

Dish TV India Ltd



CEO's Message

Dear Shareholders,

Welcome to the 34th Annual General Meeting of Dish TV India Limited. It is my pleasure to connect with you and place before you the Annual Report of the Company for the Financial Year ended March 31, 2022.

The fiscal started with a renewed sense of optimism after a COVID-19 impacted taxing FY21. The optimism however was short-lived as the first quarter itself witnessed the worst of the pandemic attack bringing, once again, life to a grinding standstill, both for businesses and individuals.

Fortunately, learnings from the first curve of the pandemic kept the business organized and we were determined to serve the community, not only by fulfilling our obligation to entertain but in every other manner we could. Dish TV extended its support to encourage vaccination amongst individuals by offering a day worth of complimentary television viewing for anyone who got vaccinated and uploaded their vaccination certificate. A day of extra subscription was also credited to all hospitals and medical facilities with a DTH connection as a mark of gratitude and support.

As post pandemic normalisation dawned in the later part of the second quarter, consumerism picked up though rural demand remained largely depressed. The third quarter witnessed higher marketing spends in anticipation of higher demand but consumer spending went below par once the pent up demand was exhausted. Overall, the cloud of COVID-19 obstructed any meaningful increase in consumer confidence and spending.

With the worst of Covid behind us and normalcy expected, India is set to remain one of the fastest-growing economies in the world in FY 2022-23. Strong fiscal, monetary and budgetary interventions initiated by the Government are expected to keep the country on track to become a USD 5 trillion economy. The government is focused on making India a digital economy with technology-enabled development, energy transition, and climate action for a more sustainable future.

Though India continues to tread the growth path, inflationary pressures led by global supply chain bottlenecks and the ongoing geopolitical conflict, pose a challenge to this forward march. Mounting inflationary pressures have necessitated a gradual and controlled rate hike that could be mildly recessive in the medium term but will certainly have longer term progressive upside for the economy.

Industry Developments

The media and entertainment space in India is witnessing a change in landscape with growing number of content delivery platforms and viewing options available to consumers. Consumers have been spoilt for choice with over 850 channels in the linear space and 40+ big and small OTT platforms laden with movies, TV shows, web-series, time-shifted content etc. Entertainment watching has spiked to almost 4.5 hours per day per user as against 3.6 hours in 2018. Competition has also increased from free-to-air government run distribution platform and telcos. Fall in subscriber numbers is due to top-end subscribers alternating between DTH and streaming content and bottom-end subscribers often choosing free-to-air DTH over pay DTH.

However, the bigger picture remains intact. The popularity of DTH as an all-encompassing, budget friendly option is well maintained despite the many emerging alternatives in the market.

Dish TV appreciates the changing tastes and preferences of consumers and is on track to leverage these emerging trends considering that technology driven evolution and related growth of the sector is inevitable.

Performance Overview

The pioneer of digital entertainment in India, Dish TV, has been a significant contributor in changing the Indian television

landscape with the use of DTH technology. Dish TV is the only media Company which is CMMI certified. Our Company has constantly strived to take television viewing to the next level as it supports various futuristic features providing consumers with easy accessibility and a wide variety of digital content. Its vast distribution network is spread across the length and breadth of the country. Our Company enjoys a strong brand equity with a large number of SD and HD channels, value-added services and multiple offerings spanning across price points. Customer centricity being at the heart of its operations, the Company strives to offer superior quality at competitive prices.

The home-grown OTT platform of Dish TV India has been steadily growing its reach and crossed the 50 million downloads mark at the end of the fiscal, doubling its subscribers during the year. The platform debuted several new web series to gain strength as an OTT platform with a strong semi urban presence in addition to a meaningful tier-1 visibility. The platform is poised to become the medium to carry Dish TV India to the next level, by being a critical connect between the Company and younger audience.

During the fiscal, subscription revenues were lower as compared to the last fiscal primarily due to volatile viewing habits, emergence of the second and third wave of the pandemic in the country, high inflation and conservative spending. The resultant average revenues per user (ARPU) declined as well. Operating revenues for the year were ₹28,025 million. EBITDA for the year stood at ₹16,442 million while EBITDA margin was 58.7 per cent. Financial expenses continued to decline due to repayment of borrowings. PBT before exceptional items grew from ₹823 million to ₹2,727 million in FY2021-22. The Company reported exceptional losses of ₹26,539 million leading to a net loss for the full year of ₹18,672 million. The Company stayed focused on deleveraging its balance sheet for the fourth year in a row and paid-off ₹4,343 million during the year thus reducing its overall debt to ₹3,756 million at the end of fiscal 2022 as compared to ₹8,099 million at the close of fiscal 2021.

Looking Ahead

The fiscal 2022 was certainly not the smoothest year for Dish TV. Challenges, both on the corporate and business front, kept us engaged but never to the extent of losing focus on business.

Notwithstanding difficulties, the Company continued to keep up with the times and remains optimistic about its capabilities to stay as one of the most relevant player in the content delivery space in India. The Company is actively looking beyond its contemporary offerings of Hybrid Boxes and OTT platform and is exploring newer possibilities that would make its service bouquet more appealing to an even wider set of audience.

Our Company is expected to be one of the biggest beneficiaries of Government's strong focus on vaccination, rural electrification, rural income, make in India, road and highway construction and housing for all, all of which are expected to be instrumental in increasing the share of pay television viewers by helping create overall rural infrastructure and employment in the days to come.

At the end, I would like to express my gratitude to all our stakeholders including our subscribers, investors, business associates, Central and State Governments, Ministry of Information and Broadcasting, TRAI and other Regulatory authorities for their support and trust in Dish TV India Limited. I would also like to thank the Board for their valuable contribution and all employees of the Company for their dedication and hard work.

I thank you all and look forward to continue to work for the betterment of the Company.

Sincerely,

Anil Kumar Dua
Group Chief Executive Officer