## EXECUTIVE SUMMARY

**Second largest TV market**
- Indian television market has an opportunity of catering to 100 million homes as 197 million homes out of the total 298 million have TV sets as of 2018.
- In 2018, television viewership in India grew at the rate of 7.5 per cent y-o-y.
- By FY21, television market expected to generate revenue of Rs 955 billion (US$ 13.82 billion).

**One of the largest broadcasting market**
- Total of 243 FM channels (21 from the Phase - I and 222 from Phase – II) are operational. Under the phase III, the Cabinet has already given permission to 162 FM channels in 69 cities to operate and 17 cities were provided with licenses to operate in 2017.
- Telecom Regulatory Authority of India (TRAI) plans to introduce a policy for broadcasting sector with a vision of 2020. The policy aims to usher a new era in the broadcasting sector where MRP of the TV channel will be declared by broadcasters directly to the consumers and will bring more transparency and choices to the consumers.

**Fast growing animation industry**
- During 2017-2021, the segment is expected to grow at a higher CAGR of 17.40 per cent, largely led by the continued growth in outsourced services and the swelling use of animation and VFX services in the domestic television and film space, respectively.
- Animation and VFX industry in India reached Rs 87.7 billion (US$ 1.25 billion) in FY19 at a CAGR of 18.7 per cent. It is expected to grow at a CAGR of 16 per cent till FY24 and reach Rs 184 billion (US$ 2.63 billion).

**Exceptional growth in film industry**
- Digitalisation has played the major role in the growth of Indian film industry. The Indian film industry is expected to grow at a rate of 11.9 per cent by 2020.
- By 2019, cinema exhibition industry in India is expected to have over 3,000 multiplex screens.

**Rising no of subscribers**
- Total subscriber base for Indian television industry is expected to increase to 195 million by 2019 from 183 million in 2017.
- Between 30-35 million paying OTT subscribers expected by 2021.

*Source: KPMG – FICCI Report, 2016 and 2018; Dish TV Investor Presentation, Ministry of Information and Broadcasting (MIB), NASSCOM, Telecom Regulatory Authority of India (TRAI), TechSci Research, Broadcast India 2018 Survey conducted by Broadcast Audience Research Council (Barc) India, EY’s Media and Entertainment report 2019.*
Rising incomes and evolving lifestyles have led to higher demand for aspirational products and services.

Higher penetration and a rapidly growing young population coupled with increased usage of 3G, 4G and portable devices would augment demand.

Media and entertainment Industry is set to expand at a CAGR of 13.5 per cent over 2019-24.

The Indian media and entertainment industry is expected to reach around Rs 307,000 core crore (US$ 43.93 million) by 2024.

From April 2000 to June 2019, FDI Inflows in Information and Broadcasting (including print media) sector reached US$ 8.42 billion.

Increasing M&A activity.

In 2018, the sector witnessed a total number of 41 investment deals to US$ 2,752 million.

The Government of India has increased the FDI limit from 74 per cent to 100 per cent.

Measures such as digitisation of cable distribution to improve profitability and ease of institutional finance.

Increasing liberalisation and tariff relaxation.

In Sep 2018, the government introduced the National Digital Communications Policy-2018 (NDCP-2018) for affordable digital communications infrastructure and services.

Notes: AGV - Animation, Gaming and VFX, VFX - Visual Effects, M&A - Merger and Acquisition, FDI - Foreign Direct Investment, CAGR is calculated from Rs figures, PE - Private equity, VC - Venture capital

Source: KPMG report –India’s digital future, EY’s Media and Entertainment report 2019
MARKET OVERVIEW
THE ENTERTAINMENT SECTOR IS SPLIT INTO TEN SEGMENTS


Note: VFX - Visual Effects

Filmed Entertainment
Live events
Digital Media
Music
Out of Home (OOH)
Animation and VFX
Print
Radio
Television
Online Gaming
THE INDIAN ENTERTAINMENT INDUSTRY IS GROWING RAPIDLY

- India’s media and entertainment (M&E) industry grew at a CAGR of 11.5 per cent during FY15-19 and growth in FY19 over FY18 was 13.2 per cent. The industry is projected to reach Rs 2.35 trillion (US$ 33.6 billion) by 2021 from Rs 1.44 trillion (US$ 21.18 billion) in FY18.

- The next three years will see digital technologies increase their influence across the industry leading to a sea change in consumer behaviour across all segments.

- India’s online gaming industry is expected to grow at a CAGR of 22 per cent between FY18-23 to reach Rs 11,900 crore (US$ 1.68 billion) in FY23, on the back of rapid growth in digital infrastructure, whereas digital media to CAGR 28 per cent between 2018-20.

- It is expected sports can create 4.3 million jobs by 2022.

- Digital media & entertainment (M&E) platforms in India grew 13.3 per cent in FY19 to reach Rs 163,100 crore (US$ 23.34 billion), contributing the most to the growth of M&E sector in the country.

Notes: P – Projected, CAGR is calculated from Rs figures
Source: KPMG report –India’s digital future, EY’s Media and Entertainment report 2019
In FY19, television, print and films stood at a market size of Rs 713 billion (US$ 10.22 billion), Rs 333 billion (US$ 4.76 billion) and Rs 185 billion (US$ 2.62 billion), respectively. They are projected to reach Rs 1.02 trillion (US$ 14.67 billion), Rs 375 billion (US$ 4.76 billion) and Rs 228 billion (US$ 3.26 billion), respectively in FY22.

The Indian digital segment is expected to witness a growth of 29.1 per cent CAGR over FY19-24.
TELEVISION, ONE OF THE LARGEST AND FASTEST GROWING SEGMENT

- In FY19, television market size increased to Rs 815 billion (US$ 11.66 billion) from Rs 660 billion (US$ 9.65 billion) in 2017 and is estimated to surpass US$ 13 billion in 2023.
- The share of broadcaster subscription revenue was 25 per cent of the total collection, estimated around Rs 11,000 crore (US$ 1.57 billion) in FY19.
- Star India is expected to generate between Rs 1,200-1,500 crore (US$ 172.83-216.04 million) through television and Rs 300 crore (US$ 43.21 million) from its video streaming platform Hotstar during the ICC Cricket World Cup 2019.

**Notes:** P – Projected

*Source: KPMG report – India’s digital future, EY’s Media and Entertainment report March 2019*
Radio, OOH, ANIMATION and VFX, GAMING AND DIGITAL ADVERTISING ON HIGH GROWTH PHASE

- Radio, OOH, animation and VFX, gaming and digital advertising are also emerging as fast growing segments.

- During 2018-23, these segments are expected to increase at CAGRs of:
  - Digital Advertising (30.20 per cent).
  - Animation and VFX (15.50 per cent).
  - Gaming (22.10 per cent).
  - OOH (9.20 per cent).
  - Radio (10.20 per cent).

- India digital advertising market has reached Rs 10,819 crore (US$ 1.3 billion) in 2018 and is forecasted to grow at a CAGR of 32 per cent to reach Rs 18,986 crore (US$ 2.95 billion) by 2020. Expenditure on digital advertisements is expected to increase at CAGR of 30.8 per cent between 2016-21, as internet penetration and data consumption increases in the country.

- India’s advertisement market is projected to grow 10.62 per cent year-on-year to Rs 85,250 crore (US$ 12.06 billion) till 2021.

- India’s over-the-top content (OTT) platforms are expected to get a boost majorly due to increased internet adoption rate of regional language users.

- Indian regional language internet users are expected to grow to 536 million by 2021.

**Note:** VFX= Visual Effects, P=Projected. Out-of-home advertising. CAGR is calculated from Rs figures, data is expected to be updated by October 2019 from KPMG report.

Source: KPMG report – Media ecosystems: The walls fall down – September 2018
ADVERTISING REVENUES

India’s advertising revenue is projected to reach Rs 1,367 billion (US$ 19.56 billion) in FY24 from Rs 693 billion (US$ 10 billion) in FY19.

India’s advertising revenue is forecasted to grow at a CAGR of 14.5 per cent during 2019-2024. India’s advertisement spending is projected to grow 15 per cent year-on-year to reach Rs 72,169 crore (US$ 10.28 billion) in 2019.

Television advertising was the largest contributor, it generated a revenue of Rs 223.50 billion (US$ 3.47 billion) in FY18.

Print advertising was the second largest contributor, it generated a revenue of Rs 210.60 billion (US$ 3.27 billion) in FY18.

Digital advertising has emerged as the 3rd largest advertising medium in India. It generated revenues worth Rs 116.30 billion (US$ 1.80 billion) in FY18. Digital will contribute 29 per cent of the ad market size by 2021.

India is one of the top five markets for the media, content and technology agency, Wavemaker, where its services clients like Hero MotoCorp, Paytm, IPL and Myntra among others.

Star India signs up 35 advertisers for ICC World Cup, targets over Rs 1,000 crore (US$ 144million) in ad sales

Notes: TV – Television, CAGR is calculated from Rs figures, P – Projected, Out-of-home advertising, data is expected to be updated by October 2019 from KPMG report

Regional Entertainment channels comprising mostly of regional GECs (General Entertainment Channels), regional movies and regional music.

In 2018, Oriya regional channel recorded highest growth of 34 per cent, followed by Assamese 26, Marathi 25, Bhojpuri 22 and Urdu 15 per cent.

TV viewership in country led by south India and mega-cities in 2018.

In 2019, news genre in South Indian languages witnessed a growth of 14-32 per cent in terms of viewership in the past one year.

Netflix Inc. grew by 700 per cent with the help of local content and marketing that attracted more users during 2018-19.

Source: EY’s Media and Entertainment report 2019
Music entertainment market size is expected to touch Rs 35 billion (US$ 500.79 million) by FY24 from Rs 17 billion (US$ 243.24 million) in FY19.

Music entertainment industry is forecasted to grow 15.8 per cent by FY24.

In FY19, the music segment grew 15.3 per cent to reach Rs 17 billion (US$ 243.24 million).

5 billion music streams generated in December 2018.

India ranked at 15th in the world in music industry and is expected to enter into the top 10 music markets by 2022.

Revenues for the music industry (US$ million)

Note: P – Projected, CAGR is calculated from Rs figures
Source: KPMG report – Media ecosystems: The walls fall down – September 2018, EY’s Media and Entertainment report 2019
<table>
<thead>
<tr>
<th>Television</th>
<th>Print</th>
<th>Films</th>
<th>Music</th>
</tr>
</thead>
<tbody>
<tr>
<td>Star India Pvt Ltd</td>
<td>Bennett, Coleman and Co Ltd</td>
<td>Yash Raj Films Studios</td>
<td>Saregama India Ltd</td>
</tr>
<tr>
<td>Zee Entertainment Enterprises Ltd</td>
<td>HT Media Ltd</td>
<td>Eros International Media Ltd</td>
<td>Super Cassettes Industries Ltd</td>
</tr>
<tr>
<td>Multi Screen Media Pvt Ltd</td>
<td>Living Media India Ltd</td>
<td>Red Chillies Entertainments Pvt Ltd</td>
<td>Tips Industries Ltd</td>
</tr>
</tbody>
</table>

*Source: Company websites*
RECENT TRENDS AND STRATEGIES
### NOTABLE TRENDS IN THE MEDIA AND ENTERTAINMENT INDUSTRY… (1/2)

<table>
<thead>
<tr>
<th>Television</th>
<th><img src="https://via.placeholder.com/150" alt="image" /></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Bharti Airtel’s direct-to-home (DTH) arm Airtel Digital TV and Dish TV going to be merged by end of August 2019.</td>
<td><img src="https://via.placeholder.com/150" alt="image" /></td>
</tr>
<tr>
<td>▪ The Direct-To-Home (DTH) subscription is growing rapidly driven by content innovation and product offerings.</td>
<td><img src="https://via.placeholder.com/150" alt="image" /></td>
</tr>
<tr>
<td>▪ The television industry grew to Rs 714 billion (US$ 10.22 billion) in FY19 from Rs 490 billion (US$ 7.01 billion) in FY17 at a CAGR of 9.9 per cent.</td>
<td><img src="https://via.placeholder.com/150" alt="image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Print</th>
<th><img src="https://via.placeholder.com/150" alt="image" /></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ The print industry accounted for the third largest share in M&amp;E to reach Rs 333 billion (US$ 4.76 billion) in FY19, at a CAGR of 5.60 per cent from FY15.</td>
<td><img src="https://via.placeholder.com/150" alt="image" /></td>
</tr>
<tr>
<td>▪ Newspaper readership in India has increased by 4.4 per cent to 425 million in Q1 2019 from 407 million in 2017.</td>
<td><img src="https://via.placeholder.com/150" alt="image" /></td>
</tr>
<tr>
<td>▪ Considering the huge potential in regional print markets, national advertisers are entering these markets to increase their advertising share.</td>
<td><img src="https://via.placeholder.com/150" alt="image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Film</th>
<th><img src="https://via.placeholder.com/150" alt="image" /></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ The Indian film industry is largest producer of films globally with 400 production and corporate houses involved in film production.</td>
<td><img src="https://via.placeholder.com/150" alt="image" /></td>
</tr>
<tr>
<td>▪ The Indian film industry reached Rs 183 billion (US$ 2.62 billion) in FY19, at a CAGR 9.60 per cent. Increasing share of Hollywood content in the Indian box office and 3D cinema is driving the growth of digital screens in the country.</td>
<td><img src="https://via.placeholder.com/150" alt="image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Out of Home and digital</th>
<th><img src="https://via.placeholder.com/150" alt="image" /></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ India’s telecom want to put the frequency to 5G use whereas, Doordarshan is keen on retaining for telecasting directly to phones.</td>
<td><img src="https://via.placeholder.com/150" alt="image" /></td>
</tr>
<tr>
<td>▪ Although Out-of-Home segment has a low contribution to the total of entertainment industry, in coming years it is going to witness a significant growth.</td>
<td><img src="https://via.placeholder.com/150" alt="image" /></td>
</tr>
<tr>
<td>▪ The market size for Out of Home (OOH) entertainment reached Rs 34 billion (US$ 486.48 million) in FY19 at a CAGR of 11.2 per cent from FY15-FY19.</td>
<td><img src="https://via.placeholder.com/150" alt="image" /></td>
</tr>
</tbody>
</table>

**Note:** CAGR is calculated from Rs figures. The data is expected to be updated by October 2019 from KPMG report.

### Notable Trends in the Media and Entertainment Industry… (2/2)

#### Radio
- Increasing FM enabled phones and car music systems.
- In FY17, the total number of radio frequencies auctioned were 266 across 92 cities, only 66 frequencies got sold to 11 companies.
- In FY19, the radio industry in India accounted for a market size of Rs 28 billion (US$ 400 million), registering growth of CAGR 8.60 per cent from FY15.

#### Animation, Gaming and VFX (AGV)
- Growing focus on the ‘kids’ genre’ and rise in dedicated TV channels for them. As the advertising industry grows, the share of animation driven advertisements are expected to also grow.
- Surge in 3D/HD animated movies in theatres and use of animation and VFX in TV advertising and gaming. Growing outsourcing of VFX and gaming to India is due to cost effectiveness of Indian players.
- Gaming industry in India reached Rs 62 billion (US$ 890 million) in FY19 from Rs 24 billion (US$ 343.40 million) in FY18, at a CAGR of 26.4 per cent and is expected to reach US$ 3.58 billion by 2024.
- Animation and VFX industry in India reached Rs 87.7 billion (US$ 1.25 billion) in FY19 at a CAGR of 18.7 per cent. It is expected to grow at a CAGR of 16 per cent till FY24 and reach Rs 184 billion (US$ 2.63 billion).

#### Music
- The music industry is on fast paced growth with increasing international associations. The Indian music industry is a consortium of 142 music companies.
- Players are looking at new ways and mediums to monetise music, such as utilising social media to promote music. Mobile phones, iPods and mp3 players – devices that enable music on-the-go – are becoming the primary means to access music.
- Digital music on mobile continues to drive music industry revenue and digital revenues are expected to reach US$394.22 million by 2021. Digital revenues contribute 55 per cent of the music industry and is expected to contribute close to 62 per cent by 2018.

*Note: CAGR is calculated from Rs figures. The data is expected to be updated by October 2019 from KPMG report*

*Source: KPMG report – Media ecosystems: The walls fall down – September 2018, Economic Times*
OTT ON AN UPTREND POST - DIGITISATION

- Growing mobile and smartphone penetration has boosted adaptation of online video viewing in India.
- Online video streaming market is driven by increasing geographical coverage of high-speed data, increasing smartphone, affordable data charges and availability of creative video content.
- The market size of the OTT video streaming market of India is forecasted to reach US$ 5 billion by 2023.
- The number of online video viewing is forecasted to reach 550 million in FY23 from estimated 225 million in FY18.
- India is projected to become one of the top 10 global OTT market to reach US$ 823 million by 2022.
- India’s video streaming industry is expected to grow at a CAGR of 21.82 per cent by 2023.

Notes: E – Estimate, P - Projected, OTT- Over-the-top content, Data is expected to be updated by October 2019 from Media ecosystems report by KPMG
Source: KPMG report – Media ecosystems: The walls fall down – September 2018, Boston Consulting Group (BCG)
STRATEGIES ADOPTED

| Viewership in regional entertainment | Regional entertainment is growing and therefore, the suppliers are able to expand their forte in the products.  
| | Zee Television, Star TV have their regional channels both for entertainment and news.  
| | The South Indian television industry is one of the oldest operational television sectors across the nation and is further growing due to the regional content.  

| Marketing strategies | The manufacturing companies such as Videocon is offering combo deals such as LED/LCD sets with Videocon set-up boxes and dish services.  
| | The Dish TV is also offering the set-up boxes with many additional channels.  
| | Increasing digitisation in the country is helping such companies to further add up to their revenues.  

| Television: A common medium | As television industry is a dominant segment in the entertainment industry even the film makers promote their films at this platform to reach to the mass audiences for example the reality shows, TV advertisements, etc.  
| | Many film producers, actors, etc have shifted to the television industry to remain in the race and maintain their fan following.  
| | TV programmes being used as a medium of promoting films or other entertainment events.  
| | After bagging media rights of Indian Premier League (IPL), Star India has also won broadcast and digital rights for New Zealand Cricket up to April 2020.  
| | As stated in Union Budget 2019-20, government to launch dedicated channel for start-ups.  

| Audience: the ultimate consumer | Audience is the ultimate consumer in this industry and therefore films, advertisements, music and all the products of entertainment sector is based on the tastes and preferences of the audiences of the nation.  

*Source: TechSci Research, KPMG Report on Engineering sector*
GROWTH DRIVERS
GROWTH DRIVERS OF MEDIA AND ENTERTAINMENT SECTOR IN INDIA

Rising Income

India’s per capita income at current prices is expected to grow 11.0 per cent to reach Rs 141,447 (US$ 1,960.46) in FY19AE.

In 2017-2025, elite, affluent, aspirers and next billion income classes are expected to grow at a CAGR of 11 per cent, 9 per cent and 5 per cent, 2 per cent respectively.

Investments

The Government of India increased the FDI limit from 74 per cent to 100 per cent.

In 2018, the sector witnessed a total number of 33 PE/VC investment deals.

Total number of Mergers and Acquisition deals increased to 63 in FY17 from 58 in FY16.

Government Initiatives

The Government of India has carved out a National Film Policy which will tap potential mainly in the animation segment.

The Government of India has agreed to set up the National Centre of Excellence for Animation, Gaming, Visual Effects and Comics industry in Mumbai.

The Government of India will formulate a plan to increase media and entertainment exports to US$ 10 billion in the next five years.

Note: AE – Advance Estimates, PE- Private equity, VC- Venture capital
Apart from the impact of rising incomes, widening of the consumer base will also be aided by expansion of the middle class, increasing urbanisation and changing lifestyles.

The entertainment industry will also benefit from continued rise in the propensity to spend among individuals; empirical evidence points to the fact that decreasing dependency ratio leads to higher discretionary spending on entertainment.

Traditionally only advertising has been a key source of revenue for Media and Entertainment industry, but off late revenue from subscription and value added services has also contributed significantly. With consumers willing to pay for content and extra services, the subscription segment will play an important role in the post digitisation era.
### POLICY SUPPORT AIDING SECTOR GROWTH … (1/2)

#### Radio
- FDI limit in radio, including private FM channels have been increased from 26 per cent to 49 per cent.
- Private operators allowed to own multiple channels in a city, subject to a limit of 40 per cent of total channels in the city.
- Private players allowed to carry news bulletins of All India Radio.
- Further boost may be given to the radio sector by charging license fees on the basis of ‘net income’ so as to provide relief to loss making radio players.

#### Television
- Digitisation of the cable distribution sector to attract greater institutional funding, improve profitability and help players improve their value chain.
- FDI limit for DTH satellite and digital cable network was raised from 74 per cent to 100 per cent by the government.
- No restriction on foreign investment for up-linking and downlinking of TV channels other than news and current affairs.

#### Film
- Co-production treaties with various countries such as Italy, Brazil, UK and Germany to increase the export potential of the film industry.
- Granted ‘industry’ status in 2001 for easy access to institutional finance.
- FDI of up to 100 per cent through the automatic route has been granted by government.
- Entertainment tax to be subsumed in the GST; this would create a uniform tax rate regime across all states and will also reduce the tax burden.

**Notes:** FDI – Foreign Direct Investment, GST – Goods and Service Tax, DTH - Direct-to-Home
**Source:** KPMG – FICCI Report 2017 & 2018
### Policy Support Aiding Sector Growth … (2/2)

**Print**
- FDI/NRI investment of up to 26 per cent in an Indian firm dealing with publication of newspaper and periodicals.
- FDI/NRI investment of up to 26 per cent in publications of Indian editions of foreign magazines.
- FDI/NRI investment of up to 100 per cent in publications of scientific and technical magazines/ specialty journals/ periodicals.

**Music**
- Parliamentary approval on the Copyright Act (Amendment) Bill, 2012, which strengthens the royalty claims of musicians, lyricists and others in the field.
- Policies are adopted against digital piracy and file-sharing to block illegal music websites.
- Adoption of revenue sharing model by Copyright Board requiring FM radio companies to share 2.0 per cent of their net advertising revenues with music companies.

**Animation, Gaming and VFX (AGV)**
- 100 per cent FDI allowed in the sector through automatic route provided it is in compliance with RBI guidelines.
- The government has carved out a National Film Policy to tap the potential of the film sector mainly for the animation segment.
- State-level initiative by governments to encourage animation industry.

*Source: PwC India Entertainment and Media Outlook 2011, KPMG – FICCI Report 2018*
## KEY M&A DEALS IN THE SECTOR

### Mergers and Acquisition deals

<table>
<thead>
<tr>
<th>Acquirer</th>
<th>Target</th>
<th>Date</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>PVR Ltd</td>
<td>SPI Cinemas</td>
<td>August 2018</td>
<td>US$ 94.42 million</td>
</tr>
<tr>
<td>Dish TV</td>
<td>Videocon D2h</td>
<td>February 2018</td>
<td>US$ 2.4 billion</td>
</tr>
<tr>
<td>Zee Entertainment</td>
<td>9X Media and INX Music</td>
<td>October 2017</td>
<td>US$ 24.56 million</td>
</tr>
<tr>
<td>Delta Corporation</td>
<td>Gaussian Network</td>
<td>September 2017</td>
<td>US$ 34.37 million</td>
</tr>
<tr>
<td>Dentsu Aegis Network (DAN)</td>
<td>SVG Media Pvt. Ltd</td>
<td>April 2017</td>
<td>US$ 100-120 million</td>
</tr>
<tr>
<td>Hotstar</td>
<td>Zapr Media Labs</td>
<td>March 2017</td>
<td>NA</td>
</tr>
<tr>
<td>Zee Media Corporation (ZMCL)</td>
<td>Reliance Broadcast Network (RBNL)</td>
<td>November 2016</td>
<td>US$ 237.79 million</td>
</tr>
<tr>
<td>Eros International Media Ltd</td>
<td>Puja Entertainment</td>
<td>June 2016</td>
<td>NA</td>
</tr>
<tr>
<td>PVR</td>
<td>DT Cinemas</td>
<td>May 2016</td>
<td>US$ 81.89 million</td>
</tr>
<tr>
<td>Sony Pictures Networks India Pvt. Ltd. (SPN)</td>
<td>9X Media Pvt. Ltd.</td>
<td>April 2016</td>
<td>US$ 33 million</td>
</tr>
<tr>
<td>Zee Entertainment</td>
<td>Sarthak TV</td>
<td>July 2015</td>
<td>US$ 18.83 million</td>
</tr>
<tr>
<td>Viacom Inc.</td>
<td>Prism TV</td>
<td>July 2015</td>
<td>US$ 153 million</td>
</tr>
<tr>
<td>Dainik Jagran group</td>
<td>Radio City</td>
<td>June 2015</td>
<td>US$ 60 million</td>
</tr>
<tr>
<td>Carnival Films Private LTD.</td>
<td>BIG Cinemas</td>
<td>December 2014</td>
<td>US$ 111 million</td>
</tr>
</tbody>
</table>

*Notes: NA – Not Available  
Source: KPMG – FICCI Report 2015 and 2016, News articles*
INCREASING FDI INFLOWS INTO THE SECTOR

- FDI inflows into the information and broadcasting sector during April 2000 to June 2019 stood at US$ 8.42 billion.
- Demand growth, supply advantages and policy support are the key drivers in attracting FDI.

Source: Department for Promotion of Industry and Internal Trade (DPIIT),
OPPORTUNITIES
### GROWTH OPPORTUNITIES IN THE MEDIA AND ENTERTAINMENT SEGMENTS…(1/2)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Animation and VFX** | - The Indian animation and VFX industry was worth Rs 73.90 billion (US$ 1.15 billion) in FY18 and is expected to expand to Rs 151.80 billion (US$ 2.26 billion) by FY23.  
- It is projected to grow at a CAGR of 15.50 per cent during 2018-2023.  
- Growth in international animation films, especially 3D productions and the subsequent work for Indian production houses will help the growth in this segment. |
| **Television** | - Television industry is expected to increase from Rs 651.90 billion (US$ 10.11 billion) in FY18 and reaching Rs 1,179.60 billion (US$ 17.60 billion) by FY23.  
- Television is projected to grow at a CAGR of 12.60 per cent during 2018-2023. |
| **Print** | - The print industry was worth Rs 333.2 billion (US$ 4.76 billion) in FY19 and is expected to reach Rs 408.50 billion (US$ 5.84 billion) by FY24.  
- Accelerated growth is forecasted in regional print and local news segments.  
- Print industry is projected to grow at a CAGR of 5.90 per cent during 2018-2023. |
| **Sports** | - The Indian Premier League value increased to US$ 6.3 billion in 2018 from US$ 5.3 billion in 2017.  
- The 17th edition of U-17 World Cup was held in India, which became the worlds most attended event in the history. |

**Note:** CAGR is calculated from Rs figures, The data is expected to be updated by October 2019 from KPMG report  
**Source:** KPMG report – Media ecosystems: The walls fall down – September 2018, News articles
### GROWTH OPPORTUNITIES IN THE MEDIA AND ENTERTAINMENT SEGMENTS…(2/2)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Film**                 | - Size of the Indian film industry is expected to touch Rs 228.80 billion (US$ 3.41 billion) by FY23, up from Rs 158.90 billion (US$ 2.47 billion) in FY18.  
                          | - It is projected to grow at a CAGR of 7.60 per cent during 2018-2023.  
                          | - In order to promote India as a location destination for foreign production houses, the government is setting up a single window clearance system for shooting permissions.  
                          | - To promote joint productions, co-production agreements have been signed with Italy, Germany, Brazil, UK, France, New Zealand, Poland, Spain and Canada. |
| **Radio**                | - Size of the Indian radio industry is expected to reach Rs 42.10 billion (US$ 627.98 million) by FY23, up from Rs 25.90 billion (US$ 401.86 million) in FY18.  
                          | - It is projected to grow at a CAGR of 10.20 per cent during 2018-2023.  
                          | - Phase III of e-auctions for FM radio licenses will provide an impetus to the segment. Radio advertising is another area likely to experience accelerated growth. |
| **Music**                | - Size of the music industry is expected to grow to Rs 29.60 billion (US$ 441.53 million) by FY23, up from Rs 14.40 billion (US$ 223.43 million) in FY18.  
                          | - Mobile VAS and arrival of 3G are likely to lead to a surge in paid digital downloads.  
                          | - Spotify to launch lite version for low-end Android phones in India. |
| **Online Streaming Services** | - As of January 2019, Zee Studios launched a digital content arm Zee Studios Originals, to globally produce premium, original content and create new (IPs) Intellectual Properties for all digital platforms.  
                          | - As on July 2019, SonyLIV, India’s first premium video on demand platform (VOD) crossed the 100 million app download on Play store.  
                          | - About 95 per cent of online video consumption is in Indian languages in Tier 2 and Tier 3 cities. |

**Note:** CAGR is calculated from Rs figures. The data is expected to be updated by October 2019 from KPMG report.  
**Source:** KPMG report – Media ecosystems: The walls fall down – September 2018
<table>
<thead>
<tr>
<th>Agency</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian Motion Picture Producers' Association (IMPPA)</td>
<td>&quot;IMPPA HOUSE&quot;, Dr Ambedkar Road, Bandra (West), Mumbai - 400 050 Tel: 91-22-26486344/45/1760 Fax: 91-22-26480757 Website: <a href="http://www.indianmotionpictures.com/imppa/index.html">www.indianmotionpictures.com/imppa/index.html</a></td>
</tr>
<tr>
<td>The Film and Television Producers Guild of India</td>
<td>G-1, Morya House, Veera Industrial Estate, Off Oshiwara Link Road, Andheri (W), Mumbai - 400 053 Tel: 91-22-66910662 Fax: 91-22-66910661 E-mail: <a href="mailto:guild@filmtvguildindia.org">guild@filmtvguildindia.org</a> Website: <a href="http://www.filmtvguildindia.org">www.filmtvguildindia.org</a></td>
</tr>
<tr>
<td>Newspapers Association of India (NAI)</td>
<td>A -115, Vakil Chamber, Top Floor, Vikas Marg, Shakarpur, Delhi - 110092 Tel: 91-9971847045, 9810226962 E-mail: <a href="mailto:contact@naiindia.com">contact@naiindia.com</a> Website: <a href="http://www.naiindia.com">www.naiindia.com</a></td>
</tr>
<tr>
<td>Association of Radio Operators for India (AROI)</td>
<td>304, Competent House, F-14, Connaught Place, New Delhi - 110001 Tel: 91- 124-4385887 e-mail: <a href="mailto:info@aroi.in">info@aroi.in</a> Website: <a href="http://www.aroi.in">www.aroi.in</a></td>
</tr>
<tr>
<td>The Indian Music Industry (IMI)</td>
<td>Crescent Towers, 7th Floor, B-68, Veera Estate, Off New Link Road, Andheri West, Mumbai - 400 053 Tel: 91-22- 26736301 / 02 / 03 Fax: 91-22-26736304 Website: <a href="http://www.indianmi.org">www.indianmi.org</a></td>
</tr>
<tr>
<td>The Indian Society of Advertisers</td>
<td>Army and Navy Building, 3rd Floor, 148, Mahatma Gandhi Road Mumbai- 400001 Tel: +91 (022) 2285 6045 / 2284 3583 / 2204 2116 Fax: +91 (022) 2204 2116 E-mail: <a href="mailto:isa.ed@vsnl.net">isa.ed@vsnl.net</a></td>
</tr>
</tbody>
</table>
USEFUL INFORMATION
GLOSSARY

- AGV: Animation, Gaming and VFX
- CAGR: Compound Annual Growth Rate
- DPIIT: Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry
- DTH: Direct to Home
- FDI: Foreign Direct Investment
- FM: Frequency Modulation
- FY: Indian Financial Year (April to March)
- GST: Goods and Service Tax
- IPO: Initial Public Offering
- M&A: Merger and Acquisition
- M&E: Media and Entertainment
- PPP: Purchasing Power Parity
- US$: US Dollar
- VAS: Value Added Services
- VFX: Visual Effects
- Wherever applicable, numbers have been rounded off to the nearest whole number
## EXCHANGE RATES

### Exchange Rates (Fiscal Year)

<table>
<thead>
<tr>
<th>Year INR</th>
<th>INR Equivalent of one US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004–05</td>
<td>44.95</td>
</tr>
<tr>
<td>2005–06</td>
<td>44.28</td>
</tr>
<tr>
<td>2006–07</td>
<td>45.29</td>
</tr>
<tr>
<td>2007–08</td>
<td>40.24</td>
</tr>
<tr>
<td>2008–09</td>
<td>45.91</td>
</tr>
<tr>
<td>2009–10</td>
<td>47.42</td>
</tr>
<tr>
<td>2010–11</td>
<td>45.58</td>
</tr>
<tr>
<td>2011–12</td>
<td>47.95</td>
</tr>
<tr>
<td>2012–13</td>
<td>54.45</td>
</tr>
<tr>
<td>2013–14</td>
<td>60.50</td>
</tr>
<tr>
<td>2014–15</td>
<td>61.15</td>
</tr>
<tr>
<td>2015–16</td>
<td>65.46</td>
</tr>
<tr>
<td>2016–17</td>
<td>67.09</td>
</tr>
<tr>
<td>2017–18</td>
<td>64.45</td>
</tr>
<tr>
<td>2018–19</td>
<td>69.89</td>
</tr>
</tbody>
</table>

### Exchange Rates (Calendar Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>INR Equivalent of one US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>44.11</td>
</tr>
<tr>
<td>2006</td>
<td>45.33</td>
</tr>
<tr>
<td>2007</td>
<td>41.29</td>
</tr>
<tr>
<td>2008</td>
<td>43.42</td>
</tr>
<tr>
<td>2009</td>
<td>48.35</td>
</tr>
<tr>
<td>2010</td>
<td>45.74</td>
</tr>
<tr>
<td>2011</td>
<td>46.67</td>
</tr>
<tr>
<td>2012</td>
<td>53.49</td>
</tr>
<tr>
<td>2013</td>
<td>58.63</td>
</tr>
<tr>
<td>2014</td>
<td>61.03</td>
</tr>
<tr>
<td>2015</td>
<td>64.15</td>
</tr>
<tr>
<td>2016</td>
<td>67.21</td>
</tr>
<tr>
<td>2017</td>
<td>65.12</td>
</tr>
<tr>
<td>2018</td>
<td>68.36</td>
</tr>
</tbody>
</table>

**Source:** Reserve Bank of India, Average for the year
India Brand Equity Foundation (IBEF) engaged TechSci Research to prepare this presentation and the same has been prepared by TechSci Research in consultation with IBEF.

All rights reserved. All copyright in this presentation and related works is solely and exclusively owned by IBEF. The same may not be reproduced, wholly or in part in any material form (including photocopying or storing it in any medium by electronic means and whether or not transiently or incidentally to some other use of this presentation), modified or in any manner communicated to any third party except with the written approval of IBEF.

This presentation is for information purposes only. While due care has been taken during the compilation of this presentation to ensure that the information is accurate to the best of TechSci Research and IBEF’s knowledge and belief, the content is not to be construed in any manner whatsoever as a substitute for professional advice.

TechSci Research and IBEF neither recommend nor endorse any specific products or services that may have been mentioned in this presentation and nor do they assume any liability or responsibility for the outcome of decisions taken as a result of any reliance placed on this presentation.

Neither TechSci Research nor IBEF shall be liable for any direct or indirect damages that may arise due to any act or omission on the part of the user due to any reliance placed or guidance taken from any portion of this presentation.