ANNEXURE VI

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Macroeconomics scenario
(source : economictimes)

India is a developing economy, it is stated as an economy is passing through demand depression and high unemployment, with 21-day lockdown on account of outbreak of Covid-19 pandemic, it would also slowdown the supply-side, accelerating the slowdown further and jeopardising the economic wellbeing of millions.

The recent measures announced by the government and the RBI to mitigate the impact of the pandemic are only for short term and may not deliver the desired results as the problem is severe and has been further aggravated by the lockdown.

With the commencement of 2020-21 financial year the effects of coronavirus have affected the stability of the economy of 150 countries - jeopardising their lifestyle, economy, impacting business and assumption of common wellbeing which we had taken for granted. The lockdown has adversely affected service sector like banks, restaurants, food vendors, and food delivery providers at par with providing health safety and medical assistance, we should also think about the health of the sickening economy by mobilizing the resources and make plans of job creation and job continuity.

The slowdown in GDP growth had an adverse impact on Government revenue collections and the COVID-19 induced lockdown further exacerbated the situation. While revenues have suffered, the government expenditures rose significantly on account of additional costs arising from the virus containment efforts and enforcing the lockdown. Thus, actual fiscal deficit of the central government widened to 4.6% of GDP in FY20 which was significantly higher than its revised fiscal deficit target of 3.8% of GDP.

The World Bank expects India's economy to contract 3.2% in the current fiscal year, citing stringent lockdown and spill overs from weaker global growth. The latest report expects the economy to make a modest recovery to 3.1% growth in the next fiscal year, in comparison to the 6.1% expansion projected in the January report. A number of firms including Goldman Sachs and Nomura have projected a contraction of as much as 5% for India in FY21.The report said the pandemic's impact would be particularly hard on emerging markets and developing economies (EMDEs) with large informal sectors, like India.

Sailing Through Covid

Your Company is continuously reviewing the evolving situation in the light of COVID-19 and playing a responsible role in minimising the adverse impact of the pandemic on its businesses and the stakeholders' interests. Adapting to the 'new normal' of conducting business, your Company is continuously running all its channels and trying to bring back all its advertisers to again have the same healthy business .

Media and Entertainment Industry
(Source: EY – FICCI Indian Media and Entertainment Industry Report 2019)

India is a huge market with very positive growth fundamentals across virtually every type of media. The market is strategically interesting to global players seeking to monetize content and capture growth upside, either as a participant via licensing or other commercial arrangements, or as an outright owner through an in-bound acquisition or organic investment approach.

While television and print retained their positions as the two largest segments, Digital Media to become the third largest segment of the M&E sector. Digital subscription revenues more than doubled from 2018 levels and digital advertising revenues grew to command 24% of total advertising spend.

The Indian Media and Entertainment (M&E) sector reached INR1.82 trillion (US$25.7 billion) in 2019, a growth of 9% over 2018.With its current trajectory, the M&E sector in India is expected to cross INR2.4 trillion (US$34 billion) by 2022.

Television: The TV industry grew from INR 740 billion to INR 788 billion in 2019, a growth of 6.5%. TV advertising grew 5% to INR 320 billion while subscription grew 7% to INR 468 billion. 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. On the back of several key announcements by the central and state governments such as Article 370, the Citizenship Amendment Act, and a general election, the news genre witnessed a growth to almost 9% of total viewership, up from 7.3% in 2018.

Digital Industry: In 2019, digital media grew 31% to reach INR 221 billion and is expected to grow at 23% CAGR to reach INR 414 billion by 2022. Digital advertising grew 24% to INR 192 billion driven by increased consumption of content on digital platforms and marketeers' preference to measure performance. SME and long tail advertisers increased their spends on digital media as well. Pay digital subscribers crossed 10 million for the first time as sports and other premium content were put behind a paywall. Consequently, subscription revenue grew 106% to INR 29 billion. Digital consumption grew across platforms where video viewers increased by 16%, audio streamers by 33% and news consumers by 22%.

Growth Outlook:

W.r.t M & E outlook, India is a highly attractive market today with huge potential going forward based on demographic and economic factors. With growing middle class, young demographic, uptake on digital and a rise in the consumer's income, the propensity to spend on media and entertainment is growing faster than the economy itself. India's conducive regulatory environment and high volume of content consumption hold significant potential

At the same time, a vibrant domestic entrepreneurial community is powering the development of content and technology which augurs well in times to come.

Company Profile:

TV Vision Limited, a Sri Adhikari Brothers Enterprise, is engaged in the TV Channel Broadcasting business. The Company has completed its 13 years of pioneering Indian Media and Entertainment Industry and growing at a rapid rate. The Company has listed its Equity Shares on BSE Ltd and National Stock Exchange of India Limited w.e.f. September 15, 2016. The Company has been reporting a decent operating and financial performance, despite of challenging market situation.

During the fiscal year as a listed Company, the total consolidated revenue is Rs. 1,0971.72 lakh. EBITDA is Rs. (19.78) Lakh.

The mainstream broadcasting channels are **MASTIII, DABANGG, DHAMAAL and MAIBOLI**. The Company remained focus on enhancing business from existing advertisers as well as adding new advertisers to widen the client base. The same was evident from repeat business and higher number of new clients.

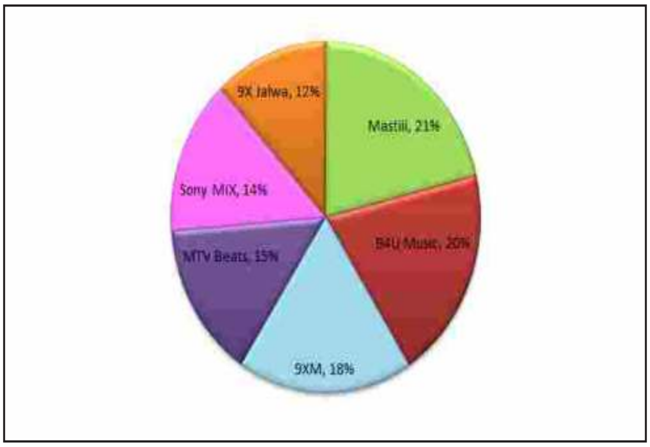
MASTIII - India's No.1 Music & Youth Channel – Mastiii- the flagship channel from the network's bouquet has completed 10 years of broadcasting now, continues its successful run as the industry leader with unparalleled consistency in the music genre. The channel has a universal appeal caters to a variety of music lovers of various age groups becoming the most loved Music channel in India.

During the year under review, the channel was able to adapt to the changing viewer habits as well as changes in sample size & demographics and audience profiling introduced by BARC & still maintain leadership in the 15+ segment. This shows the strength of the platform as a product.

Recently, Mastiii crossed 35 GRPs which is the highest ever for a channel in the genre since inception of broadcast.

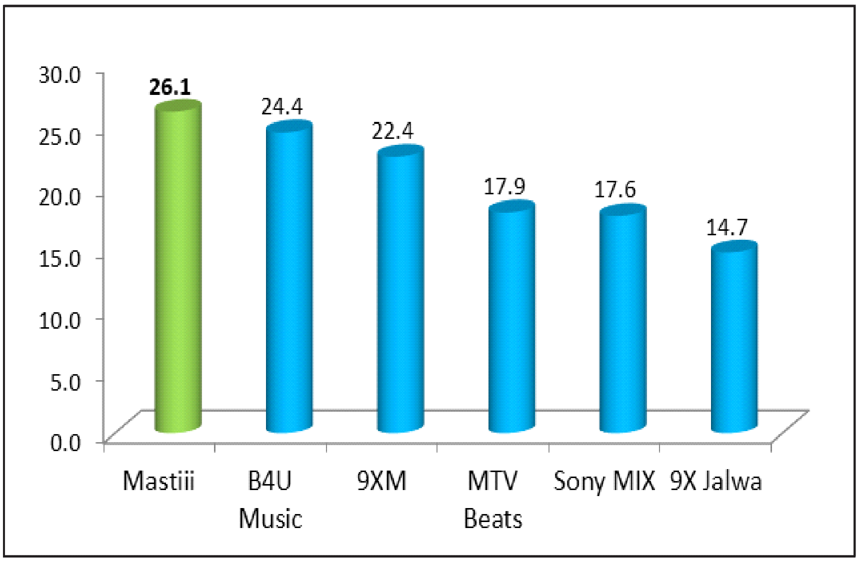
Unchallenged No. 1 Music & Youth channel for over a year Relative Viewership Share of Top 6 Channels

Mastiii



Source : BARC

TV VISION LTD

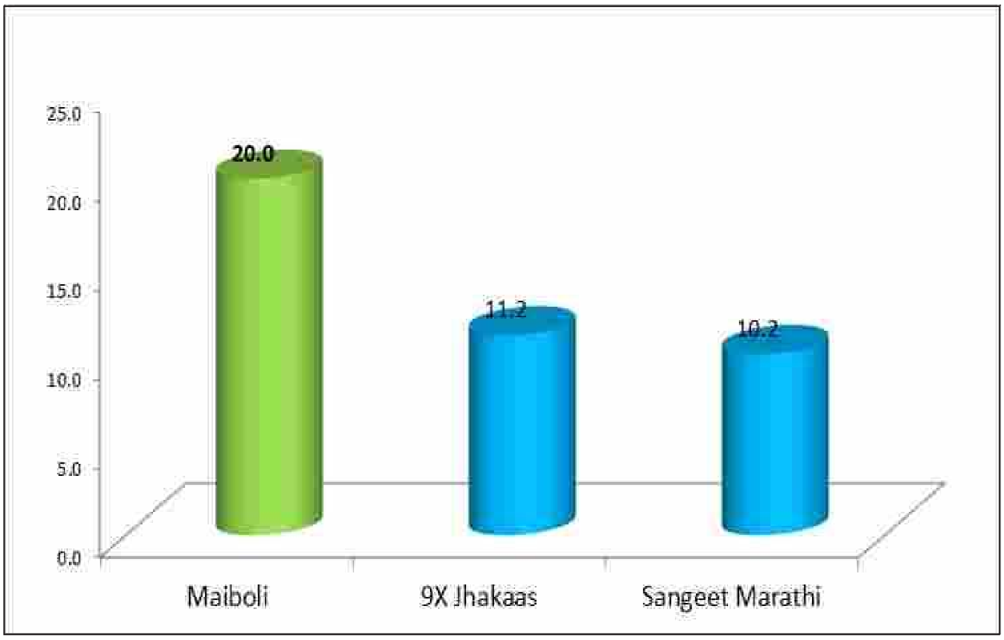


TG : NCCS 15+
Market : HSM (U+R)
Period : Wk 01 2018 to Wk 21 2020

MAIBOLI: Known for its excellent on air packaging & well co-ordinated programme time bands with music as its core focus, Maiboli has over a period of time captured the imagination of the Marathi viewing population as No. 1 Marathi Music Channel. With shows such as Filmy Gappa which gives latest updates on what's happening in the Marathi movie industry, Bolte Tare where we interact with various Marathi celebs & one devotional programme named Amrut Manthan in the morning time band the channel has become a complete family entertainer for the region.

Maiboli

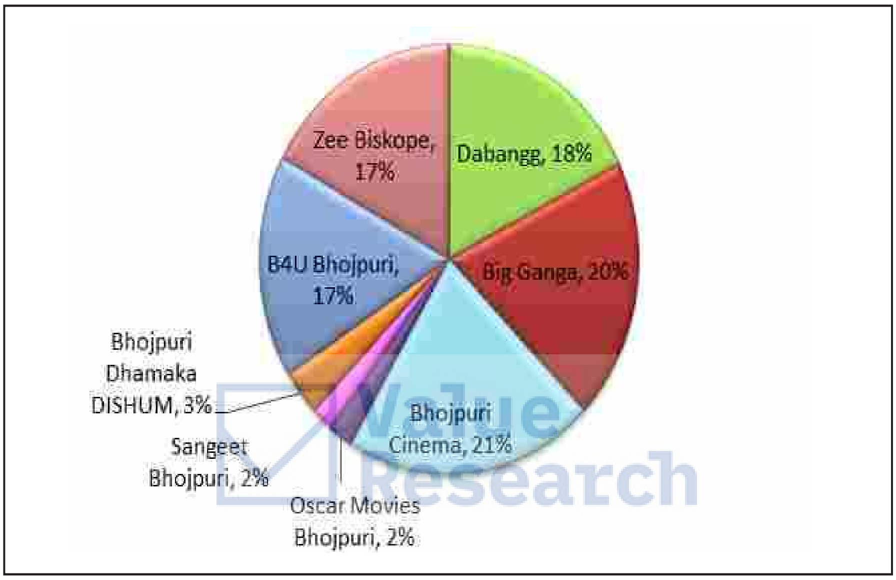
NO. 1 in its genre

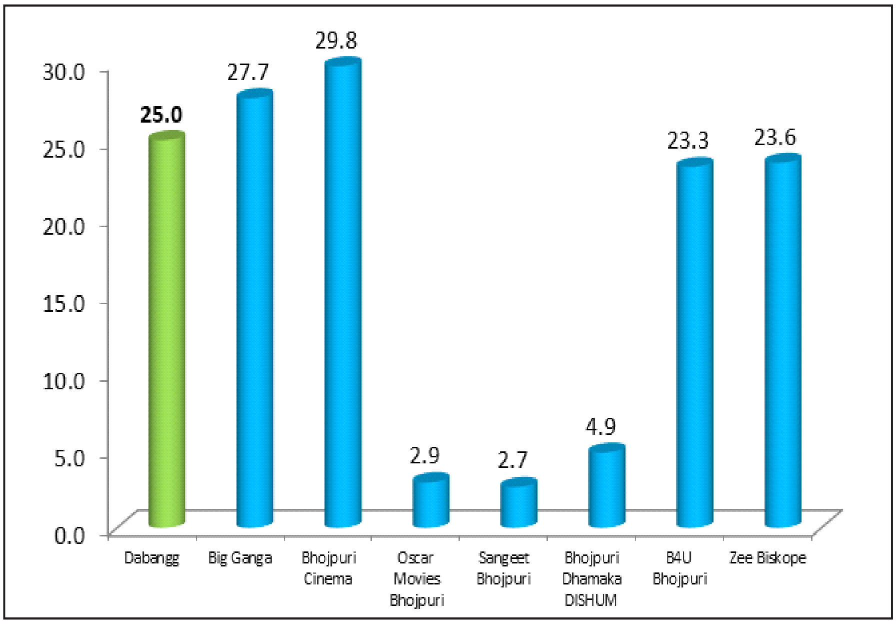


TG : NCCS 2+
Market : Mah/Goa
Period : Wk 13 2020 to Wk 21, 2020

Dabangg: DABANGG is one of network's premier regional entertainment channel. Your company was the first to identify the potential and tap the territory of UP, Bihar & Jharkhand by providing a channel specifically catering to viewers in this territory. The Channel is widely distributed in the targeted territory. Localisation of content with a devotional time band coupled with well timed popular World TV premiers have seen the channel garner good viewership numbers and command a considerable clout in the segment. The vision of the channel is vindicated by the fact that the segment is now attracting prominent players who are in line to make their presence felt. We are treating this development positively and hope that this leads to increase in market share & expansion of advertising base made available to this segment. Channel has an exclusive collections of 20 WTP on in past 18 months.

Dabangg
Reach in UP & Bihar





TG : NCCS 2+
Market : UP+BIHAR (U+R)
Period : Wk 01, 2018 to Wk 21, 2020

Opportunities:

Customer Preference: The immense experience of the promoters in the broadcasting industry has proved to be an added advantage in understanding the taste of audience and telecasting differentiated contents which are based on consumer behavior.

New Channels to be launched: Growth in number of channels especially in niche categories will give the Company/Group new opportunities to expand and create various genres of programming based on demand.

The Government is taking various initiatives that support the M&E industry's growth such as increase in FDI limit from 74 per cent to 100 per cent in cable and DTH satellite platforms, digitising the cable industry to get more institutional funding, and granting industry status to the film industry.

Challenges and Threats

External Risk:

Competition from other players: Company operates in highly competitive environment across all its business segments that are subject to innovations, changes and varying levels of resources available to each player across segment. Failure to remain ahead of the curve or respond to competition may harm the business.

Differentiated Products: Due to increase in the number of channels the content broadcasted needs to be unique to attract viewers. Also, with a view to produce differentiated content, the production cost also increases.

Low Entry Barriers: Vast plethora of channels is available at viewer's disposal which has given rise to increased competition.

Consistency: Consistency of programming quality is essential to maintain targeted revenues.

Availability of advertisement run time: In order to maintain the revenue income, the Company continuously need have maximum advertisement run time, any shift in the same may affect directly to the revenue of the Company.

Internal risk:

Change in Consumer Preference Risks: The Content carried by the Company on its channels need not appeal the target audience always as the target audience preferences are bound to change. The level of creativity required for the audience targeted varies with the available options to the consumers.

Channel Distribution Risk: The Company distributes its channels in the target market through MSO, DTH, cable operators etc. Any shift in the distribution network could affect the viewership of the channels.

Technological Risks: Advancement of the technology for creation of the content and distribution of channel is necessary with the new technologies being adopted by the competitors.

Regulatory Matters: The business may have a positive or a negative impact on the revenue in future due to changes in the regulatory framework and tax laws as compared to the current scenario.

Management continuously monitors and makes efforts to arrest decline or adverse output on any of these factors.

Consolidated Financials:

1. Share Capital:

   As on March 31, 2020, the Authorized Share Capital of the Company stood at Rs. 5,500 lakh divided into 5,499 lakh comprising of 549.9 lakh Equity Shares of Rs. 10/- each and Rs. 1 lakh comprising of 0.1 lakh Preference Shares of Rs. 10/- each.

   As on March 31, 2020, the Paid-up Share Capital of the Company stood at Rs. 3,495 lakh divided into Rs. 3,494 lakh comprising of 349.44 lakh Equity Shares of Rs. 10/- each full paid-up and Rs. 1 lakh comprising of 0.01 lakh 0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid-up.

2. Reserves And Surplus:

   The total Reserves and Surplus as at March 31, 2020 amounted to Rs.(2,723.30) lakh.The reserves include Capital Reserves of Rs. 8,553.05 lakh, Security Premium Reserve of Rs. 1,884.30 lakh, Retained earnings of Rs. (13,110.09) lakh and deficit as per the statement of Profit and Loss of Rs. (50.56) lakh.

3. Financial Liabilities- Non Current Liability

   The Financial Liabilities as at March 31, 2020 amounted Rs.0.00 lakh comprising of vehicles loans.

4. Financial Liabilities- Current Liability

   The Financial Liabilities as at March 31, 2020 amounted Rs. 10,700.99 lakh is term loan from banks.

5. Fixed Assets:

   Depreciation of Rs.2,816.81 lakh was charged to the statement of Profit and Loss. The Net Block of Tangible Fixed Assets and Intangible Fixed Assets as on March 31, 2020 was Rs.50.37 lakh and Rs.12,791.95 lakh respectively.

6. Revenue:

   The Company earned total revenue of Rs.10,971.72 lakh during the year ended March 31, 2020 as against Rs. 11,727.15 lakh of the previous year ended March 31, 2019.

Critical accounting policies:

The principles of revenue recognition are: Revenue from advertisements is recognised on telecast basis and revenue from sale of program/content rights is recognised when the relevant program/content is delivered.

Segment wise Performance:

The Company is operating in single primary business segment i.e. Broadcasting. Accordingly, no segment reporting as per Accounting Standard - 17 has been reported.

Internal Controls and Adequacy of those controls:

Adequate systems of internal controls that commensurate with the size of operation and the nature of business of the Company have been implemented. Risks and controls are regularly viewed by senior and responsible officers of the company that assure strict adherence to budgets and effective use of resources. The internal control systems are implemented to safeguard Company's assets from unauthorized use or disposition, to provide constant check on cost structure, to provide financial and accounting controls and implement accounting standards.

Human Resources:

Human capital is a very important asset in a media Company. The Company has laid down stringent measures to make sure that safety and health of its employees are secured in these hard times of pandemic. The Company is strictly following 'Work from Home' Policy. The Company has a professional and healthy work culture built around strong corporate values. The Company has a qualified team of professionals.

As on March 31, 2020, the Company had 90 permanent employees on its payroll.

Details of significant changes in key financial ratios:

TV VISION LTD. (standalone)

Ratios	Formula Used	2019-20	2018-19
Debtors Turnover	Revenue from operations / Average Debtors	47.84	46.68
Inventory	COGS / Average Inventory Turnover	NA	NA
Interest Coverage Ratio	Earnings before Interest and Tax / Interest Expense	(15.87)	(93.70)
Current Ratio	Current Assets / Current Liabilities	0.26	0.25
Debt Equity Ratio	Debt / Equity	4.08	2.36
Operating Profit Margin (%)	EBITDA / Revenue from operations	0.01	(0.05)
Net Profit Margin (%)	PAT without exceptional items / Revenue from operations	(0.26)	(0.29)
Return on net worth (%)	PAT without exceptional items / Total Equity	(0.70)	(0.49)

Interest coverage ratio: Upon the account turning into NPA, bank have stopped charging interest. Thus, there is a significant change in interest coverage ratio. However, the Company is in active talk with the bankers for possible restructuring.

Debt Equity Ratio: Due to the losses incurred by the Company during the financial year, the total equity of the Company decreased and accordingly, there is significant change in the Debt Equity Ratio.

Operating Profit Margin: There is a significant increase in the Operating Profit Margin, as the EBITDA stands positive.

Return on Networth: Due to the losses incurred by the Company during the financial year, there is a reduction in return on networth.

Cautionary Statement:

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be “forward-looking statement” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.