

Dish TV India Ltd



CEO's Message

Dear Shareholders,

I welcome you all to the 36th Annual General Meeting of Dish TV India Limited. Our Company's dedication to enhancing our broadcasting and entertainment offerings has been instrumental in driving our business growth. Essentially, as we broaden our services, the entertainment sector in India also sees an uptick. We continue to create opportunities for our clients, partners, and consumers, who together form the backbone of our Company's network. Our success in this expansion is attributed to our extensive entertainment services, the provision of content that resonates with our audience, and the country's increasing embrace of digital content. We are committed to maintaining a customer-centric approach, which positions us at the forefront of delivering a diverse and exceptional range of

entertainment services to our esteemed customers.

The global economy is projected to grow by 3.1% in 2024, slightly above initial forecasts. This uptick is due to China's fiscal stimulus and stronger economic results from the US and other key nations, demonstrating resilience despite challenges such as the pandemic, Ukraine conflict, and high inflation.

The World Bank forecasts India's economy to grow at 7.5% in 2024, leading South Asia's 6% expansion. India's growth is fuelled by its infra and service sectors, with strong investment demand and a rebound in consumer spending. The Government's infrastructure spending and a revitalized Real Estate sector also support growth, while wealthier groups see job and income gains, and lower-income and rural populations continue to recover from the pandemic.

The 'Digital India' initiative, has transformed India's digital landscape, enhancing convenience and government transparency. As it celebrates nine years, India has become a key player in global fintech, driven by digital infrastructure like the Unified Payments Interface (UPI). The country is moving towards a digital-first economy. The digital payment system, especially UPI and QR codes, showcases the transformative potential of digital tools like Aadhaar and DigiLocker. Our Company is immensely benefited by these initiatives.

The Interim Budget 2024–2025 outlines a vision for a 'Viksit Bharat' (Developed India) by 2047, focusing on infrastructure, digital platforms, tax reforms, and inflation control. The government continues its high expenditure, with capital spending up by 11.1% to ₹ 11.1 lakh crores for FY 2024–2025.

The FICCI-EY report 'Reinvent: India's media & entertainment sector is innovating for the future', shows the Indian M&E sector grew by 8% in 2023 to ₹ 2.3 trillion, 21% higher than 2019. Digital media and online gaming led the growth, adding ₹ 122 billion to the sector's increase, raising its share from 20% in 2019 to 38% in 2023. Experiential segments and online gaming, films, live events, and OOH media grew by 18%, accounting for 48% of the growth.

In 2023, digital advertising outpaced traditional advertising with a 15% growth, driven by social media, sports, e-commerce, and SMEs. India is on track to have nearly a billion active screens by 2030, with 240 million large screens and the rest being smaller devices, supporting short video content and social commerce. Pay TV, Free TV, and Connected TV are poised to become significant, each reaching 60-80 million homes.

India's M&E sector is undergoing a significant digital transformation, unmatched globally, thanks to the government's focus on digital infrastructure. In 2024, digital media is set to potentially surpass television as the sector's top segment. The M&E industry is expected to grow at a 10% annual rate, reaching over ₹ 3 trillion (\$37.1 billion) by 2026, driven by robust digital infrastructure, OTT adoption, gaming industry expansion, and affordable consumer options. While digital media thrives, traditional media continues to grow, making India a market that embraces both linear and digital mediums. This reflects the continued importance of print, radio, outdoor advertising, and regional TV, showcasing India's varied media consumption patterns.

Performance Review

At Dish, as a trailblazer in India's digital entertainment scene, we have transformed the country's TV experience through advanced technology. Our company holds a CMMI certification and provides DTH services under three brands - Dish TV, D2H and Zing Super,

catering to urban, rural, and semi-urban regions across India. In addition, we also have an OTT platform under the brand name 'watcho', which is witnessing huge acceptance amongst the masses. We strive to elevate the TV viewing experience by incorporating futuristic features that grant easy access to a wide spectrum of digital content. With an extensive selection of SD and HD channels, added services, and a Pan-India distribution network, our company has established strong brand equity. Centring our operations around customer satisfaction, we aim to deliver high quality at competitive prices.

Dish TV, a forerunner in DTH technology, has evolved from a Pay-TV service to a comprehensive entertainment provider, reshaping the Indian TV industry. Households, particularly those with younger members, are increasingly seeking a combined offering of linear TV and OTT content from a single provider. To meet this demand, our Watcho OTT app provides integrated OTT plans, offering the convenience of bundled content at an affordable price. Watcho has seen significant success, surpassing 5Mn+ downloads this year. The app is committed to leading consumer-focused innovation, enhancing content creation, and utilizing technology to improve the entertainment experience across various viewing platforms.

Indian OTT viewers often find it challenging to manage multiple platforms. Watcho's new OTT aggregation service fulfills its 'The OTT Super App' promise by offering a single subscription plan for easy access to a wide range of content in one place, enhancing the overall viewing experience. It facilitates the subscribers to enjoy OTT content across devices, including mobiles, tablets, laptops, and TVs, through the app or web. Thus, Watcho serves as a comprehensive hub for entertainment, offering original programming, live TV, and a variety of on-demand content accessible on multiple devices at any time and place.

During the fiscal year 2023-24, the Company faced a decline in subscription revenues due to changing viewing patterns, inflationary pressures, and conservative spending habits. Dish TV's operational revenue decreased to ₹ 18,565 million in FY24 from ₹ 22,619 million in FY23. EBITDA also reduced to ₹ 7,537 million in FY24 from ₹ 9,134 million in FY23. Finance costs pertaining to borrowings has declined by 97.42% to ₹ 4.7 million in FY24 from ₹ 181.90 million in FY23. The company has recorded profit before exceptional items of ₹ 340 million in FY24 and losses before exceptional items of ₹ 1,805 million in FY23. The annual net loss has increased to ₹ 19,666 million from ₹ 16,835 million due to adjustment of deferred tax assets as per IND AS 12.

The Company achieved a debt zero status after it paid off the last tranche of the outstanding debt of ₹ 725 million in July 2023 to lending banks.

The Road Ahead

Dish TV is enhancing its efficiency by reducing capital expenditures and customer acquisition costs. In the beginning of FY25, the company has introduced the Dish TV Smart+ initiative, which bundles OTT services with linear TV subscriptions at no extra charge, aiming to boost customer loyalty. Dish TV Smart+ allows both new and existing customers of Dish TV and d2h to access OTT apps across various devices without additional fees.

Looking to the future, Dish TV anticipates a shift away from traditional set-top boxes, marking a significant change in its business model. The company expects to transition away from set-top boxes within the next year, a move that will cut down on capital costs and establish Dish TV as a frontrunner in the dynamic entertainment industry.

Today, our Company is at the cusp of an exciting transformation, ready to forge a stronger identity and influence the nation's media and entertainment sector. Our commitment to growth remains unwavering as we continue to enhance our core offerings, explore adjacent markets, and venture into new business territories.

Lastly, I extend my heartfelt thanks to all our esteemed stakeholders, including our subscribers, government bodies at both central and state levels, the Ministry of Information and Broadcasting, TRAI, other regulatory authorities, investors, and business partners. I am also deeply grateful to our Board members for their strategic guidance and to all our employees for their dedication and support in our business pursuits. At Dish TV, we are embarking on a new and exhilarating chapter toward our growth journey.

I want to convey my heartfelt thanks for your perennial support and trust.

Sincerely,

Manoj Dobhal
Chief Executive Officer