₹ 8,098 million at the end of FY21.

Details of Significant Change in Key Financial Ratios:

Ratio	FY 20	FY 21	% Change	Remarks for > 25% or < -25% Change
Debtors Turnover (x)	3.63	3.57	(1.8)	-
Inventory Turnover (x)	0.15	0.42	187.7	Increase in per unit cost of consumer premises equipment due to adoption of Android box and HD box resulted in higher cost of year-end inventory. Also, the average inventory reduced due to lower purchases during the year as compared to previous year by around ₹ 176 lac, which resulted in the higher turnover ratio.
Interest Coverage Ratio (x)	7.01	13.50	92.6	During the year under review, our EBITDA has improved and we have substantially reduced our debts on a consolidated basis. This has resulted in lower finance cost as against last FY. The improved EBITDA and reduced finance cost has resulted in improved interest coverage ratio.
Current Ratio (x)	0.10	0.12	21.1	-
Debt Equity Ratio (x)*	0.47	0.31	(34.4)	Debt equity ratio has improved on account of repayment of debt during the year. Overall Borrowings were ₹ 8,098 million at the end of fiscal 2021 as compared to ₹ 17,844 million at the close of fiscal 2020.
Operating Profit Margin (%)	19.11	14.93	(21.9)	-
Net Profit Margin (%)	(46.5)	(36.6)	21.3	-
Return on Networth – RoNW (%)	(43.6)	(45.3)	(3.9)	-

RISK AND MITIGATION

The Company is cognizant of the inherent risks in its business, which may impact its performance significantly if not managed appropriately on time. It has, therefore, adopted a robust Risk Management Policy within the overall Risk Management Framework to identify, assess, monitor and mitigate the risks to minimize their negative effect on the Company's financial performance and its long-term prospects. The Company has also put in place systems, processes, structures and resources to implement the policies. The major risks and associated mitigation approaches are discussed below.

✓ **Technology risk:** Fast-paced evolution of technology in devices and platforms (mediums) for the consumption of entertainment content brings enormous risks for players in this industry. However, the key factor that determines the impact of technological changes on the Company's business is the change in customer preferences concerning competition's offerings and for alternative devices and platforms.

Mitigation: Upgrade of and investment in back-end and front-end technologies to stay ahead of direct competition. Adoption of new technologies to address the challenges from alternative devices or platforms to offer a competitive proposition in terms of ease, cost, and diversity of content consumption. The Company is vigilant of emerging threats from a technology perspective and is constantly innovating to test the market by offering new products (including new value-added services) based on or countering these new technologies.

✓ **Regulatory Risk:** The broadcasting industry is regulated by the norms prescribed by the Ministry of Information & Broadcasting, Ministry of Electronics and Information Technology and Telecom Regulatory Authority of India (TRAI). These regulations and norms not only control major aspects of the business model such as pricing, content bundling, etc. but also prescribe comprehensive compliance requirements. Any deviations may lead to penalties, suspension of operations, and other punitive measures.

Mitigation: The Company complies with all provisions of applicable laws and regulations in letter and spirit. It also has a diverse business portfolio that prevents a survival risk when a single business may be adversely impacted due to regulatory changes.

✓ **Economic Risk:** The macroeconomic factors have a significant impact on the private consumption basket, including entertainment, through their effect on disposable income and consumer priorities. COVID-19 pandemic is likely to hurt the economy for the next couple of years, however, it is also driving an increase in consumption of entertainment content as people spend more time at home.

Mitigation: The impact of economic fortunes on entertainment consumption are only temporary as entertainment is a fundamental need. With the proliferation in media channels, personalization of content consumption and increasing income levels, the demand for entertainment content is more likely to only increase over the long term.

✓ **Competition Risk:** The nature of the competition for the Company's business is constantly evolving and intensifying. It is facing competition not only from cable and other DTH players distributing TV content but also from other mediums such as the internet, OTT platforms, free content providers including DD Direct that deliver entertainment to homes for a range of subscribers.

Mitigation: The Company invests heavily in its content portfolio and delivery platforms in addition to innovating with the Value-Added Services to continuously stay ahead of the competition. The focus is always on the subscribers, their needs and preferences. It also strives to offer the widest possible choices in terms of content and technology to retain and attract subscribers. It has launched a wide range of premium offerings such as Android-powered SMRT Hub & Stream set-top box, Alexa powered SMRT Kit & Magic set-top box and OTT platform Watcho in addition to the standard HD and SD set-top boxes.

✓ **Capital Intensive Business:** Business being highly capital intensive and dependent on our ability to adapt to technological innovations. Our Company operates in a capital-intensive industry, which over the years has seen changes due to technological improvements and is currently in the process of digitization. Our Company relies on sophisticated broadcast equipment, communications equipment, and other information technology to conduct its business. New technologies have been, and will likely continue to be, developed that further increase the competition the Company faces for its business.

Mitigation: The Company adapts to technological changes and adopts the latest technologies in a timely and cost-effective manner. Our Company seeks to proactively anticipate technological developments and to maintain adaptability and price competitiveness to enable it to respond to changes in consumer behaviour. However, the Company may experience delays in the roll-out of new products for various reasons, including failure to upgrade its networks, capital shortfalls, failure of third-party suppliers to deliver services and products promptly and inability to meet the Company's implementation schedules.

✓ **COVID-19 Risk:** The Coronavirus pandemic has caused demand shocks and supply chain bottlenecks in many sectors of the economy, in addition to causing a massive loss of life and financial strain for people. The social distancing measures and restrictions on the movement of people have affected business operations. Continuation of a pandemic would affect the Company's business due to its ability to have a long-term impact on the general wellbeing of subscribers, trade and employees.

Mitigation: Company Implements all the prescribed safety protocols for social distancing in entire business operations including offices, subscriber services, and business interactions. Run communication programs to create awareness about the measures adopted by the Company to keep all its stakeholders safe and promote positive mental health practices. Organize vaccination drives for its employees.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company's internal system is comprehensive and effective in enforcing financial control, ensuring compliance and mitigating risks. The system is constantly assessed and strengthened through audit and review mechanisms by making changes to the policies, structures, standard operating procedures and resource allocation. The key objectives are to maintain a high standard of Corporate Governance, safeguard and protect the Company from any loss, through prevention and detection of frauds, ensuring accuracy and completeness in recording financial transactions, proper authorizations for all transactions, and alignment of operations with its long-term and short-term business objectives. The Board of Directors and the Committees of the Board monitor these internal controls systems and review on a quarterly basis with the aid of statutory and internal auditors.

HUMAN RESOURCES

The work culture at Dish TV is employee-friendly as the Company believes in providing an enabling working environment for the employee to perform and develop themselves into committed professionals. Its people practices are not only aligned with the business objectives but also compare favourably with industry best practices to ensure attraction and retention of talent. The diversity of the Company's employee base poses an interesting Human Resource Management challenge for building an agile and capable organization. This is addressed by ensuring open communication channels, flatter organization structure, orientation and positive incentivization towards adoption of the Company's values and culture and giving the employees opportunity and freedom to perform. It supports the professional development of the employees by investing in training programs and participation in industry conferences.

COVID-19 pandemic has had a significant impact on the Company's operations. To ensure the employees have a smooth experience in performing their duties in a Work From Home mode, the Company has invested in providing them with the right systems and connectivity. It is also organizing programs to ensure their general wellbeing, keep them engaged with the organization, and maintain connection and collaboration with fellow employees.

The count of permanent employees on the Company's rolls as of March 31, 2021, was 388.

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, 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 2021:

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

Statement of Profit and Loss Account for the year ended FY 2021

(₹ in mn)

Particulars	Standalone		Consolidated	
	FY 2021	FY 2020	FY 2021	FY 2020
Income				
Revenue from Operations	**16,039.60**	15,180.00	**32,493.60**	35,563.39
Other Income	**1,401.90**	1,604.80	**155.98**	136.14
Total Revenue	**17,441.50**	**16,784.80**	**32,649.58**	**35,699.53**
Expenses				
Purchase of stock in trade (Consumer premises equipment related accessories /spares)	**-**	-	**85.23**	7.49
Change in inventories of stock- in- trade	**-**	-	**6.27**	26.98
Operating expenses	**5,601.30**	5,568.00	**6,995.90**	7,872.99
Employee benefit expense	**695.40**	811.4	**1,529.70**	1,931.14
Finance Cost	**3,024.70**	3,383.5	**4,183.62**	5,652.22
Depreciation & amortization expense	**2,845.60**	3,122.5	**15,319.07**	14,262.13
Other expenses	**2,539.90**	3,090.5	**3,706.57**	4,665.07
Total Expenses	**14,706.90**	**15,975.9**	**31,826.36**	**34,418.02**
Profit before prior period items & tax from continuing operation	**2,734.60**	808.9	**823.22**	1,281.51
Exceptional items	**6,537.20**	19,191.6	**7,798.10**	19,155
Profit/ (Loss) before tax from continuing operation	**(3,802.60)**	(18,382.7)	**(6,974.88)**	(17,873.49)
Tax expense	**2,974.80**	(4,441.8)	**4,923.63**	(1,325.04)
Profit/ (Loss) after tax for the year from continuing operation	**(6,777.40)**	**(13,940.9)**	**(11,898.51)**	**(16,548.45)**
Profit/ (Loss) for the year	**(6,777.40)**	**(13,940.9)**	**(11,898.51)**	**(16,548.45)**

Balance Sheet as at FY 2021

(₹ in mn)

Particulars	Standalone		Consolidated	
	FY 2021	FY 2020	FY 2021	FY 2020
ASSETS				
(1) Non-current assets				
(a) Property, Plant & Equipment	**3,140.30**	4,581.2	**20,915.90**	28,488
(b) Capital work-in-progress	**75.90**	49.00	**3,952.80**	6,227.2
(c) Goodwill	**-**	4,528.8	**22,380.10**	28,169.88
(d) Other intangible assets	**15,533.40**	18,674.2	**16,765.80**	20,155.4
(e) Intangible assets under development	**-**		**5,520.00**	5,250.00
(f) Financial assets				
(i) Investments	**51,541.20**	51,534.34	**-**	-
(ii) Loans	**7,488.10**	6,602.7	**70.80**	107.9
(iii) Other financial assets	**31.00**	3.1	**32.60**	4.5
(g) Deferred tax assets (net)	**2,441.35**	5,466.12	**6,501.61**	11,477.62
(h) Current tax assets (net)	**758.00**	565.2	**964.51**	989.74
(i) Other non-current assets	**1,198.20**	1,161.9	**8,373.50**	8,382.10
(2) Current Assets				
(a) Inventories	**-**	-	**211.80**	220.10
(b) Financial assets	**-**			
(i) Investments	**-**	-	**-**	
(ii) Trade receivables	**686.60**	654.5	**930.50**	868.4
(iii) Cash and cash equivalents	**471.20**	60.2	**939.70**	1,127.12
(iv) Bank balances other than (iii) above	**307.01**	278.64	**615.00**	335.54
(v) Loans	**149.90**	120.85	**187.20**	160.7
(vi) Other financial assets	**207.29**	6.4	**10.80**	13.10
(c) Other current assets	**681.48**	469.4	**4,385.70**	4,111.21
Group of assets classified as held for sale	**0.29**	-	**89.00**	
Total Assets	**84,711.22**	**94,756.55**	**92,847.32**	**116,088.51**
EQUITY AND LIABILITIES				
EQUITY:				
(a) Equity share capital	**1,841.32**	1,841.32	**1,841.32**	1,841.32
(b) Other equity	**30,820.86**	37585.16	**25,028.41**	36,656.78
(c) Non-controlling Interest		-	**(589.57)**	(520.68)
Total	**32,662.18**	**39,426.48**	**26,280.16**	**37,977.42**
LIABILITIES:				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings			**2,685.80**	5,604.39
(ii) Other financial liabilities	**35.00**	87.8	**18.30**	17.77
(b) Provisions	**105.20**	100	**252.24**	259.2
(c) Deferred Tax Liabilities (net)	**-**			
(d) Other non-current liabilities	**45.50**	206.6	**116.76**	318.44
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	**850.40**	2,984.5	**2,144.60**	4369.6
(ii) Trade payables	**10,758.70**	11,586.40	**11,923.59**	12,910.73
(iii) Other financial liabilities	**711.70**	1118.2	**5,870.89**	10,772.29
(b) Other current liabilities	**2,111.94**	3458.34	**5,864.77**	8,056.37
(c) Provisions	**37,430.60**	35,788.23	**37,444.39**	35,802.3
(d) Current tax liabilities (net)				
Liability directly associated with group of assets classified as held for sale			**245.82**	-
Total Equity & Liabilities	**84,711.22**	**94,756.55**	**92,847.32**	**1,16,088.51**

(A) RESULTS OF OPERATIONS

We are pleased to share the Consolidated Financial information for the year ended March 31, 2021 compared to previous year ended March 31, 2020. At the close of FY 2021, 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 3,069.79 mn from INR 35,563.39 mn in FY 2020 to INR 32,493.60 Mn in FY 2021.

Other Income

Interest & Other Income increased by INR 19.84 mn or from INR 136.14 mn in FY 2020 to INR 155.98 mn in FY 2021.

Purchases of stock-in-trade

Purchases of stock in trade increased by INR 77.74 mn or 1,037.91 % from INR 7.49 mn in FY 2020 to INR 85.23 mn in FY 2021.

Change in inventories of stock-in-trade

Change in inventories of stock in trade decreased by INR 20.71 mn or -76.75% from INR 26.98 mn in FY 2020 to INR 6.27 mn in FY 2021.

Operating expenses

Operating expenses decreased by INR 877.09 mn or -11.14% from INR 7872.99 mn in FY 2020 to INR 6,995.90 mn in FY 2021.

Employee benefit expenses

Overall employee benefit expenses decreased by INR 401.44 mn or -20.79% from INR 1931.14 mn in FY 2020 to INR 1529.70 mn in FY 2021.

Finance Cost

Finance cost decreased by INR 1,468.60 mn or -25.98% from INR 5652.22 mn in FY 2020 to INR 4183.62 mn in FY 2021, This is due to Loan repayment during the year.

Depreciation and amortization expense

Depreciation and amortization increased by INR 1,056.94 mn or 7.41% from INR 14262.13 mn in FY 2020 to INR 15,319.07 mn in FY 2021.

Other Expenses

Other Expenses is decreased by INR 958.50 mn or -20.55% from INR 4,665.07 mn in FY 2020 to INR 3,706.57 mn in FY 2020.

Profit and Loss before tax

Loss before Tax for the FY 2021 INR 6,974.88 mn. Loss before Tax for the FY 2020 INR 17,873.49 mn.

Profit and Loss for the year

Loss for the FY 2021 is INR 11,898.51 mn. Loss for FY 2020 is INR 16,548.45 mn.

(B) FINANCIAL POSITION

(i) Equity and Liabilities

Share Capital

Share capital is INR 1,841.3 mn in FY 2021 and FY 2020.

Other equity

Other equity decreased by INR 11,628.37 mn or -31.72%, from INR 36,656.78 mn in FY 2020 to INR 25,028.41 mn in FY 2021.

Non-current Borrowings

Long Term Borrowings decreased by INR 2,918.60 mn or -54.78%, from INR 5604.39 mn in FY 2020 to INR 2,685.80 mn in FY 2021.

Other financial Liabilities

Other financial Liabilities stood at INR 18.30 mn as on March 31, 2021 as against 17.77 as on March 31, 2020.

Non-Current Provisions

Non-current Provisions decreased by INR 7 mn from INR 259.20 mn as on March 31, 2020 to INR 252.24 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 116.76 mn as on March 31, 2021 as against INR 318.44 mn as on March 31, 2020.

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 63,248.24 mn as on March 31, 2021 as against INR 71,911.29 mn as on March 31, 2020.

(ii) Assets

Non-Current Assets

Property, plant & equipment

Tangible assets stood at INR 20,915.90 mn as on March 31, 2021 as against INR 28,488 mn as on March 31, 2020.

Intangible Assets

Intangible assets (including goodwill) stood at INR 53,575.28 mn as on March 31, 2021 as against INR 44,665.98 mn as on March 31, 2020.

Capital Work-in-Progress

Capital Work-in-Progress decreased by INR 2,274.40 mn from INR 3,952.80 mn as on March 31, 2020 to INR 6,227.20 mn as on March 31, 2021.

Non-Current Investments

Non-Current Investments stood at INR Nil as on March 31, 2021 as against NIL as on March 31, 2020.

Deferred tax assets

Deferred tax assets stood at INR 6,501.61 mn as on March 31, 2021 as against INR 11,477.62 mn as on March 31, 2020.

Non-current Loans

Long Term Loans and Advances decreased by INR 37.10 mn from INR 107.9 mn as on March 31, 2020 to INR 70.80 mn as on March 31, 2021.

Other non-current financial assets

Other Long Term financial assets increased by INR 28.10 mn from INR 4.50 mn as on March 31, 2020 to INR 32.60 mn as on March 31, 2021.

Other Non-Current Assets

Other Non-Current Assets (Including Current tax assets) stood at INR 9,338.01 mn as on March 31, 2021 as against INR 9,371.84 mn as on March 31, 2021.

Current Assets

Inventories

Inventories stood at INR 211.80 mn as on March 31, 2021 and INR 220.10 mn as on March 31, 2020.

Current Investments

Current Investments stood at Nil as on March 31, 2021 and as on March 31, 2020.

Trade Receivables

Trade Receivables stood at INR 930.50 mn as on March 31, 2021 as against INR 868.40 mn as on March 31, 2020.

Cash and Bank Balances

Cash and Bank Balances stood at INR 1,554.70 mn as on March 31, 2021 as against INR 1,462.66 mn as on March 31, 2020.

Current Loans

Loans and Advances stood at INR 187.20 mn as on March 31, 2021 as against INR 160.70 mn as on March 31, 2020.

Other current financial assets

Other current financial assets stood at INR 10.80 mn as on March 31, 2021 as against INR 13.10 as on March 31, 2020.

Other Current Assets

Other Current Assets stood at INR 4,385.70 mn as on March 31, 2021, registering an increase of 6.68% against the INR 4,111.21 mn as on March 31, 2020.