



MEDIA AND ENTERTAINMENT

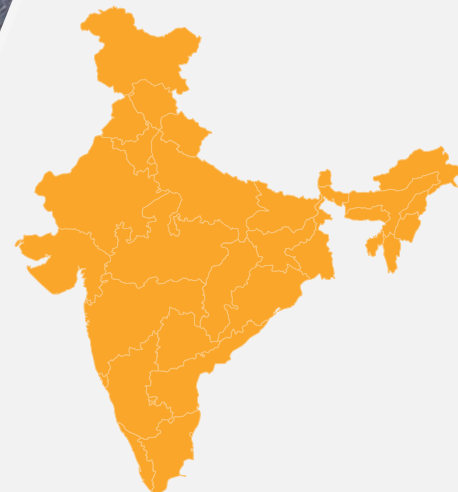
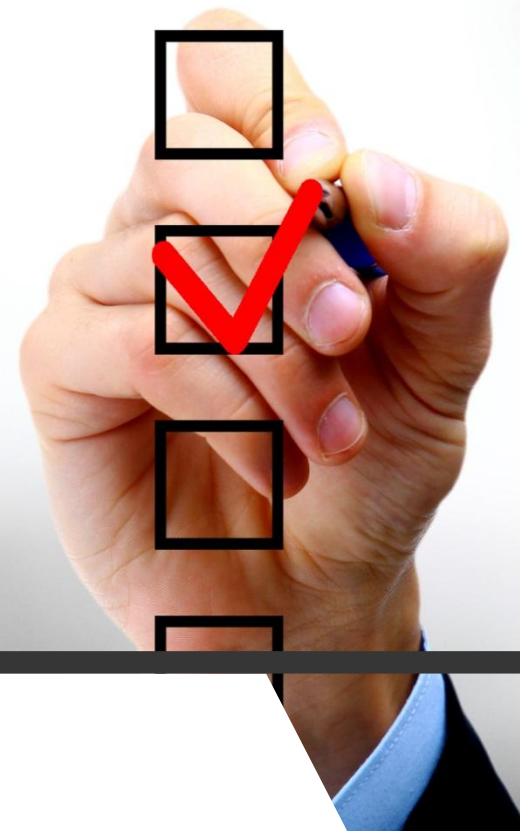
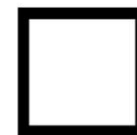


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EXECUTIVE SUMMARY

Second largest TV market	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Animation and VFX industry in India reached Rs 79 billion (US\$ 1.15 billion) in 2018 from Rs 67 billion (US\$ 928.60 million) in 2017, growing at a CAGR of 18.60 per cent. 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.
Exceptional growth in film industry	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 Research, Broadcast India 2018 Survey conducted by Broadcast Audience Research Council (Barc) India, EY's Media and Entertainment report 2019.

ADVANTAGE INDIA



- 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.

Robust Demand

- Media and entertainment Industry is set to expand at a CAGR of 12.00 per cent over 2018-21.
- The Indian media and entertainment industry is expected to reach around Rs 451,373 crore (US\$ 64.89 million) by 2023.
- By 2021, Indian media and entertainment industry to reach Rs 2.35 trillion (US\$ 33.62 billion).

Attractive Opportunities

ADVANTAGE INDIA

- From April 2000 to March 2019, FDI Inflows in Information and Broadcasting (including print media) sector reached US\$ 8.38 billion.
- Increasing M&A activity.
- In 2018, the sector witnessed a total number of 41 investment deals to US\$ 2,752 million.

Higher Investments

- 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.

Policy Support

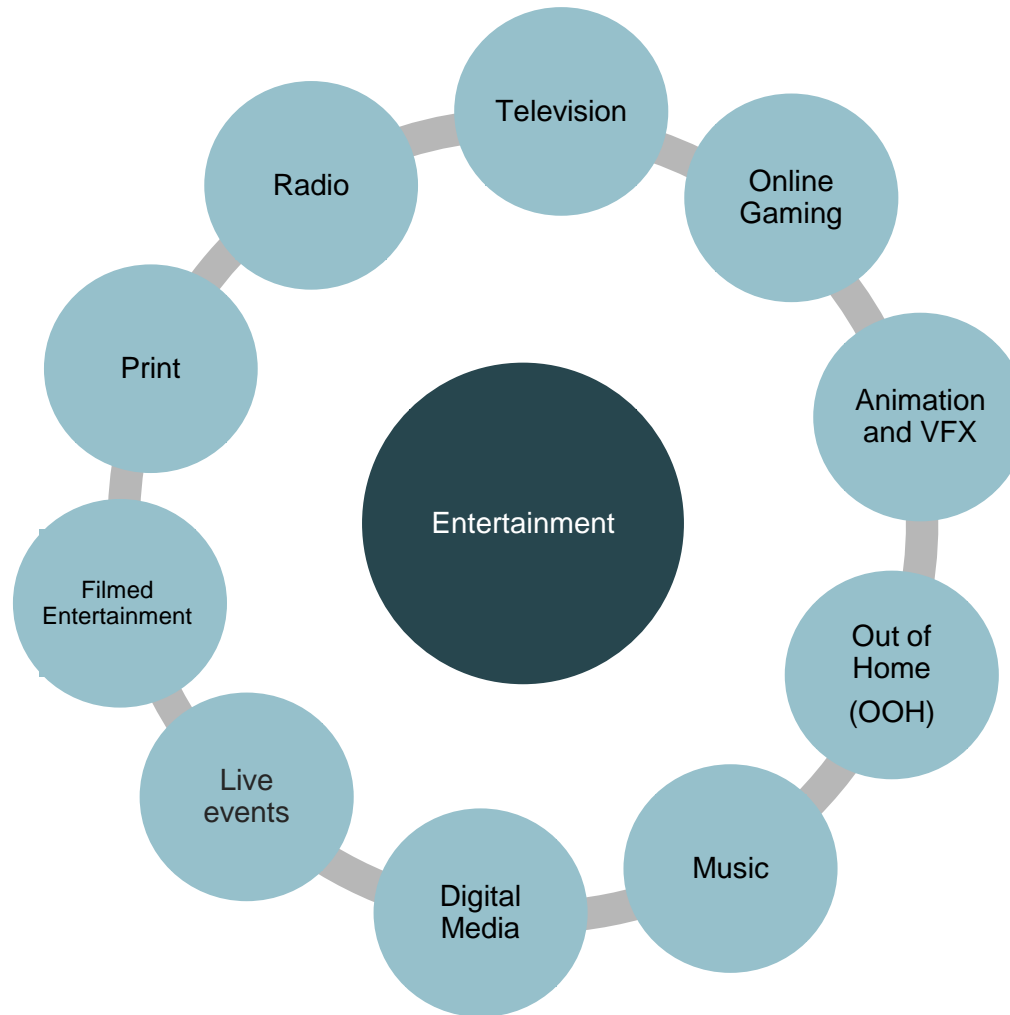
Notes: AGV - Animation, Gaming and VFX, VFX - Visual Effects, M&A - Merger and Acquisition, FDI - Foreign Direct Investment, CAGR is calculated from Rs figures, PE- Private equity, VC- Venture capital

Source: KPMG Report 2015, KPMG – FICCI Report, 2016; Dish TV Investor Presentation, Ministry of Information and Broadcasting (MIB), TechSci Research Research, EY's Media and Entertainment report 2019

MARKET OVERVIEW



THE ENTERTAINMENT SECTOR IS SPLIT INTO TEN SEGMENTS

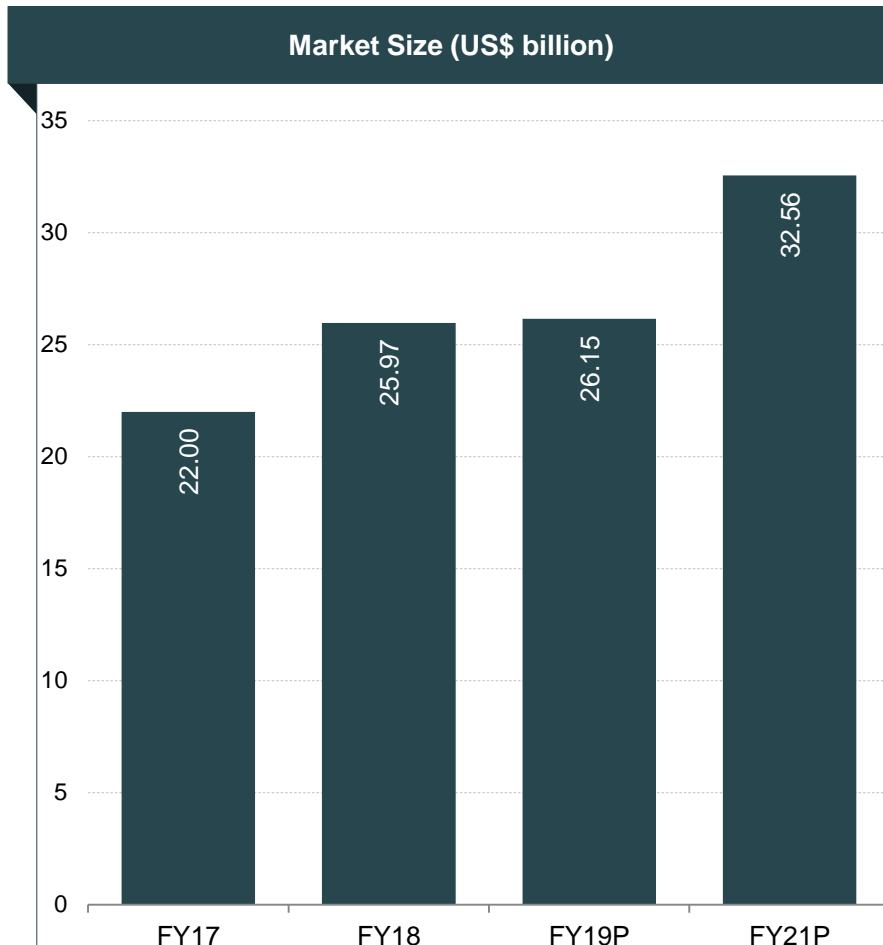


Note: VFX - Visual Effects

Source: : KPMG – FICCI Report, 2018, TechSci Research Research, EY's Media and Entertainment report 2019

THE INDIAN ENTERTAINMENT INDUSTRY IS GROWING RAPIDLY

- India's media and entertainment (M&E) industry grew at a CAGR of 13.4 per cent during 2018 and is expected to expand at a CAGR of 12 per cent during 2018-21. The industry is projected to reach Rs 2.35 trillion (US\$ 33.6 billion) by 2021 from Rs 1.67 trillion (US\$ 23.9 billion) in 2018.
- 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 42 per cent in 2018 to reach Rs 16,900 crore (US\$ 2.43 billion), contributing the most to the growth of M&E sector in the country.

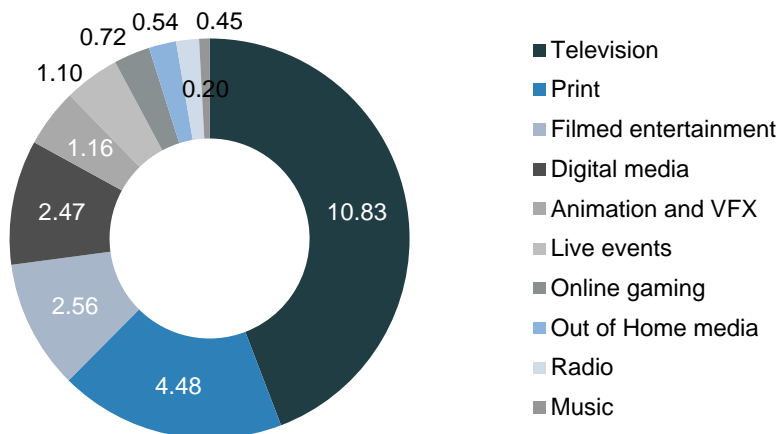


Notes: P – Projected, CAGR is calculated from Rs figures

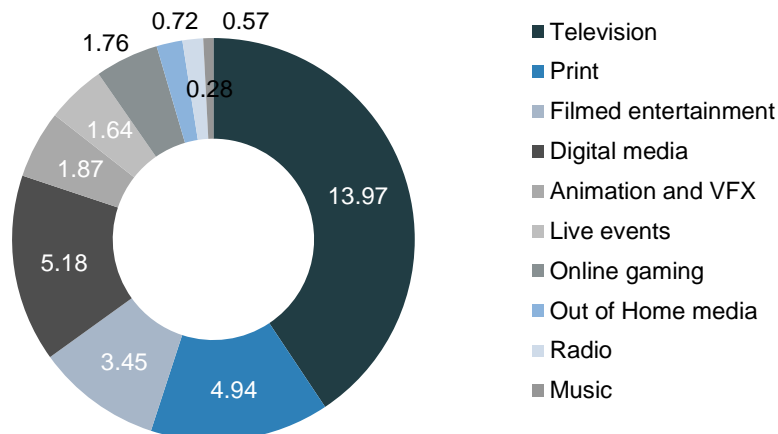
Source: : KPMG report – Media ecosystems: The walls fall down – September 2018, EY's Media and Entertainment report 2019

SEGMENTS OF INDIAN ENTERTAINMENT INDUSTRY

Size of major industry segments 2018 (US\$ billion)



Size of major industry segments 2021P (US\$ billion)



- In 2018, major segments were television, print and films with a market size of Rs 740 billion (US\$ 10.83 billion), Rs 306 billion (US\$ 4.48 billion) and Rs 175 billion (US\$ 2.56 billion), respectively. They are projected to reach Rs 955 billion (US\$ 13.97 billion), Rs 338 billion (US\$ 4.94 billion) and Rs 236 billion (US\$ 3.415 billion), respectively in 2021.
- Google's video platform, YouTube, plans to increase its user base in India to 400 million, as rising internet penetration in the rural areas will enable the consumers to access videos on their smartphones.
- The Indian digital segment is expected to grow at a Compound Annual Growth Rate (CAGR) of 28 per cent to reach Rs 354 billion (US\$ 5.18 billion) by 2021, backed by affordable data and rising smartphone penetration.

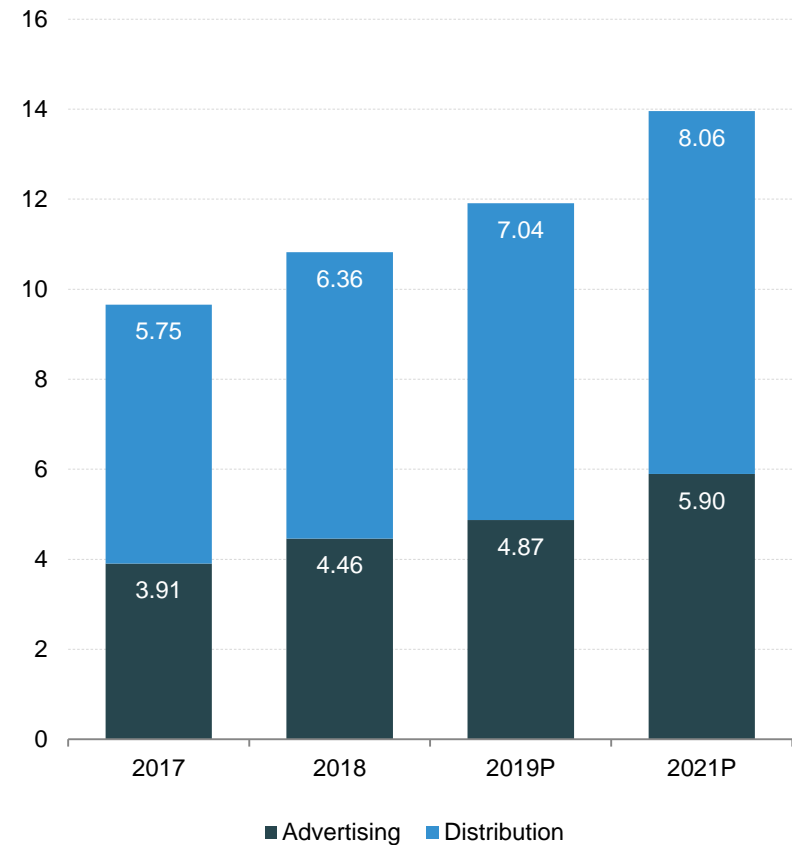
Notes: P – Projected, OOH – Out of Home, TV – Television

Source: KPMG report – Media ecosystems: The walls fall down – September 2018, Economic Times, TechSci Research Research

TELEVISION, ONE OF THE LARGEST AND FASTEST GROWING SEGMENT

- In 2018, television market size increased to Rs 740 billion (US\$ 10.83 billion) from Rs 660 billion (US\$ 9.65 billion) in 2017.
- In 2018, television segment revenue was Rs 740 billion (US\$ 10.83 billion) it is forecasted to reach Rs 955 billion (US\$ 13.97 billion) in 2021.
- In 2018, broadcasters advertisement revenue was Rs 305 billion (US\$ 4.46 billion) and is forecasted to reach Rs 403 billion (US\$ 5,90 billion) in 2021.
- 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.

Broadcasters Market Size Forecast (US\$ billion)



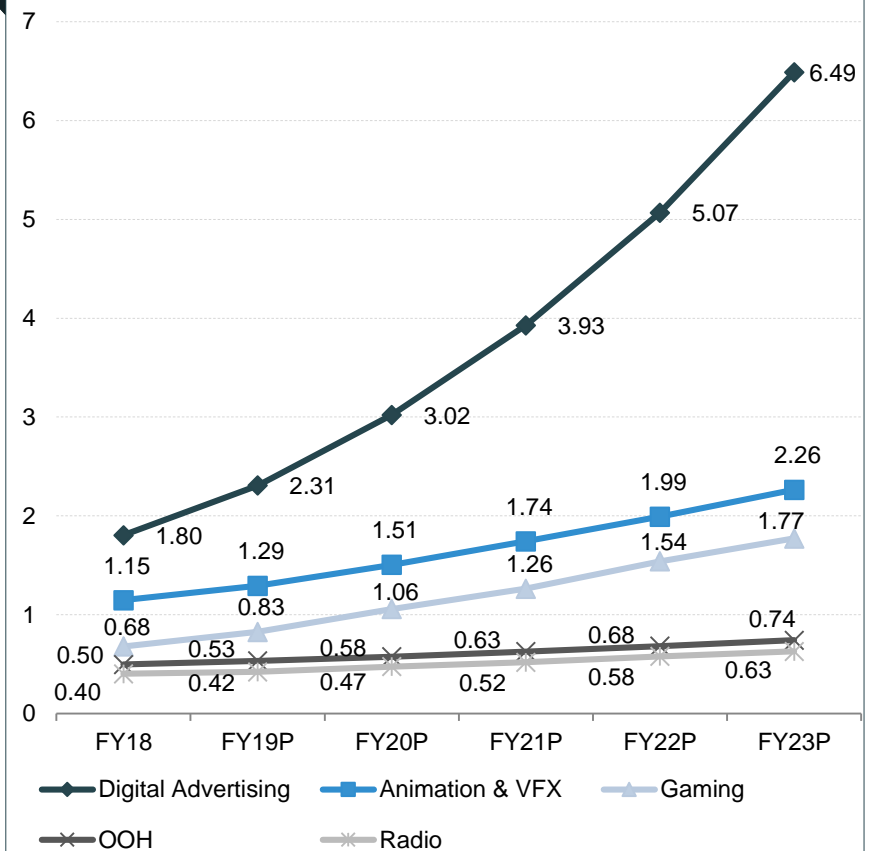
Notes: P – Projected

Source: KPMG report – Media ecosystems: The walls fall down – September 2018, 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 8,202 crore (US\$ 1.27 billion) in 2017 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 14 per cent year-on-year to Rs 80,678 crore (US\$ 11.37 billion) in 2019.
- 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.

Industry size of emerging segments (US\$ billion)

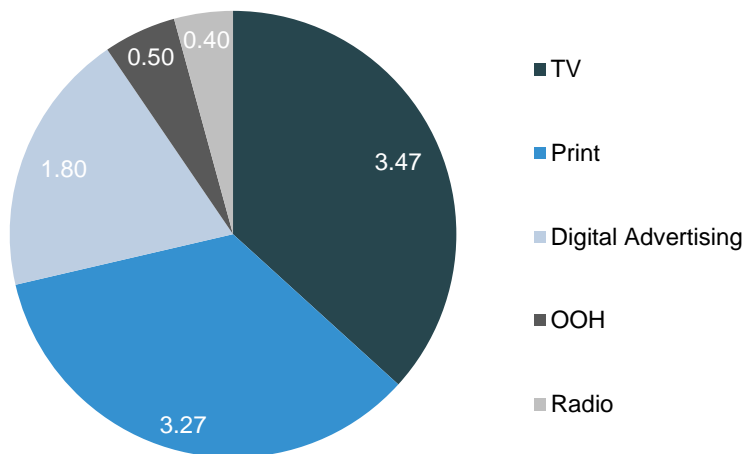


Note: VFX- Visual Effects, P – Projected, Out-of-home advertising, CAGR is calculated from Rs figures, data is expected to be updated by October 2019 from KPMG report

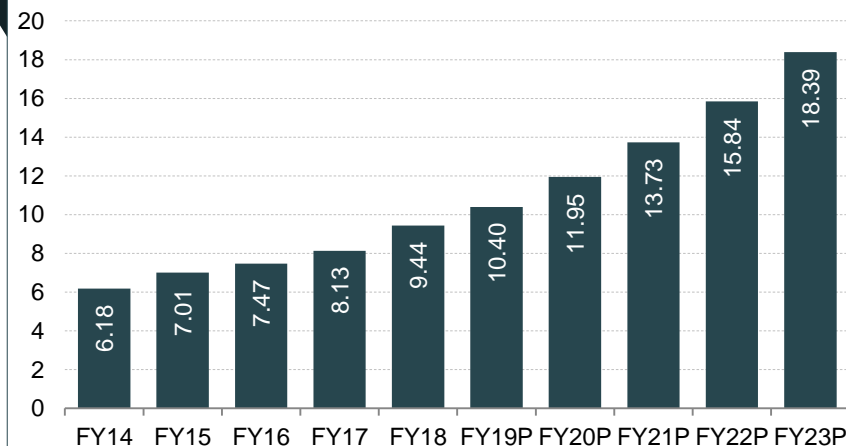
Source: KPMG report – Media ecosystems: The walls fall down – September 2018

ADVERTISING REVENUES

Advertising Revenue Share FY18 (US\$ billion)



Advertising Revenue Forecast (US\$ billion)



- India's advertising revenue is projected to reach Rs 1,232.70 billion (US\$ 18.39 billion) in FY23 from Rs 608.30 billion (US\$ 9.44 billion) in FY18.
- India's advertising revenue is forecasted to grow at a CAGR of 15.20 per cent during 2018-2023. 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.
- 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

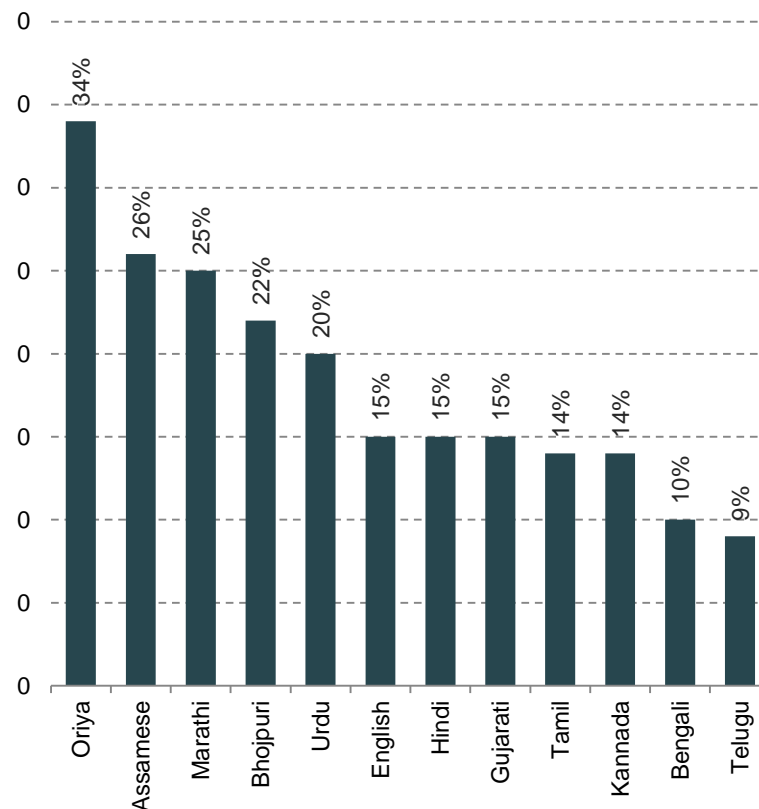
Notes: TV – Television, CAGR is calculated from Rs figures, P – Projected, Out-of-home advertising, data is expected to be updated by October 2019 from KPMG report

Source: KPMG report – Media ecosystems: The walls fall down – September 2018, Economic Times, Zenith Global Advertising Expenditure Forecasts

REGIONAL ENTERTAINMENT TRENDING

- 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.

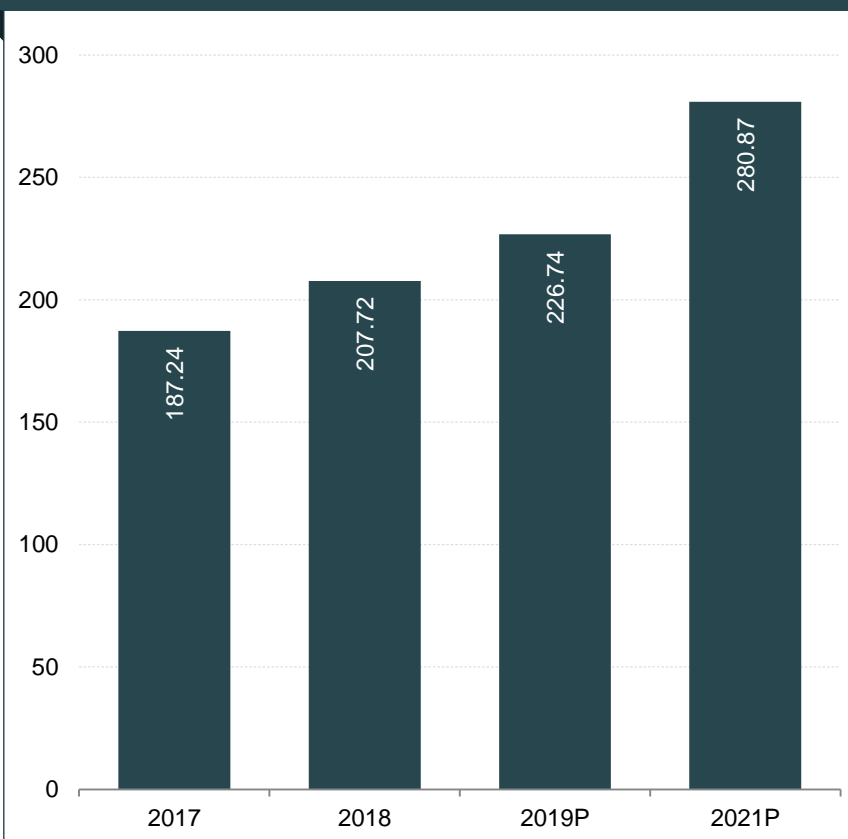
Viewership growth in regional channels (2018)



Source: EY's Media and Entertainment report 2019

- Music entertainment market size is expected to touch Rs 19.2 billion (US\$ 280.87 million) by 2021 from Rs 14.2 billion (US\$ 205.44 million) in 2018.
- Music entertainment industry is forecasted to grow 15.5 per cent by 2021.
- In 2018, the music segment grew 10 per cent to reach Rs 14.2 billion (US\$ 205.44).
- 5 billion music streams generated in December 2018.













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

KEY PLAYERS IN THE MEDIA AND ENTERTAINMENT INDUSTRY

Television	Print	Films	Music
<p>Star India Pvt Ltd</p> 	<p>Bennett, Coleman and Co Ltd</p> 	<p>Yash Raj Films Studios</p> 	<p>Saregama India Ltd</p> 
<p>Zee Entertainment Enterprises Ltd</p> 	<p>HT Media Ltd</p> 	<p>Eros International Media Ltd</p> 	<p>Super Cassettes Industries Ltd</p> 
<p>Multi Screen Media Pvt Ltd</p> 	<p>Living Media India Ltd</p> 	<p>Red Chillies Entertainments Pvt Ltd</p> 	<p>Tips Industries Ltd</p> 

Source: Company websites

RECENT TRENDS AND STRATEGIES



NOTABLE TRENDS IN THE MEDIA AND ENTERTAINMENT INDUSTRY... (1/2)

Television

- Bharti Airtel's direct-to-home (DTH) arm Airtel Digital TV and Dish TV going to be merged by end of August 2019.
- The Direct-To-Home (DTH) subscription is growing rapidly driven by content innovation and product offerings.
- The television industry grew to Rs 651.90 billion (US\$ 10.11 billion) in FY18 from Rs 595.30 billion (US\$ 8.87 billion) in FY17 at a CAGR of 9.50 per cent.

Print

- The print industry accounted for the second largest share in M&E to reach Rs 318.90 billion (US\$ 4.95 billion) in FY18 from Rs 308.40 billion (US\$ 4.60 billion) in FY17, at a CAGR of 3.40 per cent.
- Newspaper readership in India has increased by 40 per cent to 407 million in 2017 from 295 million in 2014.
- Increasing income levels and evolving lifestyles have led to robust growth in niche magazines segment.
- Considering the huge potential in regional print markets, national advertisers are entering these markets to increase their advertising share.

Film

- The Indian film industry is largest producer of films globally with 400 production and corporate houses involved in film production.
- The Indian film industry reached Rs 158.90 billion (US\$ 2.47 billion) in FY18 from Rs 145.00 billion (US\$ 2.16 billion) in FY17, 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.

Out of Home and digital

- India's telecom want to put the frequency to 5G use whereas, Doordarshan is keen on retaining for telecasting directly to phones.
- 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.
- The market size for Out of Home (OOH) entertainment reached Rs 32.00 billion (US\$ 496.51 million) in FY18 from Rs 28.60 billion (US\$ 426.29 million).in FY17, at a CAGR of 11.90 per cent.

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, Indian Readership Survey 2017 (IRS 2017),

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 FY18, the radio industry in India accounted for a market size of Rs 25.90 billion (US\$ 401.86 million) and Rs 24.00 billion (US\$ 357.73 million) in FY17, registering growth of CAGR 7.90 per cent.

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 43.80 billion (US\$ 679.60 million) in FY18 from Rs 32.40 billion (US\$ 482.93 million) in FY17, at a CAGR of 35.10 per cent.
- Animation and VFX industry in India reached Rs 73.90 billion (US\$ 1.15 billion) in FY18 from Rs 62.30 billion (US\$ 928.60 million) in FY17, at a CAGR of 18.60 per cent.

Music

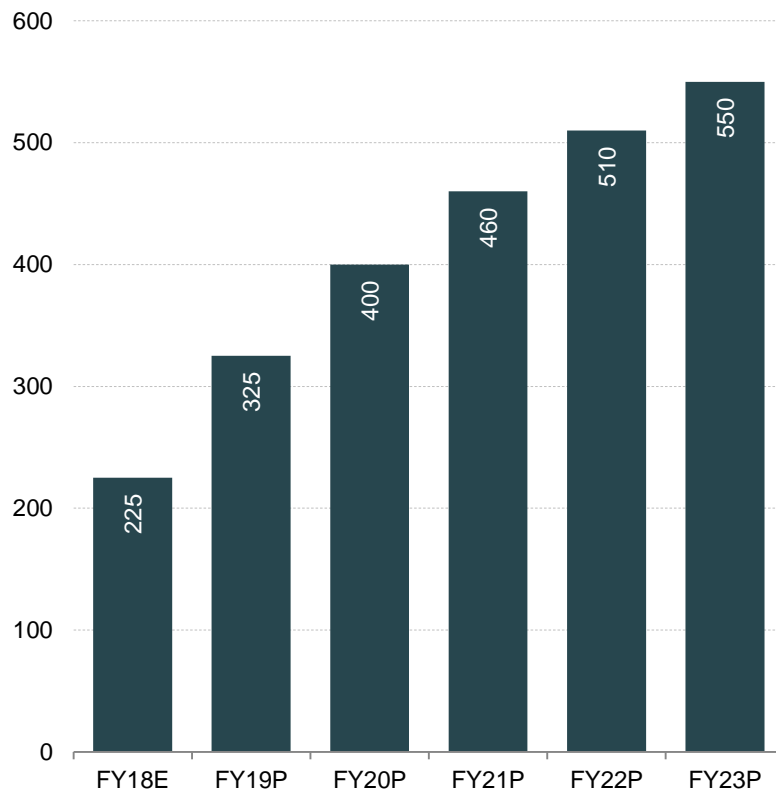
- The music industry is on fast paced growth with increasing international associations. The Indian music industry is a consortium of 142 music companies.
- Players are looking at new ways and mediums to monetise music, such as utilising social media to promote music. Mobile phones, iPods and mp3 players – 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

- 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.

Online Video Audience (million)



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)

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 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.

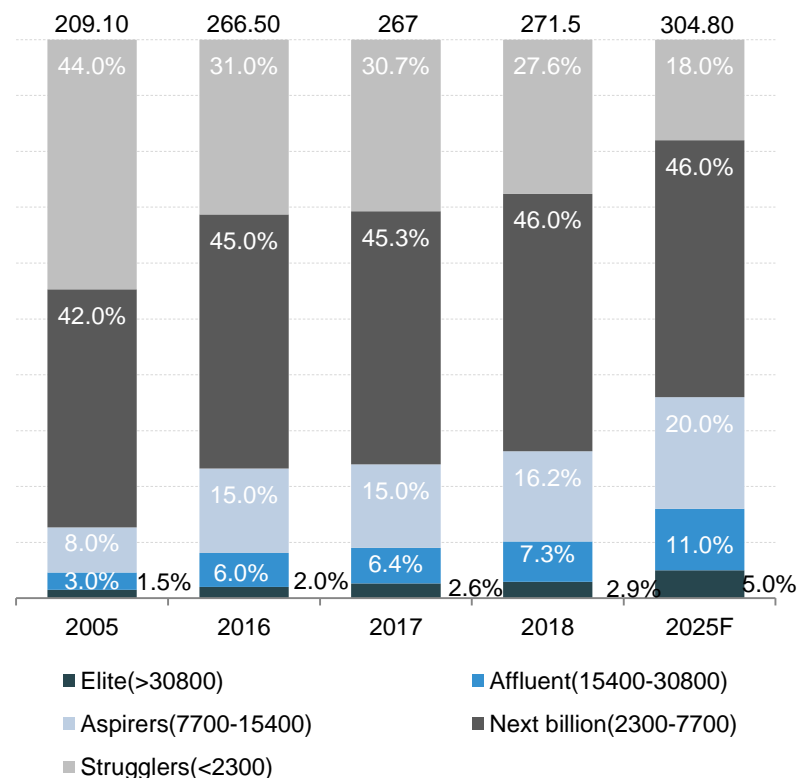
Note: AE – Advance Estimates, PE- Private equity, VC- Venture capital

Source: PE Roundup – July'18 by EY, FICCI Report 2018, Providing M&A and Private Equity Deal insights report by Grant Thornton

INCOME FACTOR DRIVING GROWTH

- 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.

Indian residents shifting from low to high income groups (%)
Million Household, 100%



Note: Income distribution is calculated in constant 2015 dollars; \$1=65. Because of rounding, not all percentages add up to 100. F – Forecast, The Update is expected in September 2019 in Indian Habit of Being Healthy by Red Seer

Source: McKinsey Quarterly Report, Indian Habit of Being Healthy by Red Seer

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

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

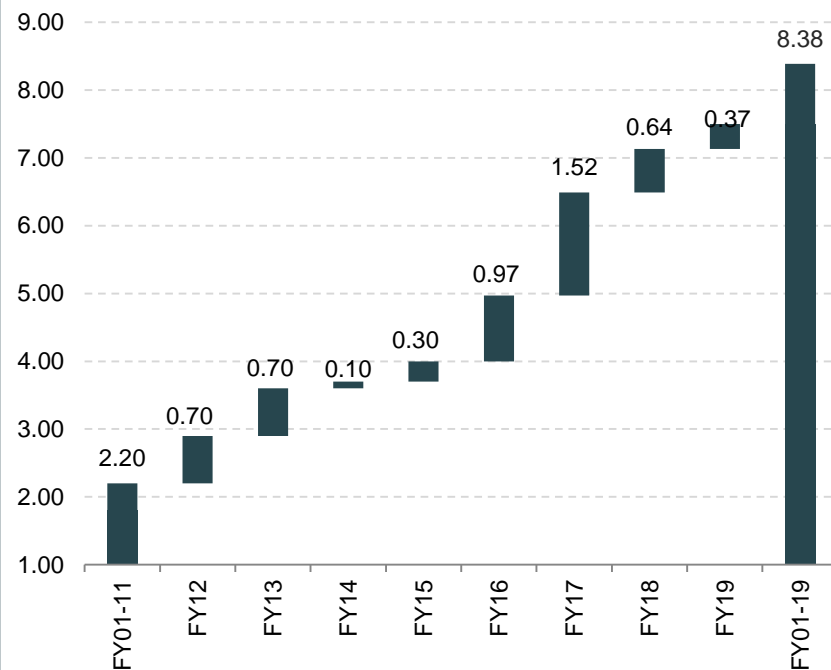
Notes: NA – Not Available

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 March 2019 rose up to US\$ 8.38 billion.
- Demand growth, supply advantages and policy support are the key drivers in attracting FDI.

FDI inflows into Information and Broadcasting sector (US\$ billion)



Source: Department for Promotion of Industry and Internal Trade (DPIIT),

OPPORTUNITIES



GROWTH OPPORTUNITIES IN THE MEDIA AND ENTERTAINMENT SEGMENTS...(1/2)

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 318.90 billion (US\$ 4.95 billion) in FY18 and is expected to reach Rs 424.90 billion (US\$ 6.34 billion) by FY23.
- 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)

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.
- Tencent Holdings and Paytm decide to invest about US\$100 million in MX Player, an Indian streaming service.

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

INDUSTRY ASSOCIATIONS



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Agency	Contact Information
Indian Motion Picture Producers' Association (IMPPA)	"IMPPA HOUSE", Dr Ambedkar Road, Bandra (West), Mumbai - 400 050 Tel: 91-22-26486344/45/1760 Fax: 91-22-26480757 Website: www.indianmotionpictures.com/imppa/index.html
The Film and Television Producers Guild of India	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: guild@filmtvguildindia.org Website: www.filmtvguildindia.org
Newspapers Association of India (NAI)	A -115, Vakil Chamber, Top Floor, Vikas Marg, Shakarpur, Delhi - 110092 Tel: 91-9971847045, 9810226962 E-mail: contact@naiindia.com Website: www.naiindia.com
Association of Radio Operators for India (AROI)	304, Competent House, F-14, Connaught Place, New Delhi - 110001 Tel: 91- 124-4385887 e-mail: info@aroi.in Website: www.aroi.in
The Indian Music Industry (IMI)	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: www.indianmi.org
The Indian Society of Advertisers	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: isa.ed@vsnl.net

USEFUL INFORMATION



- 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)

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

Exchange Rates (Calendar Year)

Year	INR Equivalent of one US\$
2005	44.11
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12
2018	68.36

Source: Reserve Bank of India, Average for the year

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