Shape the future

Indian media and entertainment is scripting a new story

March 2025

The better the question.
The better the answer.
The better the world works.

Shape the future with confidence

Kamal Haasan
Chairman, FICCI Media and Entertainment, South

Aim for a bold future.

In the Media and Entertainment sector, two forces reign supreme: Content and the Audience. As we move into a digital first era, it's our responsibility to serve them both with bold, creative storytelling that reflects the rich diversity of our nation. By harnessing this power, we can ensure the industry thrives and stays relevant in an ever evolving landscape.

I envision an Indian Media and Entertainment sector that unites our 1.4 billion viewers, breaking down the linguistic and geographic divides that have long segmented our industry. A screen and language agnostic audience will allow us to produce bigger, bolder content with grander budgets, reflecting the vast potential of our cultural narratives.

The creator economy we are nurturing has the power to shape society and influence the world. To realize this potential, government support is essential

whether it's through regulatory reforms, ease of business, access to credit, or training for emerging creators, technicians, and performers. Creative storytelling with emotional depth, and powerful performances will be in greater demand than ever.

India's technological strengths animation, VFX are positioning us to become a global hub for content production. By investing in intellectual property and nurturing talent, we can lead the way in global content creation.

Collaboration across regions, languages and cultures will be key to building an inclusive and representative industry. Initiatives like this report from FICCI and EY help bridge information gaps and set the foundation for progress.

As we celebrate the 25th year edition of this report, I urge all stakeholders to aim for a bold future, taking India's M&E sector from a $28 billion to a $100 billion industry, with content that not only resonates with a billion Indians but captivates audiences across the globe.

FORE

Kevin Vaz
Chairman, FICCI Media and Entertainment Committee

“2024 was a pivotal year for media and entertainment in India.

The industry made global impact with wins and nominations at Cannes and the Oscars and was once again recognised as a production hub, boasting of VFX masterpieces like the Oscar-nominated Emilia Pérez and Mufasa: The Lion King. The year saw a resurgence of cinema, greater adoption of regional content, and use of technology to enhance production and distribution.

India is a market where traditional and new mediums co-exist as seamlessly; where TV remains a force to contend with, even as the growth path for digital is without parallel. The number of TV screens is projected to increase from 190 million in 2024 to 214 million in 2026. In 2024, nine in ten people continued to watch live TV, with 40% people watching more than six hours, indicating our combinatorial preference. We want the best of all worlds!

The 2024 Indian Premier League reached 525 million viewers on TV, and touched 550-600 million viewers on streaming. Aside from breaking viewership records, 2024 also revolutionised sports consumption, making it more immersive. Fans can now access high-quality coverage on the go, in multiple languages, with real-time statistics, live chat options, multiple feeds from various camera angles. Constant innovation also helped create new revenue streams, via digital ad insertion like live commerce – integrating real-time shopping into live events such as sports matches and streaming of concerts like Coldplay’s performance in Ahmedabad.

Rapid consumer-tech adoption has allowed streaming to blossom alongside TV. Streamers have taken bold business model risks and offer hybrid and competitive service formats, democratising consumption. This has deepened investments in niche content, granted independent filmmakers and performers an avenue to showcase their talent and fostered the adoption of emerging tech like AI.

India is poised to become the third-largest M&E market globally by 2028, on the back of this frenetic activity. Effective implementation of self-regulation in both the TV and streaming markets has simultaneously enabled us to pause when needed and demonstrate accountability to our society and culture. We hope to continue this balanced momentum into the new financial year.

WORD

Jyoti Vij
Director General
FICCI

The Indian M&E sector is undergoing a profound transformation.

Driven by digital acceleration, evolving consumer preferences, and cutting-edge technologies. The rapid shift from linear to digital entertainment is reshaping content creation, distribution, and consumption, unlocking new opportunities for growth and global influence. As we enter 2025, India's M&E sector is poised to expand its footprint as a content powerhouse, fuelled by innovation, strategic investments and a resilient creative ecosystem.

A key milestone in 2024 was digital media surpassing television as the largest M&E segment, contributing 32% of total revenues. With deeper internet penetration, the rise of Free Ad-Supported Television (FAST) channels, and a thriving creator-led economy, India is on course to become a global content hub. Strategic investments and private equity funding will further accelerate this transformation.

The gaming industry is also gaining momentum, with Indian publishers and developers expanding globally. Artificial intelligence is revolutionizing the M&E value chain optimizing costs, enhancing content creation and attracting major investments. Meanwhile the resurgence of out-of-home entertainment is driving consolidation as companies integrate services to capture market share.

India is also emerging as a preferred media outsourcing hub much like its dominance in IT services. Cloud-driven applications and digital advertising shifts are prompting traditional players to reinvent business models leading to increased mergers and strategic partnerships.

As India's leading industry association, FICCI has played a pivotal role in bringing together key stakeholders at a single platform called FICCI FRAMES from policymakers and media conglomerates to emerging creators and technology innovators. Our M&E Division continues to serve as a catalyst for policy advocacy, industry collaboration and thought leadership fostering an environment that enables sustainable growth, global expansion and regulatory clarity for all players in the ecosystem. Over the years, FICCI has been instrumental in shaping discussions on content regulation, digital taxation, intellectual property rights, and talent development ensuring that the Indian M&E sector remains future-ready and globally competitive.

As we enter the 25th glorious year of FICCI FRAMES, this report provides a comprehensive analysis of the trends, challenges, and opportunities shaping the M&E landscape. We hope it will continue to serve as a valuable resource for industry leaders and policymakers, equipping them to navigate and lead in this dynamic era.

FORE

Ashish Pherwani
M&E Sector Leader
EY India

“Finally, the digital inflection point. And it changes everything.

Digital media became the largest segment of the M&E sector in 2024, breaking TV’s 25-year hold on the pole position.

Digital media has not only changed how content is created, distributed and monetized, it has also redefined the fundamentals of the M&E sector. From being a provider of knowledge and escapism, M&E now provides consumers with value across four tenets:

- **Information** to live life better, through news and communities
- **Escapism** to forget troubles by getting immersed in fiction and reality content
- **Materialism** to enable commerce through funded content and e-commerce
- **Self-actualization** via social media, professional portals and the creator economy

Every media and content company is now evaluated by consumers against the utility it provides across the above tenets, which in turn is driving how traditional and new media companies are redefining their product, processes, customer acquisition and purpose.

As digital media keeps growing relentlessly, we can expect to see an ocean of innovation, consolidation, new business models and partnerships. Interactivity and gamification have proliferated all segments of the M&E sector. Every M&E segment is now conducting events. The Star India and Viacom18 merger is defining the path to scale and reinventing sports broadcasting, while digital integrations across music, radio, news and OOH are helping grow traditional segments. WhatsApp is reshaping communication.

All of this makes the future extremely exciting!

This report aims to provide our point of view on the shape of the future. We have included over 50 future trends for media businesses to consider as they take advantage of the opportunities that will surely emerge.

We hope you enjoy reading this report as much as we enjoyed putting it together for you. We are certain you would find this report to be insightful.

WORD

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M&E sector overview

Key trends of 2024

Indian M&E sector grew 3.3% in 2024 to reach INR2.5 trillion

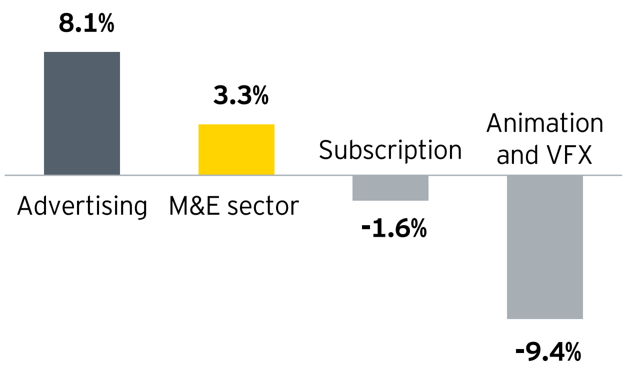
	2019	2022	2023	2024	2025E	2027E	CAGR 2024-2027
Digital media	308	571	686	802	903	1,104	11.2%
Television	788	726	711	679	676	667	(-)0.6%
Print	296	250	259	260	262	267	0.9%
Online gaming	64	222	236	232	260	316	10.8%
Filmed entertainment	191	172	197	187	196	213	4.3%
Animation and VFX	95	107	114	103	113	147	12.5%
Live events	83	73	88	101	119	167	18.2%
Out-of-home media	51	48	54	59	66	79	10.2%
Music	15	46	54	53	60	78	13.4%
Radio	31	21	23	25	27	30	6.6%
Total	**1,922**	**2,237**	**2,422**	**2,502**	**2,682**	**3,067**	**7.0%**
Growth		**23.3%**	**8.3%**	**3.3%**	**7.2%**		

All figures are gross of taxes (INR in billion) for calendar years | EY estimates

- The Indian M&E sector continued to grow in 2024, albeit at a relatively modest 3.3%; it grew by INR81 billion to reach INR2.5 trillion (US$29.4 billion)
- The M&E sector contributes 0.73% to India's GDP
- While the sector was 30% above its pre-pandemic 2019 levels, television, print and radio still lagged their 2019 revenues
- Digital media overtook television for the first time to become the largest segment, contributing 32% of M&E sector revenues
- We expect the M&E sector to grow 7.2% in 2025 to reach INR2.68 trillion (US$31.6 billion), then grow at a CAGR of 7% to reach INR3.07 trillion (US$36.1 billion) by 2027

Advertising fueled the 2024 growth

Growth in 2024

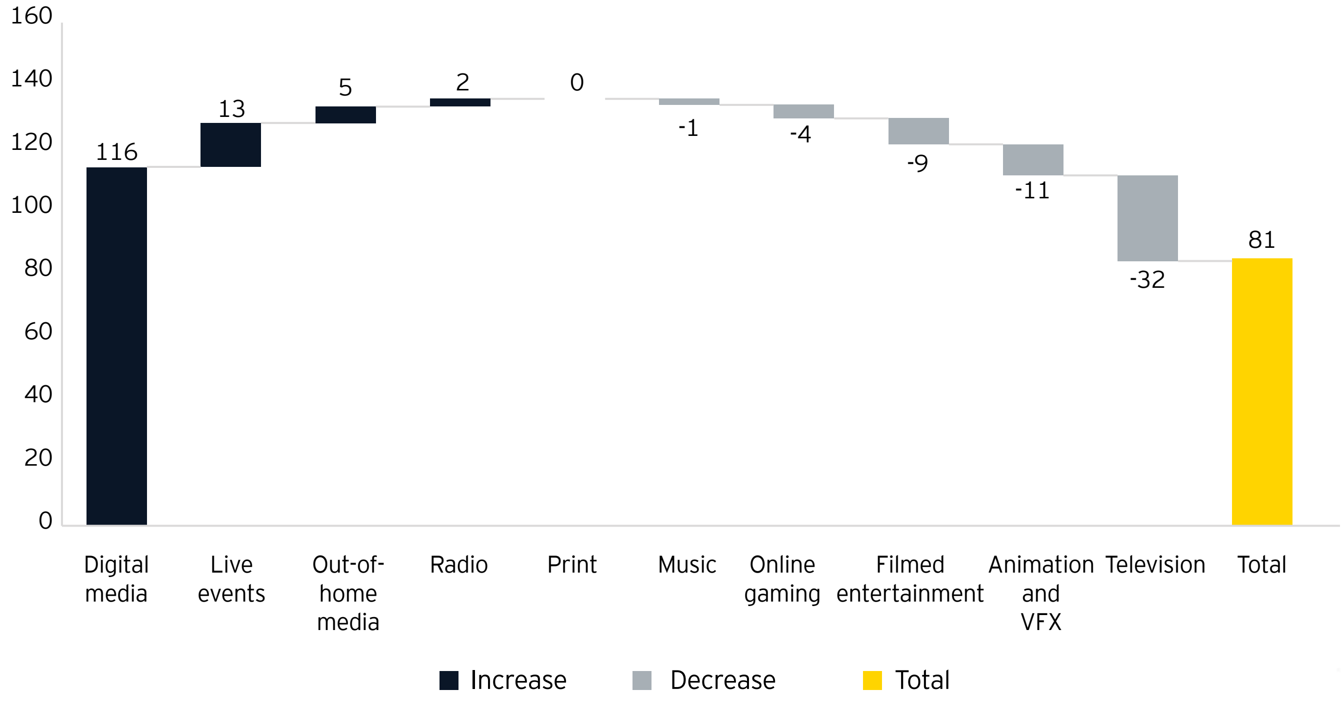


EY estimates

- Advertising revenues grew 8.1%, led by:
  - performance advertising on digital media, including spends on e-commerce platforms
  - growth in demand for premium and digital OOH media
  - resilience of print and radio retail revenues
- However, there was a fall in both subscription and animation and VFX revenues
- Subscription revenues were impacted by:
  - a reduction in Pay TV homes of six million
  - falling theatrical admissions and a relatively poor performance by films at the box office, with revenues falling 5.6%
  - fall in transaction gaming revenues post the implementation of a higher GST on real money games
- Content and content services volumes were also impacted by the drop in subscription revenues:
  - animation and VFX revenues fell 9.4% due to global and domestic demand issues and a focus on fewer, higher quality productions
  - there was a 12% reduction in premium OTT content volumes

Digital media and live events mainly contributed to the INR81 billion growth

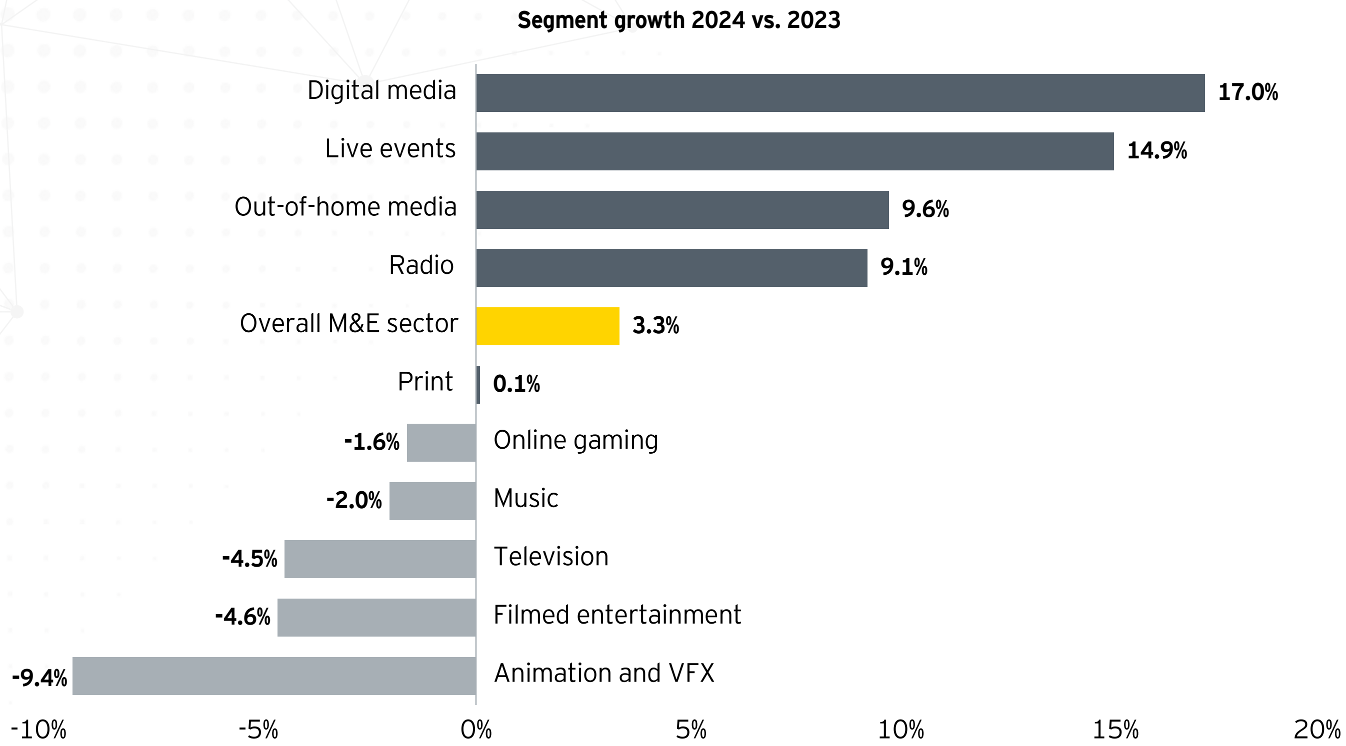
Absolute growth by segment in 2024



INR in billion (gross of taxes) | EY estimates

- Growth slowed down significantly in 2024, to just INR81 billion which was less than half the INR185 billion growth of 2023
- Digital media, live events and OOH media led the growth in 2024
- **New media** (comprising digital media and online gaming) grew INR113 billion (12%) and now comprise 41% of the M&E sector's revenues
- **Core traditional media** (television, print, radio and music) together saw their revenues drop by (-)3% or INR30 billion, and their share of the total M&E sector fall to 41%
- **Outside the home media** (comprising filmed entertainment, live events and OOH media) grew at a combined 3%, and now contribute 14% of the total M&E sector
- Animation and VFX segment fell 9.4% due to global supply chain issues, mainly in the US due to the writers' strike

Segmental performance in 2024

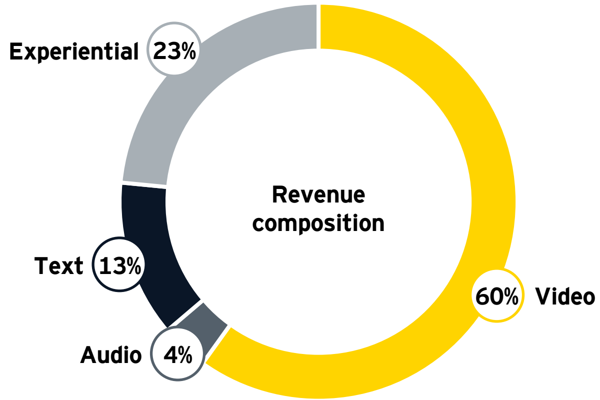


EY estimates

- **Digital advertising:** Digital advertising grew 17% to reach INR700 billion, which is 55% of total advertising revenues. Growth was led by search and social media (11%) and e-commerce advertising (50%), which reached INR147 billion. Included in digital advertising are spends by SME and long-tail advertisers of over INR258 billion
- **Digital subscription:** Digital subscription revenues grew 15% to reach INR102 billion. Paid video subscriptions grew by 11 million in 2024 to 111 million, across 47 million households in India. Paid music subscriptions grew from 7 million to 10.5 million as music streaming platforms disincentivized free usage, while news remained sub-scale at just 3.1 million paid subscriptions
- **Live events:** The organized segment grew 15% driven by increased spends across government and election related events, personal events and weddings, and ticketed events, including several international acts and concert formats that played to packed venues in India
- **OOH:** OOH media grew 10% in 2024 across both traditional and transit media. Premium properties and locations led the growth. Digital OOH grew 78% and contributed 12% of total segment revenues, up from 7% in 2023
- **Radio:** Radio segment revenues grew 9% in 2024 to INR25 billion on the back of a growth in ad volumes, and alternate revenue streams. On an average, 20% of radio revenues are related to events, content production and other revenue streams
- **Print:** Bucking the global trend, print continued to survive in India. Advertising revenues grew 1% in 2024, with a notable growth in premium ad formats, as print remained a "go-to" medium for more affluent and non-metro audiences. Event led revenues also increased for several newspaper brands. Subscription revenues fell 1% on the back of rising cover prices and falling circulation, particularly the second newspaper in the home. Digital revenues were not significant for most print companies, usually being under 5% of their total revenues
- **Online gaming:** The transaction gaming segment's growth slowed to single digits in 2024, due to the imposition of 28% GST on players' deposits, and the consequent proliferation of illegal offshore betting and gaming sites. Most gaming companies absorbed the impact of the GST and consequently, net of the GST impact, the segment saw revenues fall by 6% after years of over 20% growth. Casual gaming, however, continued to grow fast at 16%, resulting in an overall degrowth of 2% for the online gaming segment

- **Music:** The Indian music segment saw revenues fall by 2% due to a push by digital streamers to disincentivize free music consumption, and a fall in streaming royalty rates. While this led to paid subscriptions growing from 8 million to 10.5 million, it reduced the overall audience from 185 million to 175 million. Given the availability of free and ad-supported alternatives like YouTube and radio, and the absence of exclusive content, the growth in the pay subscriber base will remain muted
- **Television:** Linear television revenues fell for the second year in a row, despite viewership remaining largely flat. Advertising revenue fell 6% on the back of a corresponding fall in ad volumes and a 10%+ fall in advertisers on the medium. Subscription revenues fell 3% due to a reduction in six million Pay TV homes as both Free TV and Connected TV homes grew. Connected TVs (whose revenues are included under digital media) grew to around 30 million, up from 23 million in December 2023
- **Filmed entertainment:** The segment saw revenues fall by 5% to reach INR187 billion. Over 1,600 films were released in 2024, but domestic theatrical revenues fell 5% as admissions reduced, and just 11 Hindi films grossed INR1 billion, down from 17 films in 2023. Both digital and satellite rights values fell 10% in 2024 as broadcast and OTT buyers focussed on profitability
- **Animation and VFX:** The Hollywood writers' strike impacted global supply chains, and international studios, struggling with profitability in 2024, focused on fewer films and series. Consequently, the segment saw demand and revenues fall 9% in 2024. Potential mergers and falling broadcast ad revenues also reduced the slate of animated content produced for broadcast in India

Video continued to command the lion's share of revenues



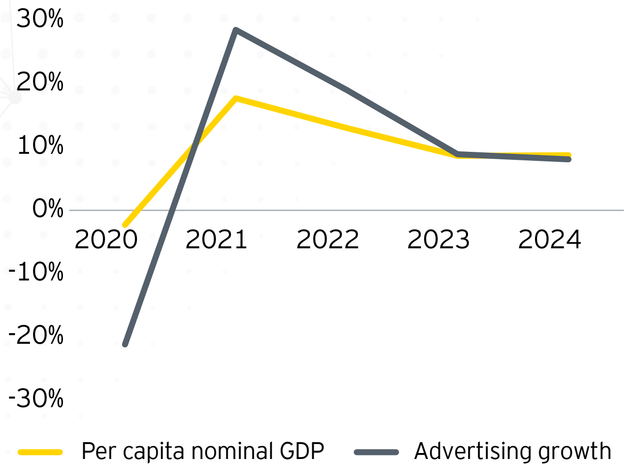
EY 2024 revenue estimates | Does not include data pack values and e-commerce advertising

- Every segment of the M&E sector now provides content and services across video, audio, text and experiential
- When revenues of 2024 are broken up into these four content types, **video** commands 60% share of sector revenues, on the back of digital media, television, short video, social media, among others; one reason why print, radio, events and music segments are increasingly focusing on video creation
- **Experiential** media, including online gaming, theatrical revenues, live events and OOH, comes second with a 23% contribution to revenues
- **Text** (print, online news) and **audio** (radio, music, digital streaming) comprise the balance 17% and will remain small, given the plethora of free options available

Advertising

I. Advertising growth tagged Indian nominal GDP growth

Advertising vs. per capita nominal GDP growth



Nominal GDP is for financial years | GDP data for 2024 is as per advance estimates released by MoSPI in January 2025 for FY25 | Advertising growth is as per this report

- Advertising growth is keeping pace with India's nominal GDP growth across 2023 and 2024
- In 2024, advertising grew 8.1% compared to the nominal GDP growth of 8.7%
- The ad to GDP ratio is currently at 0.38%, which remains much lower than most other developed countries

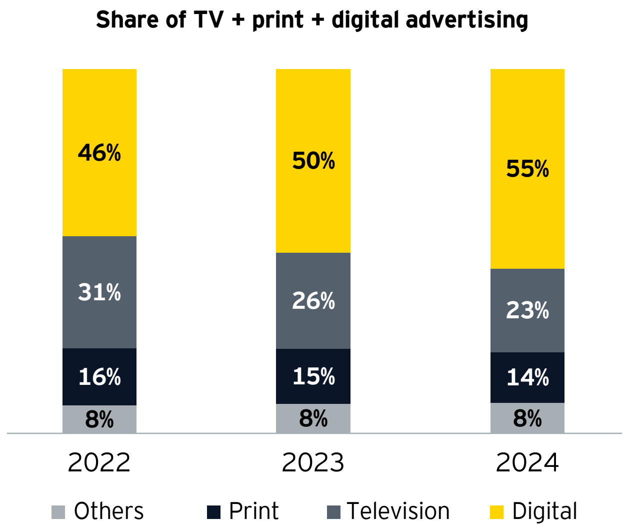
II. Advertising grew by 8.1% in 2024

Segment	2021	2022	2023	2024
Television	329	334	312	294
Print	151	170	178	179
OOH	26	48	54	59
Radio	16	21	23	25
Cinema	1	5	8	9
Total traditional	**522**	**578**	**575**	**566**
Digital	383	499	597	700
Online gaming	8	11	13	14
Total new media	**391**	**510**	**609**	**714**
Total	**914**	**1,088**	**1,184**	**1,279**

INR in billion (gross of taxes) | EY estimates

- Advertising reached its highest ever level in 2024, of INR1.28 trillion
- New media accounted for 56% of total advertising, overtaking traditional media advertising (44%) for the second year in a row
- New media generated 109% of total ad growth, while traditional media (excluding television) added another 10%
- Television advertising dragged growth down by 20%, driven by a decline in ad volumes and a shift in viewership to connected TVs, whose revenues are counted under digital media

III. TV + digital + print = 92% of ad spends



EY estimates | Excludes event segment revenues

- TV, print and digital advertising have together contributed 92% of total ad spends since 2022; however, their shares have changed significantly
  - Digital media comprised 55% of total ad spends, up from 31% pre pandemic
  - TV comprised 23% of ad revenues, down from 36% in 2019
  - Print comprised 14% of ad revenues, down from 23% in 2019
  - Together, national media [television + new media] contributed 79% of all advertising spends (up from 67% in 2019), while local media [print + OOH + radio + cinema] comprised the balance 21%

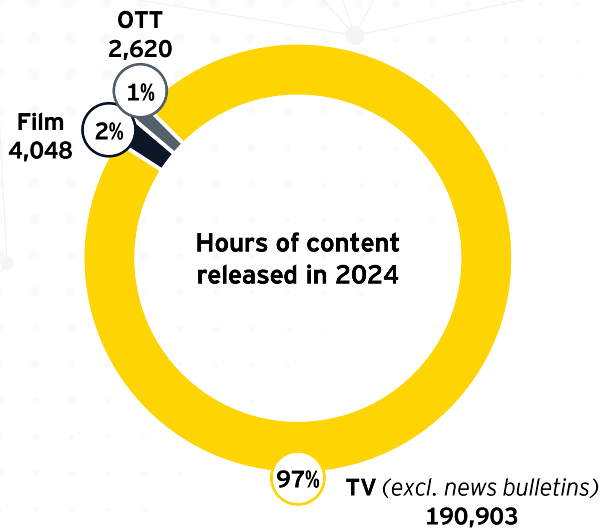
Subscription reduced 1.6% in 2024

Segment	2021	2022	2023	2024
Television	407	392	398	385
Online gaming	116	211	223	218
Filmed entertainment	92	167	189	178
Digital	56	72	89	102
Print	76	80	82	81
Total	**748**	**922**	**981**	**965**

INR in billion (gross of taxes) | EY estimates

- Overall, subscription revenue fell INR16 billion
  - only digital media grew INR13 billion
  - while all other media fell by an aggregate of INR29 billion
- Across segments, subscription was focused on the top-end of the consumer pyramid, which resulted in a heavily concentrated subscription base. We estimate that the top 40 to 50 million households are powering most digital and film subscriptions, while online gaming and print have a wider audience of between 70 and 100 million homes, and linear TV has the largest paid reach at 111 million homes
- Share of subscription reduced from 43% of total M&E sector revenues in 2019 to 39% in 2024

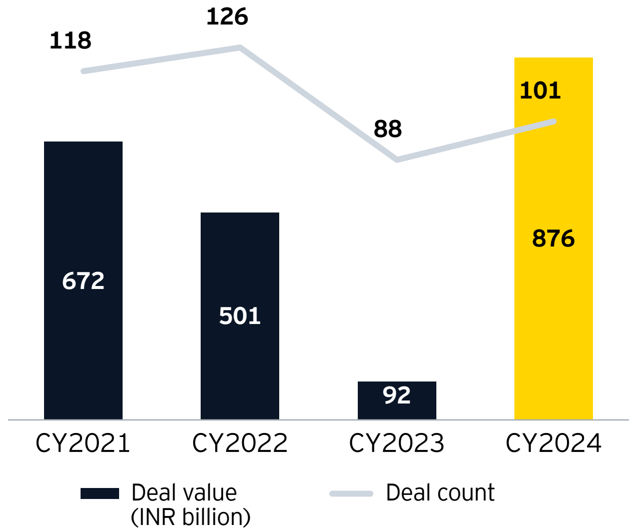
India created almost 200,000 hours of content



EY estimates | Includes content that was broadcast on TV, released in theaters or on OTT platforms. Excludes unorganized creator economy, news bulletins, social and short form content

- GEC contributed 65% of total hours on TV (excluding news bulletins) in 2024
- 64 more films were released in 2024 as compared to 2023, taking total film releases to over 1,600 (excluding around 200 dubbed versions), of which 500 films released on OTT platforms. However, only 60 films released directly on digital platforms
- High-cost OTT content volumes fell 12% in 2024 as platforms aimed for profitability; 48% of content released on OTT platforms was in regional languages, with an increase in dubbed and sub-titled content
- In 2025, we expect OTT content volumes to increase, but at a lower average cost of production

M&A activity recovered in 2024



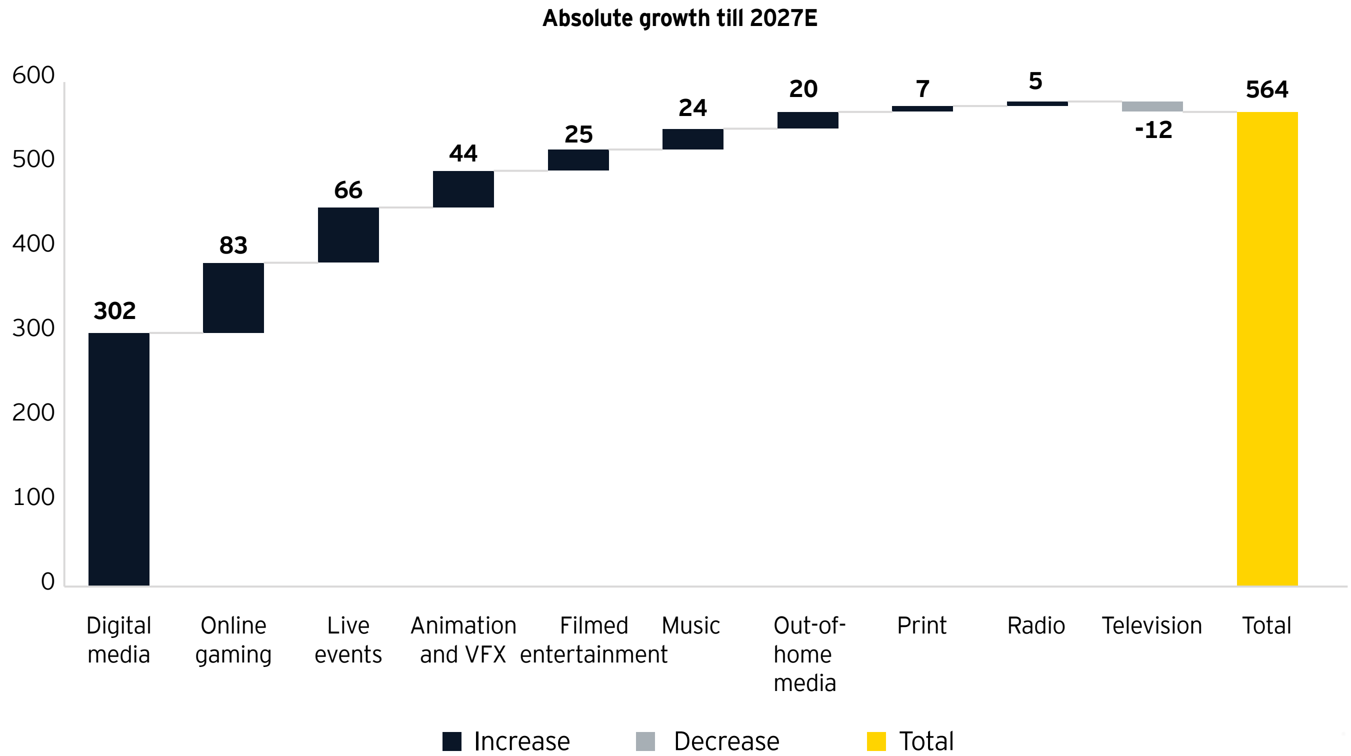
EY estimates based on publicly available information

I. M&A activity recovered in 2024

- Deal count crossed 100 in 2025, with a total value of INR876 billion
- Traditional media deals comprised 91% of deal value led by the merger of Star India and Viacom18 Media, and 16% of deal count, while new media aggregated 84% of deal volumes, but just 9% of deal value
- Strategic investors led the percentage of M&E deals in 2024, contributing to 52% of the total count and 94% of funding

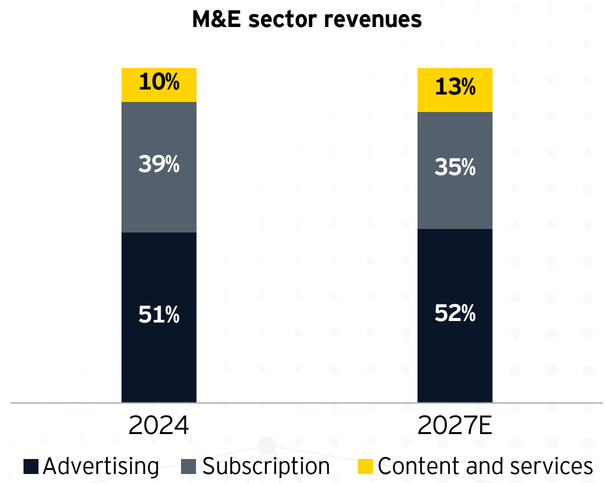
Shape of the future

The M&E sector will grow INR564 billion to reach INR3.1 trillion in 2027



All figures are INR billion (gross of taxes) | EY estimates

- The Indian M&E sector will grow at a CAGR of 7% and add INR564 billion in three years
- New media will provide 68% of this growth, followed by live events (12%) and animation and VFX (8%)
- Barring unforeseen situations, we expect all segments to grow or remain flat, except linear television, so long as India's real GDP grows 5% or more
- By 2027, new media (digital + online gaming) will comprise 46% of M&E sector revenue, while traditional media (TV + print + film + radio + OOH) will contribute 41% of total M&E sector revenues
- Advertising will comprise 52% of total sector revenues in 2027, while share of subscription will reduce to 35% by 2027



EY estimates

Video trends

I. A billion screens of opportunity

	2024	2027E	2030E
Pay TV	111	95	81
Free TV	49	53	57
Connected TV	30	48	76
Total TV	**190**	**196**	**214**
Smartphones	562	625	696
Total screens	**751**	**821**	**910**

EY estimates | Screens in millions

- The opportunity for video to grow is large, given the expected growth in the number of screens
- By 2030, large screens will cross 200 million, and small (phone) screens will reach almost 700 million, creating a large base of consumers hungry for content and information
- The 3:1 ratio in favor of small screens underlines the need for short video content, short-form content, social media and real-time news products, around which we expect to see significant innovation in the next few years

II. Four equitable modes of TV distribution

HH	2024	%
Cable	60.3	29%
DTH + HITS	50.9	25%
Free TV	48.5	24%
Wired broadband	46.1	22%
Total TV	**205.8**	**100%**

EY estimates | Millions of connections

- Today, content is delivered across four largely equal distribution mechanisms
- With the continuous erosion of cable and growth in wired broadband, the next few years will underline the need to be active across all four platforms for studios and IP owners
- Consequently, we can expect to see innovations around pricing and windowing for media companies to take advantage of all segments, and we expect that broadcasters will reinvest in making linear television more competitive
- In addition, we expect to see more combined deals being done, selling audiences across linear and connected TV together
- The potential introduction of direct-to-mobile (D2M) television services will increase the relevance of television outside the home and during transit
- Free TV will remain a "temporary" medium viz., it will gain audiences as more families come out of poverty and into the lower middle class, and it will lose audiences as the middle-class families move up the value chain

III. Towards 150 million OTT subscriptions

- Subscribing households will grow from 47 million to over 65 million by 2027 as per capita income increases and smart TV penetration continues to grow, subject to low-cost broadband availability
- Bundling will play a significant role in growing subscriptions, with both telco packs and multi-package/platform bundles being important; we expect to see more business or library combinations to ensure platforms are in the top two to three subscription preferences of households

IV. SME advertising facilitated

- Given that SME advertising on digital media is estimated at INR258 billion in 2024, there is a latent demand for such advertisers to use the TV medium, something that they could not afford in the erstwhile linear environment
- We expect to see innovations to bring SME advertisers with a national presence on to television, through creation of SME ad platforms, partnership with social and e-commerce platforms, etc.

V. A new News TV business model

- As news consumption shifts to online video and text, and as the youth consume news on social and other platforms, news media will need to rethink their content, monetization, and measurement strategies
- Content will need to be created multi-format and multi-media, and separately for younger audiences and for different segments
- Alternate revenue streams like IP, branded content, and exclusive products will be introduced
- News will also move to a "News+" content model, covering a wider variety of themes to reach wider audiences

VI. Time for 'customer first' innovation

- As customer experience becomes more critical to differentiate product and retain consumers, we can expect more innovation around initiatives that put the customer first
- Such initiatives could include a unified search across platforms, single sign-ons to multiple apps, subscription managers and optimizers and TVOD recommendations across content stores

Experiential trends

I. Events growth will be led by the "next 10" large cities

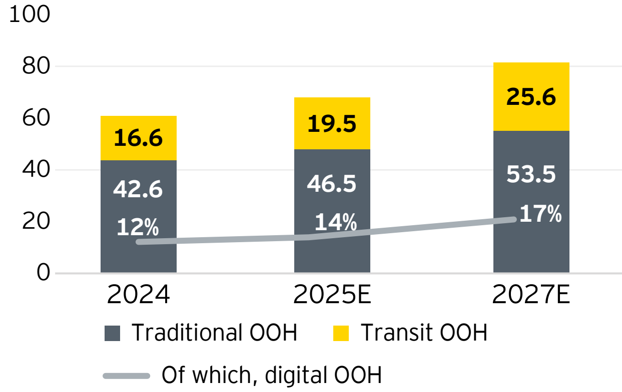
- While metros will remain important to tap the large number of affluent families, our survey of events company CEOs indicated that the highest growth potential lay with the next 10 markets after the metros
- They also felt that the potential for growth was high across India's top 40 cities (each with a population of over one million) as consumption growth was faster in those markets, and brands needed to increase their share of voice to gain traction there

II. Platform and publishing strategies will redefine gaming

- With GST now being applied to deposits, single-game operators face significant challenges, as frequent withdrawals and deposits amplify the tax burden and erode profitability
- A platform strategy, which integrates multiple games under a single ecosystem, offers a compelling solution. It drives higher spin rates, somewhat reducing the GST impact by circulating deposits within different games on the platform. Moreover, it ensures sustained player engagement
- Further, the development of a structured publishing ecosystem is expected, which will propel the growth of India's online gaming segment by:
  - Attracting increased funding for developers, enabling them to focus on creativity and innovation
  - Enabling access to global markets
  - Facilitating strategic partnerships with global studios to enhance game development quality

III. Digital and premium OOH assets will drive growth

OOH segment revenue projections



INR billion (gross of taxes) | EY estimates

- Driven by premiumization of inventory, the share of digital OOH will increase to 17% of total OOH segment revenues by 2027, at a CAGR of 24%
- Transit OOH, on the back of growth in airports, premium trains, metros and premium buses, will grow at 16% till 2027
- Comparatively, traditional OOH will grow at 8%, primarily driven by geographic diversification to keep pace with increased urbanization and rising consumption outside metros and the top 10 cities

IV. DOOH inventory will integrate with digital ad networks

- In many cases, advertisers are using digital ad budgets to invest in DOOH, rather than OOH budgets
- Inevitably, digital OOH buying processes will need to mimic digital advertising, and we expect to see digital OOH inventories being made available to digital advertisers on search, social and e-commerce platforms as well

V. Fewer, quality films will be greenlit

- Given the environment of caution in 2025, we expect that fewer films will be produced on account of rising production costs, less digital and broadcast pre-funding/ pre-sales of rights, and higher dependence on theatrical revenues, especially for certain categories of small- or mid-budget films
- We expect to see longer production times, larger writers' pools and more consumer research being used to select films for production

VI. Theatrical infrastructure/ windows will evolve

- At just over 9,000 screens, India's screen density is amongst the lowest of any developed country, but are more screens the answer?
- While the largest multiplex distributor has planned to add 100 new screens in FY25 , we believe that another opportunity exists in filmed entertainment
- Low priced theaters in tier-III and IV markets, aided by the growth in mass-themed films, will come into being in the medium term, and this will expand the number of families which can enjoy the theatrical experience from less than 100 million to around 175 million people
- In addition, we could also see innovation around new premium digital windows being provided at the time of (or within a few days of) theatrical release

VII.Film TVOD will scale

- With less than 500 of over 1,600 films getting a digital release, large volumes of films are lying unmonetized
- The growth of wired broadband, smartphones and connected TVs is providing a fillip to TVOD revenues, and we can expect this trend to gain importance, including for India's high volume of films which do not find digital buyers

Text trends

I. Newspaper reach and readership will start to stagnate

- Print will reach a steady state with a loyal reader base within the next year or two, most of which will probably come from the growing base of educated people entering the workforce who need news and information to build their careers, as against faithful but ageing audiences
- Cover price increases needed to offset falling circulation numbers will lead to a winner-takes-all situation, with a reduction in second newspaper copies in the home

II. Core print revenues will grow marginally

- Despite the above, we expect the print segment to grow at 1% CAGR till 2027
- Advertising will grow at a 2% CAGR, driven by access to increasingly elusive and ad avoiding NCCS A audiences, and premium inventory formats
- Subscription may see a decline at (-)2% CAGR as the medium keeps losing audiences to digital and social media

III. Print companies will diversify

- Most print companies now conduct hundreds of events each year, which contribute (for most) around 4% to 5% of total revenues
- We see this trend gaining momentum, and by 2027 we expect events and community revenues contributing 7% to 8% of total revenues earned by print companies
- Print companies will also diversify into non-print businesses to monetize their brands which have built trust for so many years

IV. Online subscription will grow slowly

- Paid online subscriptions will stagnate at 5 million to 6 million by 2027, unless industry action is taken to consolidate curated, credible news on owned platforms, or an industry-led common platform
- Utility products which help subscribers to earn more, perform better in their exams, get access to exclusive content, or interact with their heroes/ celebrities will be key to drive subscription revenue growth

V. Community service at the forefront

- The core utility of the newspaper will evolve into its digital avatars such as discount coupons, facilitated purchase/ trials, opinion exchange, polls and – most importantly – community action
- Print companies will launch or aggregate many focused interest-based communities which meet the news and non-news needs of their members

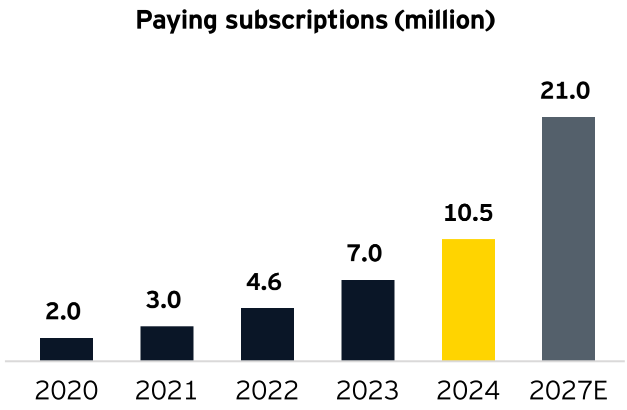
Audio trends

I. Segmentation will re-define monetization

We expect the market to be driven by three major segments:

- The premium segment (top 5% to 7% or so of music streamers) will pay for music streaming and music experiences like concerts, themed dining options and merchandise
- The aspirational segment (the next 10% to 15%) will consume music on ad-supported streaming platforms and television, so long as it comes bundled with data, e-commerce, or cable television bundles
- The mass segment (the rest) will consume only free and ad-supported options like FTA channels, YouTube, radio, and direct-to-mobile digital signals, on their smart phones and/ or feature phones

II. Paid subscribers will double by 2027



EY estimates

- The continued focus by platforms to push subscription products, disincentivizing free consumption by limiting its features, and bundling and discounting packages will double the current paid music subscription base to over 20 million by 2027
- The growth will require support in terms of high-quality music creation, innovation around non-music content, bundling with telecom and video OTT packs, and pricing innovation, to sustain the growth witnessed in 2024

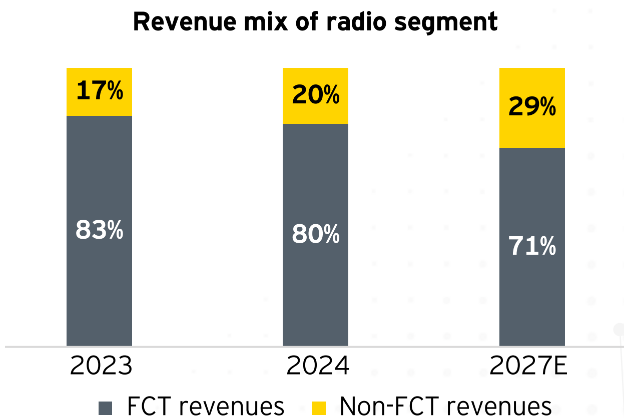
III. Artist-led music and other income streams

- Artist-driven engagement will be the next big monetization opportunity, across concerts, merchandise, fan clubs, artist management, branded content, physical and digital events
- From 37% today, we estimate that artist-led music can reach 40%+ within three years, as more films collaborate with artists on their soundtracks and the concert business continues to grow

IV. International monetization will grow

- Labels generate over 62% of their audio revenues from digital licensing
- Countries where Indian films are popular such as Nepal, Bangladesh, Pakistan and Sri Lanka are now witnessing a surge in digital adoption
- This has led to increased uptake of music on popular international platforms like TikTok, YouTube and Instagram, in these countries and this will be increasingly monetized through industry-level partnerships and collaborations

V. Radio's non-FCT revenues will grow



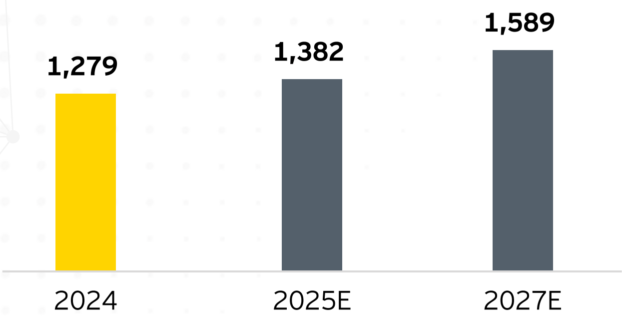
EY estimates

- The importance of non-FCT revenues will continue to grow – we expect them to contribute around 29% of total revenues by 2027, growing at a CAGR of 20%, from the 20% of revenues they contributed in 2024
- More and more radio stations will utilize their on-ground sales assets to drive multi-media sales for other media like TV, print and OOH

Advertising trends

I. Indian advertising will grow at 8% till 2027

Indian advertising



INR billion (gross of taxes) | EY estimates

- Advertising is expected to grow 8% in 2025 to reach INR1.38 trillion
- Till 2027, advertising is expected to grow at a healthy 8% CAGR, with digital media growing at 11% and traditional media growing at 3%
- Growth will be driven by increasing per capita income, a healthy GDP growth rate of 6% to 7%, increased women participation in the workforce and growth in government spending and welfare programs
- Digital media will comprise 61% of the total advertising by 2027

II. SME advertising will reach INR369 billion

- From INR258 billion in 2024, SMEs will increase their ad spends to INR369 billion by 2027, assisted by government schemes and the increase in the MSME credit guarantee scheme from INR50 million to INR100 million
- SMEs will focus on performance marketing, and will be a key component driving the growth in e-commerce advertising, which we expect will grow at a CAGR of 15% to reach INR223 billion by 2027

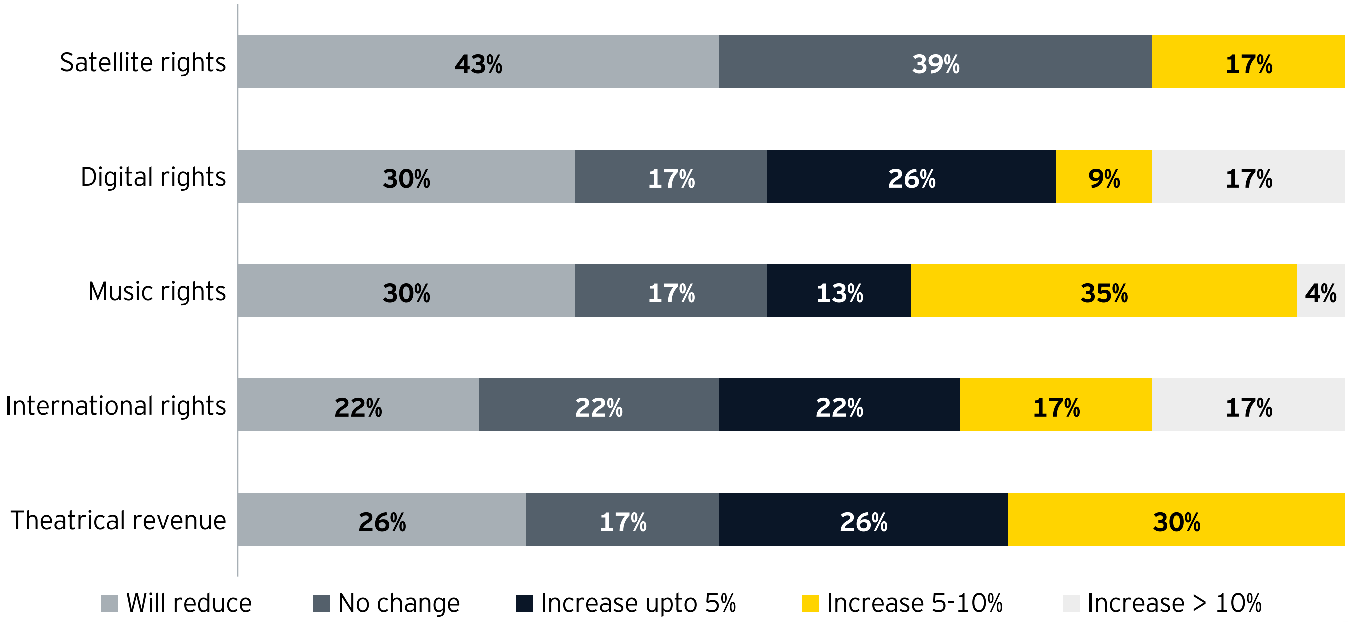
III. Data and measurement will be crucial

- As digital advertising grows from 55% to 60% of total advertising by 2027, with large platforms using massive customer data points to increase efficiency, media OTT platforms will necessarily build or partner for first-party data (1PD) in order to compete effectively
- Measurement of advertising and content performance will necessarily move towards a [digital + linear] model, with an aggregation of views across both platforms and the implementation of a common measurement metric, or models to combine different metrics

Content trends

I. 2025 could see monetization challenges for content creators

How do you expect content monetization to change in 2025?

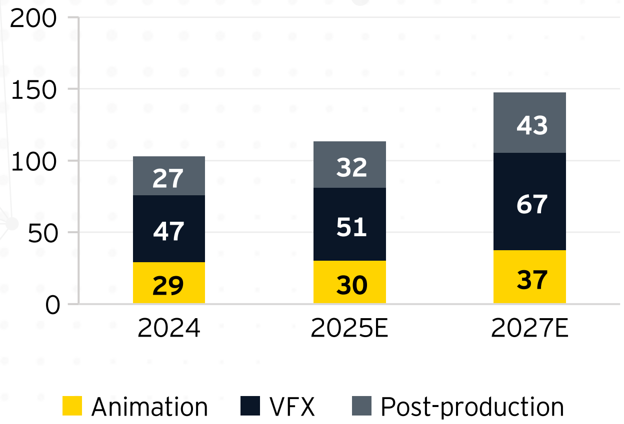


EY and The Producers' Guild of India survey of production houses

- 2024 saw a 12% fall in premium OTT content, and 2025 is expected to see significant pressure on costs as well, as Pay TV homes continue to decline, and OTT platforms struggle for profitability
- The expectation is that a TV++ cost model will evolve for longer-run episodic content for OTT platforms
- Production houses expect satellite rights and digital rights to remain subdued in 2025
- Talent models could also see change with performance linkages for key talent becoming more popular
- The era of blanket rights being given to buyers will come under challenge. Production houses will, eventually, only give a specific restricted set of rights to buyers in lieu of reduced revenues

II. Animation and VFX will recover at a CAGR of 13% till 2027

Revenue projections



INR billion (gross of taxes) | EY estimates

- Global content announcements are expected to rebound in 2025 and given India's talent pool and cost advantage, we expect the animation and VFX segment to recover sharply in 2025 and 2026
- India's anime potential has been seeing a steady uptick, and we expect this will unlock further growth potential for the segment
- National and state initiatives will further incentivize foreign production in India and drive growth and talent development, positioning India better in the international markets
- Private and government investments in AI will lead to innovation in Animation and VFX capabilities and help position India's capabilities more strongly
- OTT platforms' focus on profitability will lead to higher-quality paid content, and this will grow the domestic VFX and post-production business

III. IP 360 – the monetization norm

- Companies will move to 360-degree monetization of content viz., IP (particularly franchise content) will be monetized more widely across not just film, TV and OTT, but also across Free TV, gaming, music and merchandising
- Content created for the cinema screens with a large fan base will generate derivative content such as OTT series extensions, prequels and sequels, side stories, interactive games and even related events, with the original film helping to market the derivative content

IV. AI-delivered production efficiencies

- Almost all large Indian M&E companies have been using AI to drive efficiencies
- Common use cases we have observed, and expect to see more of, include:
  - Automated scriptwriting and storyboarding
  - VFX automation
  - AI-assisted localization and dubbing
  - Personalized content recommendations
  - Dynamic content editing and enhancement, including for news across different formats and audiences
  - AI-driven music composition, particularly for games and background scores
  - Advertisement targeting and use of synthetic media for marketing campaigns
- Creative talent reskilling to enable them to use AI for content creation and manipulation will be key to enabling cost efficiencies

Deal activity will accelerate

- As more and more **content creators** get access to organized funding and a wider distribution reach, the stage is set for the sector to position itself as a global content hub. Going forward, creators across the video, audio and written genres will attract increased interest from both strategic investors and PE funds
- We expect Indian **game publishers** and developers to go global and we will see a few medium to large ticket outbound deals. The **real money gaming** segment has also settled into a new normal. As retrospective liabilities continue to be discussed, this segment could witness increased M&A and public listings, especially for scaled-up players
- AI is transforming the M&E value chain, driving cost efficiency and revenue growth. With unrealized potential still ahead, we expect **AI driven companies** to attract funding and valuations in the coming year as well
- The **outside of the home entertainment** space is witnessing an uptick in growth and demand. The sector is ripe for M&A activity as companies seek to consolidate and create one-stop solutions, leveraging synergies to capture market share
- India is poised to drive an **outsourcing** trend in the media industry, as cloud-based and internet-driven media applications gain prominence globally, the way India has established itself in the IT outsourcing market
- As media and advertising budgets increasingly shift toward new media avenues, traditional players will need to adopt innovative business models to stay competitive, which is likely to drive opportunistic **tuck-in acquisitions**. The possibility of mergers within **traditional media segments** is also high

MediaTech for the Now

The pivot to digital media increases the importance of technology

2024: A transformational year for India's M&E sector

The Indian M&E sector saw a transformative growth in 2024, fueled by cutting-edge technology adoption, a surge in regional content demand, and the convergence of traditional and digital platforms. As rural internet penetration deepens and consumer expectations for hyper-personalized, immersive experiences grow, the competitive landscape will be more dynamic than ever. Media platforms are expanding into regional-first strategies, FAST (Free Ad-Supported Television) channels are scaling rapidly, and creator-led ecosystems are redefining cost-efficient content production.

At the same time, economic pressures are sharpening the focus on profitability and ROI across the value chain. Businesses are exploring innovative solutions to localize content, optimize distribution, and maximize monetization while engaging consumers in an increasingly crowded digital space.

For CIOs and business leaders, 2024 offered a critical window to leverage technologies like AI, blockchain, and real-time analytics to create agile, scalable ecosystems that can sustain growth in the "attention economy" while managing profitability.

The table below delves into the defining M&E trends, corresponding business imperatives, and the technology solutions that are shaping the Indian M&E landscape across the content value chain.

2025: M&E trends and tech imperatives

Content creation: Boundary-less story telling		
M&E sector trends	**Business imperatives**	**Tech imperatives**
No more language barriers 25% to 50% of video consumption on OTT platforms is in "subs and dubs"[1]	▪ Relevant content needs to be available across languages, including library content ▪ Build scalable production pipelines for hyperlocal content to capture emerging regional markets	▪ Use AI-driven localization engines that use NLP for dubbing and subtitling at scale ▪ Evaluate virtual production studios for cost-effective multilingual shoots
Unlimited creative assistants Slowdown of procurement of mid-budget films and high-budget originals by several large Indian OTT platforms, to manage margins, and downward pressures on procurement budgets as the TV++ cost model comes into play for OTT content	Enhance efficiency of content production	▪ Use GenAI and coding tools that can assist across the creation of storyboards, background music, virtual backgrounds, VFX and animation automation, and game development ▪ Consider real-time rendering solutions like Unreal Engine to create virtual sets ▪ Use cloud-based pre-visualization to reduce iterative costs
Democratized content creation, curated Over 40% of the time spent on phones is on social media platforms[2], and influencer marketing is now an INR22 billion industry[3]	Leverage partnerships with cost-effective creators to reduce creative overheads and grow grassroots audience reach	▪ Use influencer management platforms that use AI and other tools to identify ROI-driven creators and monitor their performance ▪ Automate short-format content editing, post-production and S&P checks

[1]Industry interviews, Prime Video, Netflix
[2]Data.ai, Hootsuite
[3]EY influencer marketing report 2024

Content distribution: Smarter reach, deeper impact		
M&E sector trends	**Business imperatives**	**Tech imperatives**
Add comfort to consumption India's tele-density in rural markets increases to 48%, broadband consumers cross 900 million and over 50% of content consumed on streaming platforms is in local languages apart from Hindi[4]	Build presence in untapped markets to grow user base and increase time spent per user	▪ Build hyperlocal recommendation engines to drive regional content adoption ▪ Optimize for bandwidth variability with adaptive streaming tech
Build trusted reach India has over 70 OTT platforms across entertainment, news, audio and gaming[5] which serve ads, sell subscription and engage with viewers	Ensure revenue shares for content syndicated/ licensed are accurately determined	Use blockchain technologies to monitor consumption, payments and use of copyright material

Content monetization: Every pixel, every eyeball		
M&E sector trends	**Business imperatives**	**Tech imperatives**
Tap the lucrative long tail Small and medium advertisers now account for 37% of total digital ad spends in India[6]	Provide access to smaller advertisers with location-centric needs to boost overall ad revenues across traditional TV, print, cinema, OOH and radio	▪ SME self-serve ad platforms to onboard and optimize campaigns for SMEs and assist with creative generation ▪ Dynamic pricing models to accommodate diverse advertiser budgets
Multi-media monetization: The new 'MMM' Digital overtook TV as the largest segment of India's M&E sector; its reach across almost 600 million screens[7] Advertisers increasingly struggle with media planning and reach measurement across TV+OTT campaigns	Enable integrated selling of ad spots across TV and digital platforms to provide seamless ad placement and better ROI tracking	▪ Implement unified ad inventory planning models and tools for unified TV and digital ad sales ▪ Use programmatic advertising platforms for integrated campaigns for own and third-party inventory
Go from 'hope' to 'proof' Advertisers demand transparency in ad campaigns amid increasing scrutiny of ROAS	Improve ad delivery transparency to ensure advertisers remain engaged with platforms	▪ Leverage blockchain-powered ad platforms to provide fraud-proof ad metrics ▪ Use audience targeting tools for optimizing campaign efficiency ▪ Use ad fraud monitoring systems, frequency cap systems, etc., to increase quality of ad placement
Aggregate fragmented audiences With over 750 million active screens in India today[8] and an increase in personal consumption, audiences are more fragmented than ever before	360-degree monetization strategies for IP businesses are focusing on IP as a core asset, exploring licensing, FAST/ CTV platforms, global expansion, brand extensions, etc.	▪ Implement IP lifecycle management systems to track monetization streams ▪ Use blockchain-based smart contracts for licensing transparency ▪ Implement rights management platforms to track IP availability for use or sale

[4]Various TRAI and EY estimates used in other sections of this report
[5,6]EY estimates
[7]EY estimate of active smartphones + active weekly CTV screens
[8]TRAI, Comscore, EY estimates

Content monetization: Every pixel, every eyeball		
M&E sector trends	**Business imperatives**	**Tech imperatives**
Happy cross-selling Bundling content with adjacent services like music, gaming, news, education and common interest platforms is driving the next wave of growth	Develop cross-product offerings that engage users and reduce churn by delivering additional value	▪ Build cross-vertical analytics platforms for unified user insights ▪ Use bundling engines for flexible offerings, dynamic pricing and up-selling ▪ Implement linkages with e-commerce platforms like ONDC to enable audiences to fulfil transactions
Care for a cup of T? Indian audiences are increasingly paying for one-time content, with TVOD revenues growing to over INR13 billion in 2024[9]	Create segmented content offerings which tap into the willingness of users to pay for premium or exclusive content sachets	▪ Develop TVOD platforms with seamless payment gateways and linkages to loyalty programs ▪ Use AI to predict and promote TVOD content likely to convert viewers into paying customers, and price according to previous purchases

Consumer engagement: Captivating audiences, earning loyalty		
M&E sector trends	**Business imperatives**	**Tech imperatives**
Ace the attention wars in a saturated market Average screen time per user has risen to 6+ hours/ day[10], but fragmentation across apps and screens hurts retention	Build deep consumer loyalty through interactions that keep users hooked and churn rates low	▪ Integrate gamification frameworks (leaderboards, challenges, rewards) ▪ Enhance AR and VR experiences to stand out from competitors ▪ Implement predictive churn models and next-best offers
Personalize in real-time More and more, of digital consumers expect content and ad recommendations tailored to their preferences	Deliver personalized content journeys to increase user satisfaction and increase platform stickiness	▪ Use real-time recommendation engines for personalized curation ▪ Deploy customer data platforms (CDPs) to segment and target users more effectively ▪ Custom create titles, images and trailers based on past consumption trends

Turning challenges into opportunities

The Indian M&E sector in 2024 was at a critical juncture where the interplay of content, technology, and consumer demand defined success, and digital media became the largest segment. Companies that integrate scalable tech solutions, foster hyperlocal engagement, and implement innovative reach and monetization strategies will not only navigate this complex landscape but also set benchmarks for future growth. The key to thriving lies in being proactive, tech-savvy, and consumer-first.

[9] EY estimates
[10] EY estimates

Putting the AI in medIA

Top 10 M&E AI use cases for 2025

In 2024, generative AI (GenAI) tools created an impact in the Indian M&E sector, driving innovation across content creation, post-production, and distribution. But the best is yet to come, as these tools increase their adoption in 2025 and 2026.

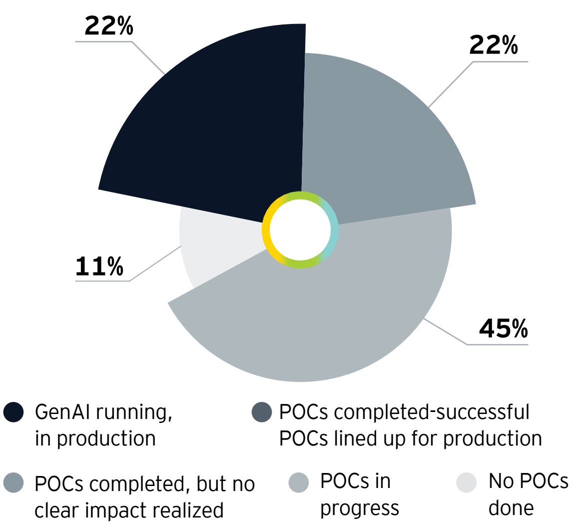
Some of the top AI use cases that we believe will have a significant impact in 2025, are detailed in this section. They are in no particular order, and specific tools mentioned are for illustrative purposes only.

Automated scriptwriting and storyboarding

- AI tools streamline storytelling by generating scripts, identifying plot gaps, and creating storyboards
- Tools like Soros introduced advanced natural language processing (NLP) capabilities to create scripts tailored to audience demographics
- By 2026, automated scriptwriting will be a cornerstone for Indian cinema, enabling smaller production houses to scale quickly and craft stories that resonate with diverse cultural nuances. This can be adapted by regional film production, ad agencies, OTT series, and has the potential to reduce pre-production costs by 20% to 30%, significantly enhance productivity, and streamline content workflows

What has been your experience with GenAI POC engagements?

89% of the respondents have initiated POCs; with 22% running in production



No response for 'POCs completed - successful POCs lined up for production'

EY India M&E C-suite GenAI Survey 2024

VFX automation

- AI-powered VFX tools significantly reduce production timelines by automating complex tasks like motion tracking and CGI rendering
- Tools such as Runway Gen-2 improved GenAI for dynamic visual effects and real-time adjustments
- Such technology, which has applications in film post-production, gaming, and advertisements, could cut VFX production costs by up to 40%, while increasing efficiency and enabling faster project deliveries
- VFX automation will drive India's animation and gaming industries, allowing creators to deliver world-class quality on tighter budgets, making India a global hub for outsourced VFX

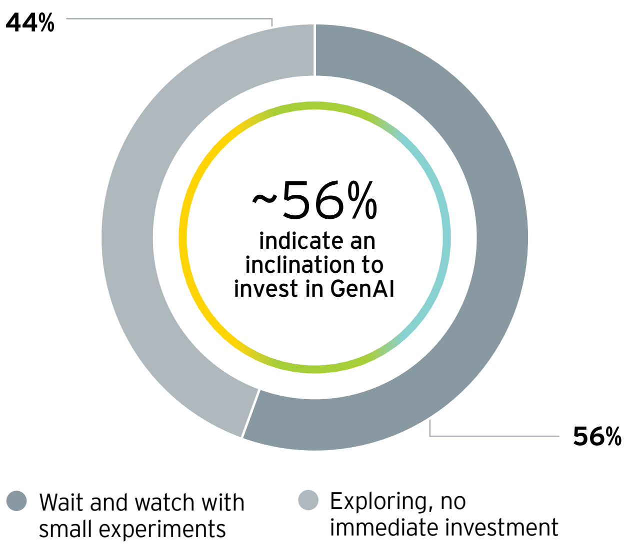
AI-assisted localization and dubbing

- Multilingual content production was enhanced with AI-powered voice cloning and automatic lip-syncing
- The Indian OTT sector will heavily rely on AI-assisted localization to penetrate Tier-II and Tier-III cities, unlocking vast untapped audiences through culturally authentic, regionalized content
- Tools like Rephrase.ai (an Indian start-up now acquired by Adobe) specialize in localized dubbing with real-time voice adaptation, while tools like VisualDub by Neural Garage assist with lip-synch to increase authenticity of dubbed versions
- In India this can be adapted by OTT platforms, cinema localization, educational videos, advertisements and short video platforms with the potential to reduce localization costs by 25% to 35%, enabling faster and more accurate localization efforts

Personalized content recommendations

- OTT platforms utilize GenAI for hyper-personalized recommendations, increasing viewer retention and satisfaction
- Tools like Gracenote AI optimize metadata-driven personalized recommendations for OTT and broadcast platforms, apart from in-house technology used by platforms like Spotify, Prime Video, and Google
- New aggregator platforms like DorPlay will be creating personalized recommendations using a consumer's content choices across different OTT platforms
- This technology can be further harnessed by not just OTT platforms, but also music apps, news platforms, gaming aggregators, short video platforms and other D2C platforms which use content. This could boost subscription revenues by 20% to 30% and improve user engagement metrics significantly

What is your organization's overall inclination to invest in GenAI?



EY India M&E C-suite GenAI Survey 2024

Dynamic content editing and enhancement

- AI tools such as Firefly now enable creators to edit videos, enhance colors, and replace backgrounds seamlessly
- We observe that dynamic editing will empower Indian content creators to compete globally by reducing post-production time, ensuring rapid delivery of high-quality digital and cinematic content
- YouTube channels, independent filmmakers, digital advertisements, etc., can readily take advantage of this technology, which has the potential to lower editing costs by up to 40% and significantly improve time-to-market for digital content

AI-driven music composition

- Tools such as Aiva focus on composing royalty-free, personalized music for films and advertisements, as well as audio effects, reducing dependency on traditional composers
- AI-driven music will democratize audio production in India, enabling independent creators and small businesses to craft professional-grade soundscapes at a fraction of the cost
- Film scores, background music across media, ad jingles and gaming soundtracks will experience an immediate benefit by adapting to such capabilities, which has the potential to reduce music production costs and timelines by 40%, enhancing productivity and enabling more frequent and customized output

Live and real-time personalization

- Real-time personalization will be critical for India's live sports and event streaming sector, ensuring seamless experiences even in regions with inconsistent internet connectivity
- AI adjusts live streaming content quality dynamically based on viewer devices and internet speeds, and is most useful across for sports streaming, live news events, virtual conferences and online concerts
- This technology could enhance ad revenue and pay-per-view subscriptions by 15% to 20%, improving monetization opportunities
- Platforms like Conviva provided real-time data analytics for adaptive streaming

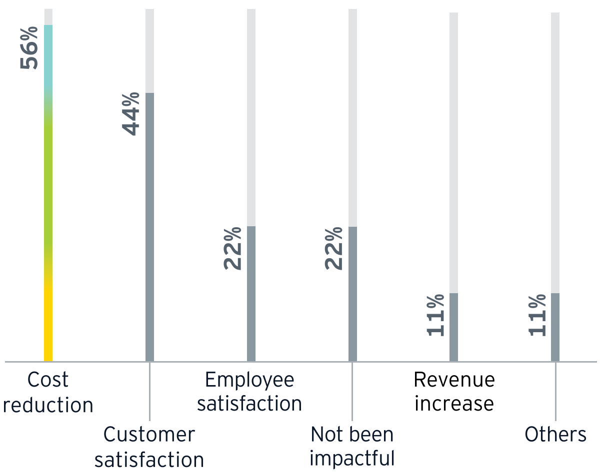
AI-powered advertisement targeting

- Enhanced ad-targeting will unlock significant ROI for India's advertisers, enabling tailored messaging that resonates with specific audience segments across urban and rural markets
- AI can optimize ad placements by analyzing user preferences and content consumption patterns, and has the potential to improve campaign ROI by 25%
- Tools like Kargo AI offer ad-targeting solutions for mobile and OTT platforms
- Some of the early adapters could be platforms which have large user base (media or otherwise), mobile advertising service providers, e-commerce platforms, etc.

Where has AI been impactful?

(Mark all that apply)

AI has been instrumental in reducing costs and driving customer satisfaction



EY India M&E C-suite GenAI Survey 2024

Synthetic media for marketing campaigns

- Synthetic media will redefine marketing for India's burgeoning e-commerce and entertainment sectors, enabling high-quality, scalable campaigns that appeal to tech-savvy consumers
- GenAI creates lifelike synthetic media, such as e-commerce ads, product demos, and social media campaigns
- Using GenAI tools (one such is DeepMotion) could lower production costs by 40% to 50%, enhance scalability, and improve campaign deployment times

Ethical and inclusive content creation

- AI models were trained to reduce biases and create culturally sensitive content. Ensuring ethical and inclusive content will be imperative for India's diverse and pluralistic society, helping platforms maintain credibility and avoid controversies
- This is applicable for content distributed through OTT, educational materials, public awareness campaigns, advertisements, etc.
- Building trust with diverse audiences could lead to a 10% to 15% growth in long-term user retention and platform loyalty
- Tools such as OpenAI's GPT-4 Multimodal supported inclusive script and dialogue generation with cultural adaptability

While challenges like workforce adaptation and ethical concerns remain, 2025 is poised to witness AI's exponential growth in creative industries, with India taking a central role in leveraging this technology for mass appeal and global competitiveness.

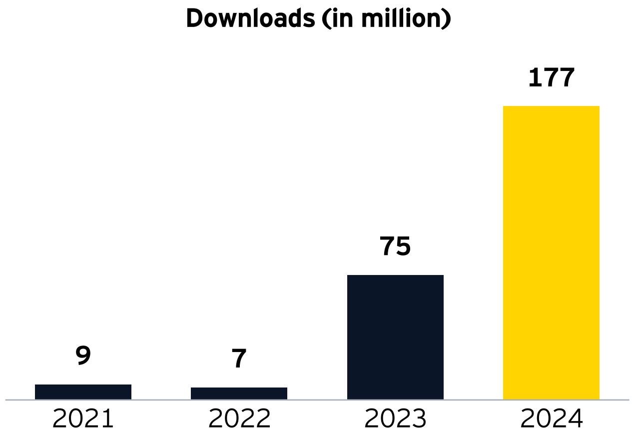
...and AI for process efficiency

Apart from the above use cases, AI is also being used to enhance the following operating processes:

- Contracts and rights management - capturing rights, updating them and identifying opportunities for monetization, as well as tracking usage of IP on streaming platforms
- Automated scheduling of content to maximise reach and consumption, based on historical trends and future events
- Cue-sheet automation
- Advertiser news and share of wallet summaries for sales teams
- Contract creation
- Research optimization, including insights based on big data
- Media planning, including media mix modeling

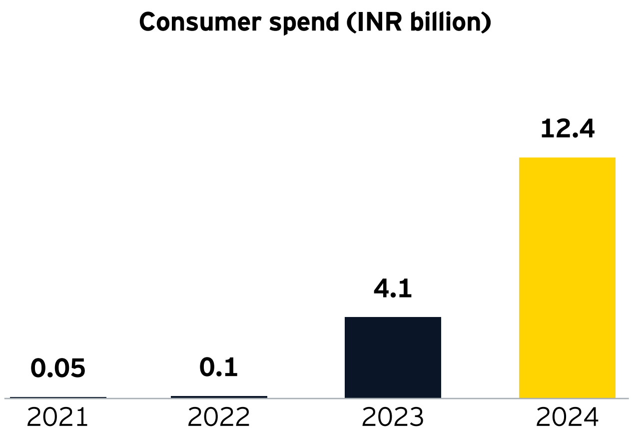
AI also made strong advances in the D2C space in 2024

I. AI downloads by Indians grew by 135% in 2024 Y-o-Y



Sensor Tower, State of Mobile 2025

II. Consumer spend on AI by Indians grew by almost 200% in 2024 Y-o-Y



Sensor Tower, State of Mobile 2025

Responsible AI

GenAI promises efficiency, but it also brings risks that must be managed. Adopting Responsible AI principles is key to navigating these challenges, ensuring ethical use, addressing biases and protecting privacy. M&E companies must work with various stakeholders to leverage GenAI's potential responsibly, ensuring that innovation is balanced with ethical considerations to maintain brand trust and drive industry growth.

Issues in using GenAI are increasing

Companies using GenAI in production report benefits such as higher conversion rates, increased revenue, better lead generation and customer acquisition, and the development of new products and services. According to an EY study, GenAI is set to revolutionize the M&E value chain, from content creation to management and audience engagement, with the most common applications being in content development (92%), product design (69%), and customer interaction (65%)[1] .

However, alongside the innovative potential, the deployment of AI has exposed significant security vulnerabilities and potential for misuse. Examining specific cases highlights the risks inherent in these technologies:

- Samsung data leak via ChatGPT[2]
  - In May 2023, several Samsung employees unintentionally exposed confidential information by using ChatGPT to review internal documents and code
  - Samsung implemented a company-wide ban on the use of generative AI tools to prevent further security breaches
- Amazon data utilized for AI training[3]
  - In January 2023, Amazon issued a warning to its employees about sharing sensitive company information with ChatGPT after discovering that some of the model's responses appeared to resemble confidential data, likely included in its training set
  - Research by Walter Haydock estimated the financial impact of this incident at over US$1 million
- Chevrolet AI Chatbot sells car for US$1[4]
  - In December 2023, a Chevrolet dealership's AI chatbot was tricked into offering a US$76,000 Tahoe for only US$1
  - The user successfully manipulated the chatbot by using specific prompts to exploit its responses
- Air Canada refund incident[5]
  - In February 2024, a customer exploited Air Canada's AI chatbot to receive a larger refund than they were entitled to
  - The chatbot misinterpreted the request, resulting in an erroneous overpayment

[1]The AIdea of India report by EY
[2]https://www.bloomberg.com/news/articles/2023-05-02/samsung-bans-chatgpt-and-other-generative-ai-use-by-staff-after-leak
[3]https://www.businessinsider.com/amazon-chatgpt-openai-warns-employees-not-share-confidential-information-microsoft-2023-1
[4]https://www.upworthy.com/prankster-tricks-a-gm-dealership-chatbot-to-sell-him-a-76000-chevy-tahoe-for-1-rp2
[5]https://www.washingtonpost.com/travel/2024/02/18/air-canada-airline-chatbot-ruling/

Aspects the M&E sector must consider when using GenAI

While these examples highlight vulnerabilities across AI systems in various industries, a closer examination reveals distinct risk patterns that are particularly relevant to the M&E sector.

Risk type	Use cases	Impact
Intellectual property risk	Generative AI, particularly large language models used in scriptwriting and content creation, are trained on extensive datasets that often include publicly available information	Production of content that infringes on existing copyrights or trademarks *For example - An AI-generated movie script or song might unintentionally replicate characters, plot elements or lyrics from protected works, which could result in legal disputes, substantial fines, and harm to the brand's reputation*
Bias and ethical concerns	Generative AI models used in industries such as film, television and gaming	Perpetuate biases that stem from their training data as these models are often trained on publicly available datasets that may not be representative of all races, cultures and genders, the output they generate could be biased *For example - AI-assisted casting or scriptwriting might inadvertently reinforce negative stereotypes, leading to public backlash and raising ethical issues*
Security risk	AI systems are trained on vast datasets that could include sensitive or private information, such as social media content or confidential production materials	Content produced by these AI systems might inadvertently disclose personal or sensitive details *For example - Leaks of plot points, scripts, or private information about celebrities. Such breaches could severely tarnish the reputation of production companies or streaming services*
Operational risk	Incorporating generative AI into creative workflows, such as video editing, animation or music production, can introduce unintended modifications	AI systems often operate as "black boxes," making it difficult to anticipate their outputs *For example - A film or song might undergo unintended modifications, affecting its tone or pacing and deviating from the original vision of the director or producer. Such discrepancies could lead to delays, additional expenses, or a final product that does not meet the expected quality standards*

Tenets of Responsible AI

To address the risks linked with GenAI systems, it is essential to follow responsible deployment and management practices in line with the guidelines provided by authoritative bodies such as the National Institute of Standards and Technology (NIST), the International Organization for Standardization (ISO), and the Organization for Economic Cooperation and Development (OECD). These principles typically include:

- **Transparency:** Ensure that the workings and decision-making processes of AI systems are understandable and explainable to users and stakeholders
- **Accountability:** Establish clear responsibilities for AI system outcomes, including mechanisms for auditing and reporting
- **Privacy and security:** Protect personal and sensitive data used in AI systems, and implement robust security measures to prevent unauthorized access and data breaches
- **Fairness and non-discrimination:** Strive to eliminate biases in AI systems by using diverse and representative datasets, and regularly testing for and correcting biased outcomes
- **Reliability and safety:** Design AI systems to perform reliably under various conditions and have safety measures in place to prevent harm in case of malfunctions
- **Ethical considerations:** Align AI system development and deployment with ethical standards, ensuring respect for human rights and values
- **Innovation and openness:** Encourage innovation in AI while promoting an open exchange of knowledge and methodologies to advance the field responsibly

By adhering to these principles, organizations can mitigate the potential risks associated with GenAI and ensure that these systems are used in a manner that is beneficial and ethical.

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Lights, camera, revolution!

25 years of tracking the M&E sector

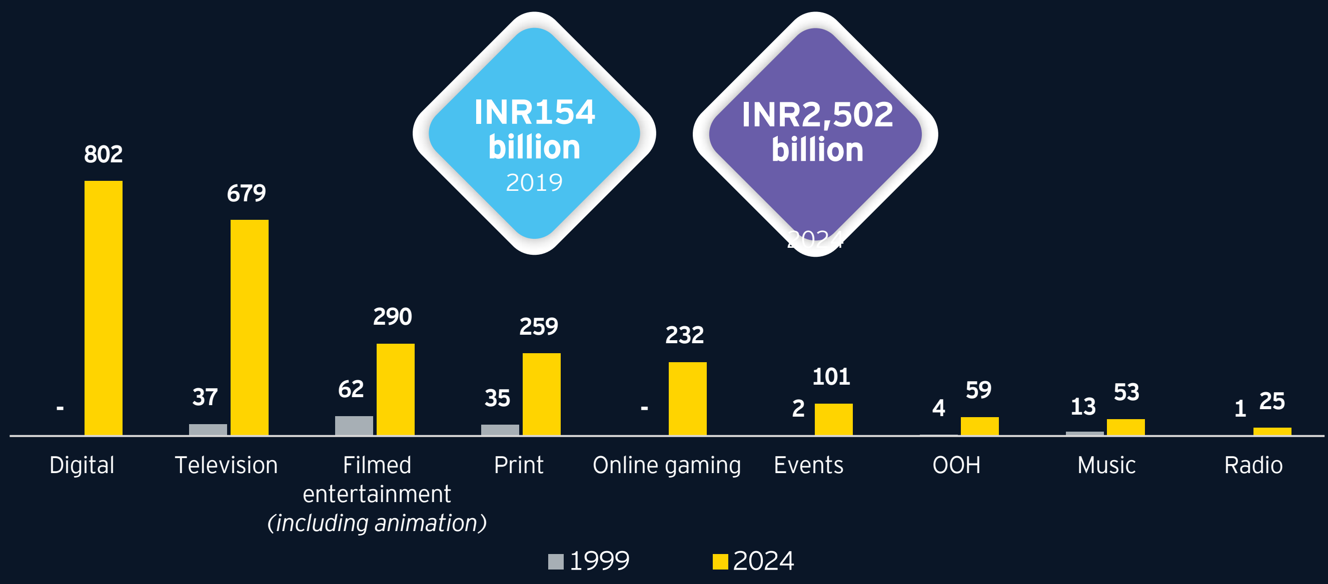
Cover image of the first FICCI M&E sector report created by Arthur Andersen in 2000

Twenty-five years ago, entertainment meant tuning in to scheduled TV shows, flipping through newspapers for the latest updates, and catching a film at a single-screen theater. The internet was a luxury, digital advertising was unheard of, and print ruled the media landscape, commanding over half of total ad revenues. It was around this time that FICCI and Arthur Andersen (now EY) released the first M&E report in 2000, capturing an industry on the cusp of change.

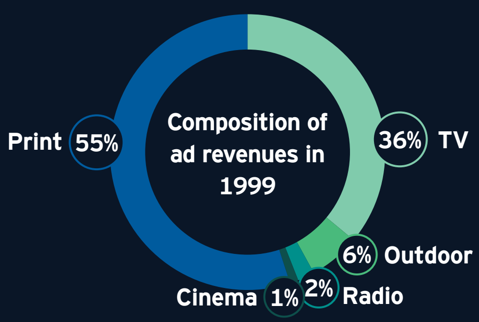
Fast forward to today, and the sector has expanded over 16 times, with digital media alone surpassing INR800 billion. Streaming platforms, AI-driven content, and immersive experiences have reshaped how India creates and consumes entertainment. Online gaming, once non-existent, is now a multi-billion-rupee industry, and events have evolved from small gatherings to large-scale spectacles. From a print-heavy past to a digital-first present, the sector's evolution has been nothing short of extraordinary—setting the stage for an even more dynamic future.

The M&E sector has grown 16 times in 25 years at a CAGR of 12%

M&E sector revenues (INR billion): Then and now



Advertising was dominated by the print segment



1.5 million
Internet connections in India

INR60 billion
Total ad revenue

India had many more theaters back in 1999

800
Films released in India

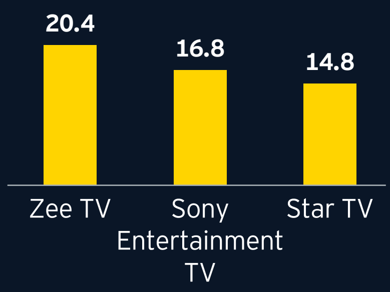
INR62 billion
Film segment revenues

412
Films exported

12,900
Cinemas in 1999

Television was mainly free and terrestrial

Reach of top private channels
(million)



24 million
Cable TV households

INR17 billion
TV content production

INR22 billion
TV ad revenue

68 million
Terrestrial (DD) households

Radio had a higher reach than TV

95 million
Estimated radio households in India

99 million
Estimated radio receivers in India

INR1.2 billion
Radio segment revenues

Music was all physical

INR13 billion
Music segment revenues

INR9 billion
210 million cassettes

INR4 billion
13 million compact disks

Live events were nascent and driven by sponsorship

INR2 billion
Live event segment revenues

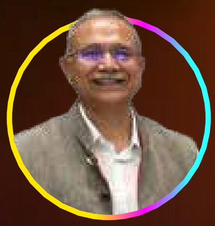
70
Indian music events sponsored by Coca Cola in 1998

Data has been sourced from the FICCI-Arthur Andersen M&E sector report 2000, and the FICCI-EY M&E sector report 2025

25 years...

India's M&E sector stands at the crossroads of transformation, where technology, creativity and consumer behavior are reshaping the landscape at an unprecedented pace. At the heart of this evolution are visionaries who have shaped the industry and continue to steer it towards a future of innovation, inclusivity and global influence. **As FICCI Frames celebrates 25 years of championing India's M&E sector, we bring together the voices of some of its most iconic leaders**–pioneers who have built institutions, revolutionized content, and expanded India's cultural footprint across the world.

“Media's role is that of mediator — between those whose voices are feeble, and those whose actions can change lives. Just as Warren Buffett and Bill Gates as Financial Saints freed financial spirits, India's M&E industry must rise as an Information Saint, empowering drowned-out voices. And this means not only marginalized humans, but all sentient beings — spirits of animals who are doubly enfeebled: one, through human action; two, by speciesism, the belief that humans are superior to other species. By aligning growth with purpose, the industry will thrive and fulfill its true calling: to enlighten, uplift and inspire.”



Samir Jain
BCCL

“The media sector is undergoing rapid transformation aided by technology and evolving consumer behavioral patterns. Content is getting democratized, and the lines will get blurred between professional and user-generated content, and the same goes for traditional and new advertising platforms. Media companies are also competing with platforms outside the sector (e.g., telecom, e-commerce). The industry, therefore, needs to rethink its business approach, move beyond the conventional way (TV and OTT), and engage the consumers through omnichannel experiences, cross platform storytelling and personalization. As technology leverages AI and AR/ VR, hybrid models will evolve, blending traditional and digital media. Media also significantly shapes and reflects a country's culture, acting as an influencer itself, helps mold social behaviors, amplifies cultural traditions and identity. Therefore, the Indian companies will not only influence other companies but will also experience a profound transformation through innovation, blending creativity with technology, giving rise to new business models like social commerce, connected services, etc.”

Dr. Subhash Chandra
Essel Group

“It has been my dream that India emerges as the world's foremost Media & Entertainment hub. I have, accordingly, over the last 35 years, pioneered leading “Made in India” media entities from ground up across all platforms — new age Newspapers, FM radio, TV broadcasting, digital and audio-visual products — which have almost all been market leaders. These have proudly used Indian resources, including our unparalleled human talent, and have almost never relied on foreign investment or technology. However, in order to survive as an industry, we must recognize that the biggest challenge is not from each other, but from global Big Tech. Herein, our government must urgently help improve the very challenging financial situation that the media industry is in. It must also ensure that industry-friendly measures are adopted — even as policies that focus on mere government revenue maximization and heavy-handed regulation of content are done away with. This is the only way PM Modi's vision of a vibrant and strong Indian media industry can be realized, and our great nation's creative and soft power can expand across the globe.”

Vineet Jain
The Times Group

The next decade will be defined by content that connects deeply with audiences across boundaries—stories rooted in local culture yet resonating on a global scale. As the world becomes increasingly interconnected, narratives will bridge cultural gaps, offering diverse perspectives while staying true to their origins. The evolution of technology, particularly AI, AR and VR, will make storytelling more immersive, enhancing the way we experience stories. However, the essence of storytelling will remain unchanged: strong characters and compelling narratives. These elements will continue to capture the hearts of viewers, who will crave authenticity and emotional depth. Audiences will be drawn to stories that reflect the complexities of the modern world, exploring themes that challenge societal norms and push boundaries. The demand for diverse voices will be stronger than ever, as people seek narratives that mirror the varied experiences of individuals in a rapidly evolving global landscape. At the heart of it all, storytelling will continue to serve as a powerful tool for connection, empathy and understanding, transcending geographic and cultural barriers to bring people closer together.

Ektaa R Kapoor
Balaji Telefilms

Any observer of the Indian industry would easily believe that India's Media & Entertainment sector in the last two to three decades has been the most dynamic and progressive. India's M&E sector has played a significant role in changing the thinking of India's masses, making them more progressive and modern in their thinking, making them more upwardly mobile and creating in them a desire for a higher standard of living and achieving that through reaching higher education levels, gaining technical skills and working hard. It was a sponsored program that started the movement in the early 80s and has continued till date with the arrival of CTV. To keep the M&E juggernaut moving forward with the same speed, what is required is a single measurement platform system across all types of videos, which can be put together and funded only by advertiser who, in my view, can gain substantially from ROI by investments in videos. The sooner, the better.

Sam Balsara
Madison

Indian music market has no parallel.

India, with its rich diversity of cultures, languages and histories, is a vibrant mosaic of diversity. Music has long been a universal language that brings people together across geographical, linguistic and cultural boundaries, uniting people across the country. From devotional hymns to patriotic anthems, classical compositions to contemporary hits, music has the power to evoke emotions, spark memories and bring people together.

The digital revolution has further amplified music's impact, enabling artists to create, curate and share their work with a global audience. As technology continues to evolve, the future of music will be shaped by the intersection of artistry and innovation. With advancements in AI, sound design and content distribution, the possibilities for music creation, collaboration and consumption will be limitless. The future will be driven by the relationship between technology and artists and the potential for the growth of Indian music will be unparalleled.

As India's music scene continues to flourish, it is poised to play a significant role on the global stage. With its unique blend of traditional and contemporary styles, Indian music will resonate with audiences worldwide, solidifying India's position as a leader in the global music industry.

Bhushan Kumar
T-series

As we celebrate 25 years of FRAMES, it is invigorating to reflect on the remarkable journey of India's Media & Entertainment sector—a dynamic industry that mirrors the aspirations, creativity and resilience of our nation. Cinema, for me, is more than a medium; it is a bridge that connects people, transcends boundaries, and brings India's cultural narratives to life on the global stage. The future of this sector hinges on embracing innovation while preserving the authenticity of our storytelling. As stakeholders, we must champion investments in cutting-edge technologies like AI and immersive formats, expand opportunities for homegrown talent, and enhance the accessibility of quality content across diverse geographies and demographics. By fostering collaboration between creators, technologists and policymakers, we can build an ecosystem that not only entertains but educates and inspires. Together, we have the power to position India as a global leader in creativity, shaping stories that resonate universally and stand the test of time.

Ajay Bijli
PVR INOX

India's Media & Entertainment industry is positioned for transformative growth over the next 25 years. As a news organization, we must uphold the highest ethics in news journalism, stay true to our values and serve our readers with integrity. Credibility is the North Star of our industry, and safeguarding it is the only way to ensure trust.

India's newspapers have had an impact on readers for decades, and I am confident they will continue to do so for many more while adapting to the changing environment and needs of readers. While the media landscape is changing to include digital platforms, print will remain a powerful and credible medium, especially in Bharat's Tier 2 and 3 cities, where trust in traditional formats runs deep.

A lot of jargon has been used to define the news industry, but from a reader's perspective, two elements matter most — credibility and timely reporting. The core principles of journalism must remain uncompromised.

Girish Agarwal
DB Corp

As FICCI Frames celebrates its remarkable 25-year journey in 2025, we must also look toward the next 25 years with ambition and purpose. Over the decades, FICCI Frames has been a vital platform, connecting creators, thinkers and policymakers to build the future of Indian entertainment. The challenges and opportunities ahead demand that we continue fostering innovation, collaboration and inclusivity.

The regional and national entertainment markets are evolving at an extraordinary pace. Regional content has proven its global appeal, with stories that are deeply rooted in local cultures resonating far and wide. At the same time, audiences are consuming content in diverse ways-from big screens to mobile phones, across platforms that did not exist a decade ago. This shift requires us to think beyond boundaries and formats, ensuring that we meet the audience where they are. We are now celebrated globally for our mass stories. Films like RRR, Baahubali, and the recent success of Pushpa highlight the hunger for stories told in an Indian way. This global recognition is a testament to the power of authentic storytelling rooted in culture.

The future lies in combining strong storytelling with cutting-edge technology to create immersive experiences that can captivate audiences globally.

We have learned that staying ahead of the curve is about understanding our audience and putting their needs at the center of our work. As we expand our horizons, our goal is to take these learnings to a pan India and global audience. We are also committed to fostering the next generation of creators by investing in digital platforms and nurturing talent to produce compelling content that reflects the voice of modern India.

The next chapter of Indian entertainment will be written by those who dare to innovate and collaborate. With the right partnerships and a bold vision, we believe Indian media can set the narrative for the world stage and create a legacy that will endure for generations to come.

Mahendra Soni
Shree Venkatesh Films

"The rise of OTT platforms has transformed Indian cinema by changing audience consumption patterns, disrupting traditional revenue models, and impacting theatrical footfalls. While big-budget, star-driven films still dominate theaters, mid-budget films often prefer direct-to-OTT releases. To keep theaters successful, cinemas need to offer better experiences, set ticket prices wisely, and use a mix of theater and online releases. The future of cinema will focus on better stories, new technology, and reaching global audiences while growing alongside OTT platforms."

Daggubati Suresh Babu
Ramanaidu Studios and
Suresh Productions

2

Segmental trends

Digital media

Key trends of 2024

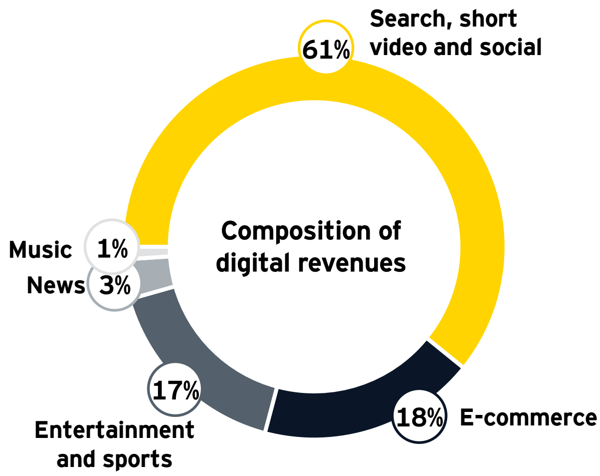
Digital media grew 17% in 2024

	2021	2022	2023	2024
Advertising	383	499	597	700
Subscription	56	72	89	102
Total	**439**	**571**	**686**	**802**

INR billion (gross of taxes), including SME ad spends | EY estimates

- Digital media grew 17% in 2024 and was the fastest growing segment of the Indian M&E sector
- For the first time in 2024, the digital media segment became the largest segment of the Indian M&E sector at INR802 billion, overtaking television
- Digital media now accounts for 32% of the Indian M&E sector and India has, in effect, reached its digital inflection point
- Subscription accounted for just 13% of total revenues, due to the large advertising models in play in India, led by Google and Meta, as well as the growing advertising revenues earned by e-commerce platforms

E-commerce and social media dominated monetization



EY estimates | Includes advertising and subscription revenues

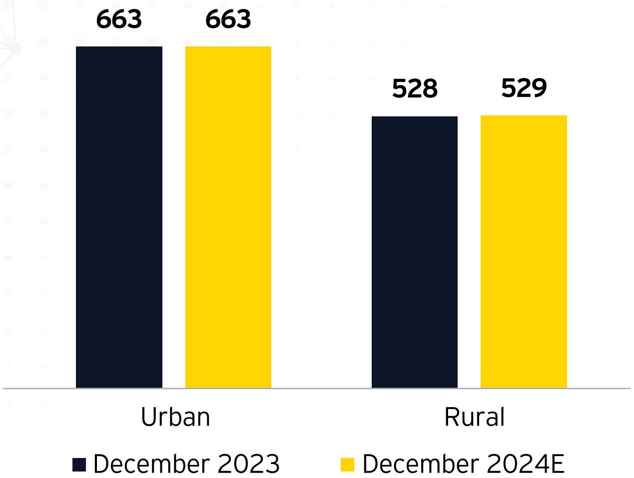
- Search and social media aggregated INR488 billion, or 61% of total digital media revenues (including YouTube premium subscriptions)
- Ad revenues earned by e-commerce platforms (which are usually carved out from sales and channel promotion budgets, rather than media budgets) grew significantly to 18% of total digital media segment revenues, overtaking revenues earned by sports and entertainment platforms in 2024
- Other entertainment and sports platforms were a distant third, garnering 17% of total revenues, led by brands such Disney+ Hotstar, Jio Cinema, Prime Video, Sony LiV and Netflix
- Online news and music remained sub-scale at an aggregate of 4% of total digital media revenues, with online news still searching for a profitable and scalable business model

Digital infrastructure

Over a billion telecom subscriptions

I. Telecom subscriptions remained stable at 1.2 billion

Telecom subscriptions *(in millions)*

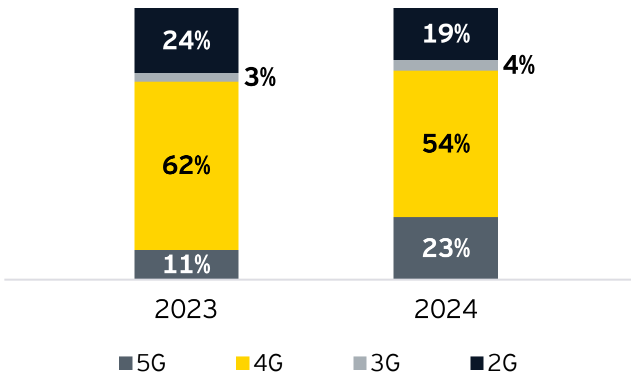


TRAI | EY estimates

- There was a minor 0.2% growth in telecom subscriptions in December 2024 against 1.19 billion telecom subscriptions in December 2023
- Urban subscriptions comprised 56% while rural subscriptions were 44%
- The tele-density in India is now at 85% and remains heavily skewed to 132% in urban areas and just 58% in rural areas
- The next wave of content consumption growth can therefore be expected to come from rural Bharat as against urban India

II. 5G subscriptions more than doubled in 2024

Subscriptions by type of network



Ericsson Mobility Report, November 2023 and 2024

- 5G subscriptions are expected to reach 270 million in 2024, fueled by fast-growing network availability, affordable service plans and availability of 5G smartphones across price points
- 23% of telecom subscriptions had migrated to 5G, which is more than double their 2023 share of 11%
- 4G and 5G subscriptions are estimated to grow to 92% of all mobile subscriptions by 2030, which will grow the base of content consumers

III. 40% of internet subscribers are from rural markets

Internet subscriptions (in million)	Dec 2022	Dec 2023	Dec 2024E
Narrowband (a)	34	32	26
Broadband (b)	832	905	945
Urban (a)	516	548	568
Rural (b)	350	388	403
Total (a+b)	**866**	**936**	**971**

TRAI | EY estimates

- 97% of those accessing the internet used broadband, of which 5% used wired broadband and the rest used wireless services
- Narrowband subscriptions declined by 18%, while broadband usage increased by 4% between December 2023 and December 2024
- Urban internet subscriptions comprised 58% of all internet subscriptions
- Rural subscriptions grew by 4% between December 2023 and December 2024; rural subscriptions now being more than two-thirds of urban subscriptions, pointing to a need to create content for both these markets

IV. Broadband subscriptions reached 945 million

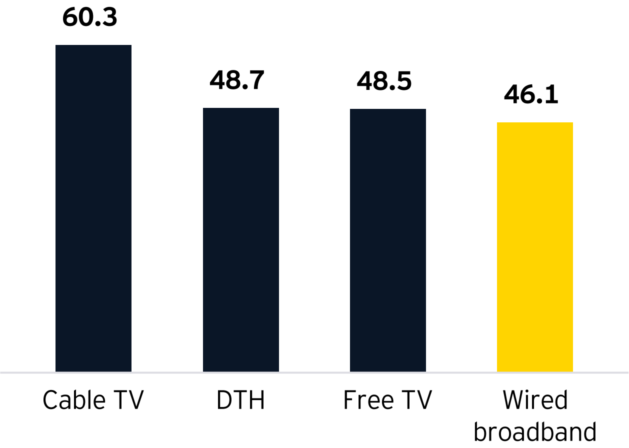
Internet subscriptions (in million)	Dec 2022	Dec 2023	Dec 2024E
Wired broadband	32	38	46
Wireless broadband	800	866	899
Total broadband	**832**	**905**	**945**

TRAI | EY estimates

- With over 945 million broadband subscriptions, India has the second largest broadband subscriber base in the world, after China
- According to data published by Ookla in December 2024, India ranked 23rd in the world for mobile speeds and 93rd for fixed broadband speeds, with the median mobile internet connection speed via cellular networks at 103.75 Mbps and the median fixed broadband connection speed being 62.62 Mbps

V. In effect, there are now four important distribution methods

TV and broadband connections
(Dec 2024)



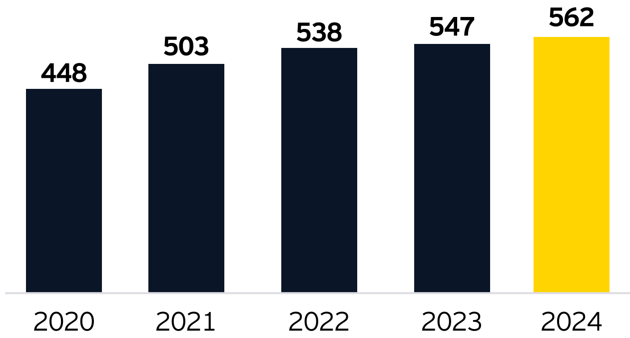
EY estimates using TRAI data, industry discussions, subscriber reports, etc. | Millions of connections

- At 46 million wired broadband homes, the scope for large-screen viewership using broadband is close to that of DTH, cable and Free TV[1]
- In effect, there now are four large and equally important methods of content distribution to large screens in India

Smart device growth continued

I. Smartphone users reached 562 million in 2024

Smartphones in India
(in million)

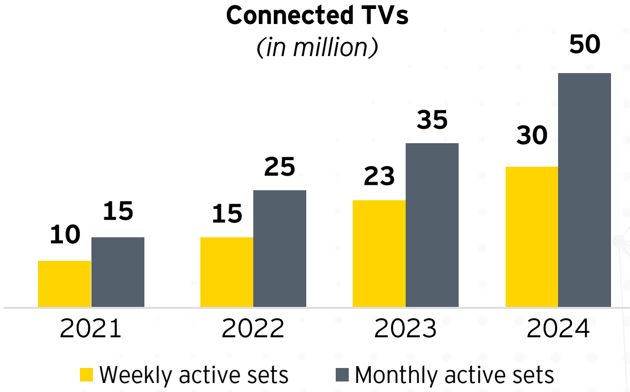


EY estimates

- At 562 million, 39% of India's population uses smartphones
- In addition, India still has approximately 230 million feature phones in use[2], which provide a large opportunity for growth in the years ahead

II. Connected TVs crossed the 50 million household mark[3]

Connected TVs
(in million)



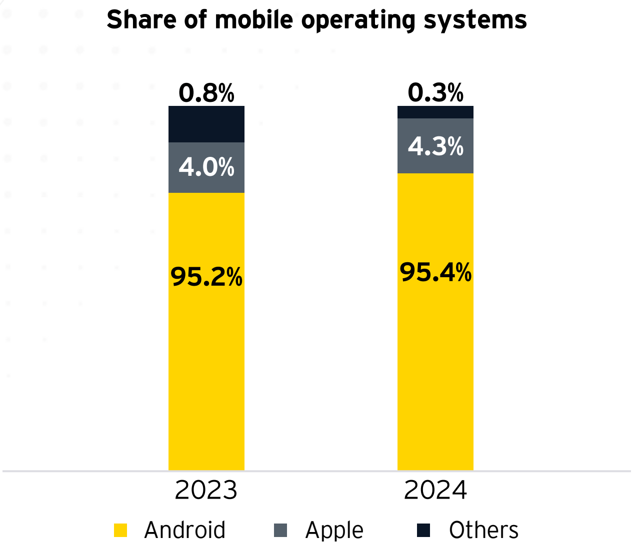
EY estimates

- CTV reached 50 million monthly active sets by the end of 2024
- With over 100 million non-smart TVs in the country[4] that will be subsequently upgraded to internet-connected devices, there remains ample room for growth in CTV reach, given that most TV sets sold in India now can connect to the internet, and are available for under INR10,000 on e-commerce platforms

[1] EY estimates using TRAI data, industry discussions, collection reports, etc.
[2] EY estimates
[3] Industry discussion; EY estimates
[4] E4m Report Card

- Growth in wired and 5G wireless broadband connections, tentpole sports events like the ICC Cricket World Cup, IPL and FIFA World Cup, high-quality 4k feeds, and low-cost home broadband packages have helped drive sales of connected TVs
- We estimate that of the monthly CTV base of 50 million sets, around 30 million are actively used on a weekly basis, a 30% growth over 2023

III. Android continued to dominate mobile operating systems[5]



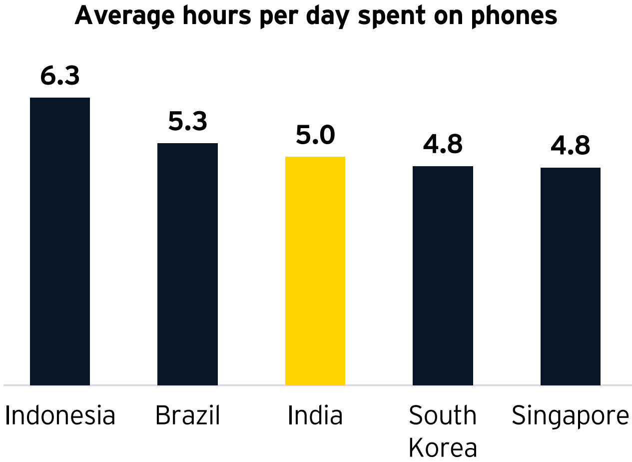
- Android was the dominant mobile platform in India, and its share continued to grow to reach 95.4%
- Apple also continued to grow its share to reach 4.3%, creating an easily identifiable base of affluent consumers
- Growth came on the back of a fall in other operating systems' users

[5]https://gs.statcounter.com/os-market-share/mobile/india/ accessed Feb 2025

Content consumption

Overall consumption trends

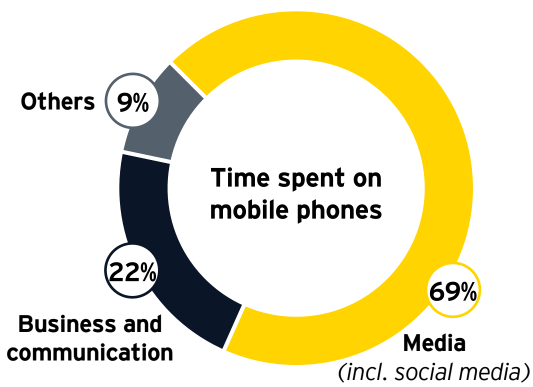
I. Indians spent over a trillion hours on their phones in 2024



Sensor Tower | Top five countries by average time spent | iOS and Android combined

- Indians spent 4.95 hours per day on phone apps in 2024, a 3.1% growth over 2023
- In aggregate, India spent more than 1.1 trillion hours on digital platforms, higher than any other market worldwide, which shows the immense potential for ad funded products and branded content

II. 69% of time spent on phones was on media and entertainment



Sensor Tower

- Time spent on media (including social media, films, entertainment, music and casual games) increased to 779 billion hours (69% of total time spent) in 2024
- The mobile phone has thus become the go-to medium for large, national awareness campaigns as well as more targeted regional and local ones

III. However, India continued to lag on mobile monetization

	India	Indonesia	US	Brazil	Mexico
Hours spent (in billions)	1,127	355	323	230	146
Monetization (US$ billion)	0.9	1.0	52.4	1.6	1.1

Sensor Tower | Monetization gross of app store commissions but excluding non-app store driven revenues

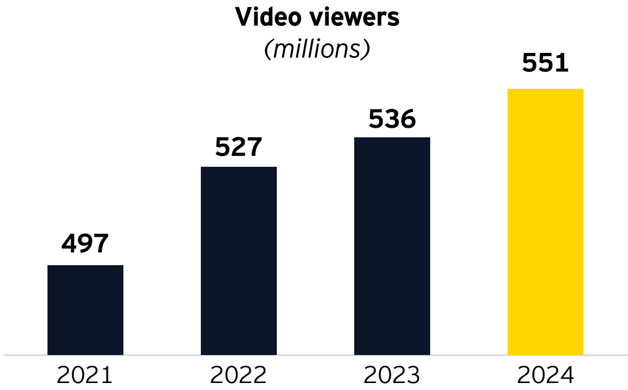
- Despite leading in both downloads and time spent, India lagged on mobile monetization, not featuring in the top 20 markets by revenue
- While the above do not include a large component of online gaming revenues, it demonstrates the relatively small amount of India's over 330 million households willing to pay for content and services online

IV. Time spent on connected TVs increased

- India witnessed a 27% increase in active smart TVs in 2024 with an average of over 40 hours per month of content consumption[6]
- YouTube consumption on connected TVs increased 132% between August 2022 and August 2024 to cross two billion hours[7]
- The rising viewership on connected TVs is reshaping advertising strategies, offering brands a chance to deliver TV-like promotions with greater precision targeting compared to traditional TV

Online video

I. Online video viewers crossed 550 million

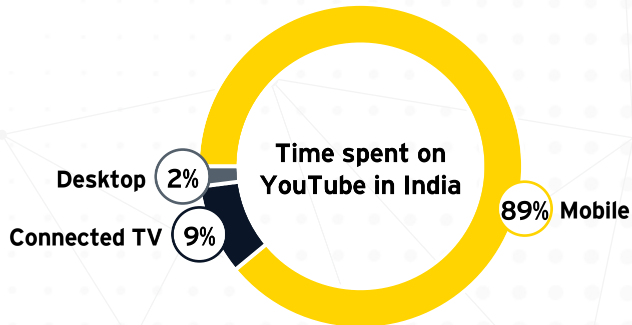


EY estimates

- Video viewers increased 3% (15 million) in 2024 to reach 551 million, which is around 98% of active smartphones
- India has been steadily adding smartphone users every year, and we do not expect this to change in the near future as India's per capita income continues to grow and feature phones continue to get converted to smart phones
- We estimate video viewers will reach approximately 625 million by 2027 as smartphone penetration continues to grow across new and used devices

II. Time spent on online video grew 18% in 2024

- Total time spent on social media and video consumption increased by 18% in 2024[8]
- YouTube dominated the landscape, capturing 92% of all online video consumption, while premium platforms–comprising AVOD, freemium, and SVOD services–accounted for the remaining 8%



Comscore Video Metrix, Jan-Aug 2024, India

- 89% of time spent on YouTube was on mobile devices, while 9% was on connected TV, reflecting the growth in its penetration in 2024

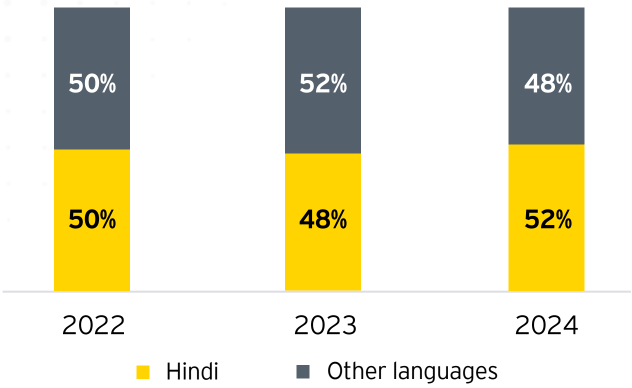
[6]Based on data provided by Samsungads.com
[7]State of Social Media, Comscore 2024
[8]Sensor Tower

III. The TVOD opportunity expanded

- Apart from Google Play and the Apple Store, platforms like Amazon Prime Video enabled TVOD for their large libraries and catalogues, creating a new source of income for content owners and licensors
- Prime Video claimed that 60% of its over 8,500 titles got rented each month
- The TVOD opportunity is expected to grow as CTV penetration increases and SVOD rates grow

IV. Platforms continued to invest in regional language content

Titles produced by language

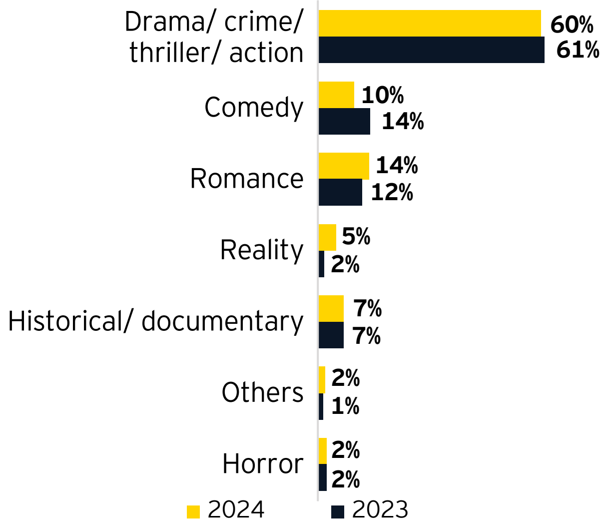


EY's content services team estimates | Excludes imported content

- The focus on regional content continued in 2024, with 48% of total content produced being created in regional languages
- Consumption of content in subtitled or dubbed formats increased according to all platforms heads whom we interviewed, in effect creating a national market for regional content
- National platforms had an eight-language strategy around content to ensure that original content was present across key markets
- As content crosses linguistic boundaries and monetization avenues grow, the investment required to enhance quality of content further can increase

V. The most popular genres were drama and crime

Genre-wise content releases on OTT



EY's content services team estimates | Excludes imported content

- Of the OTT titles we analyzed, 60% were drama and crime, similar to 2023
- Romance and reality content also saw an increase, with the latter employing higher levels of interactivity through polls, quizzes, predictions, etc.

VI. Micro-episodes made a beginning

- Micro dramas are professionally generated content and may have 60 to100 episodes, with a per-episode run-time of 30 to 120 seconds; they do not compete with streamers or TV channels, but provide a crisper, vertical-format oriented storytelling and watching experience
- The micro episodic content (MEC) segment in India is still in its infancy, with only a handful of players experimenting with the format; early movers include Reelies and Vahaflix, both of which are bootstrapped and producing content independently
- Cumulatively, Indian MECs have generated over 5 million downloads on AppStore and Google Playstore, on the back of around 50 series with 10 to 60 episodes each of 90 to 180 seconds across romance, across fiction, drama and sitcom
- Nazara Technologies recently invested US$250K for a 3.57% stake in ReelSaga, valuing the pre-revenue app at US$7M, signaling investor interest in the segment
- India had around 450 million short-form video (SFV) users in 2024, projected to surpass 600 million by 2027, offering a vast addressable audience for micro episodic content platforms
- Over the next three years, at least 20 new or existing apps are expected to enter this space, focusing on both domestic and global audiences, and, given India's diverse linguistic landscape, platforms offering regional language micro-episodic content will have a strong competitive advantage

Online audio

I. There were around 175 million audio streaming users

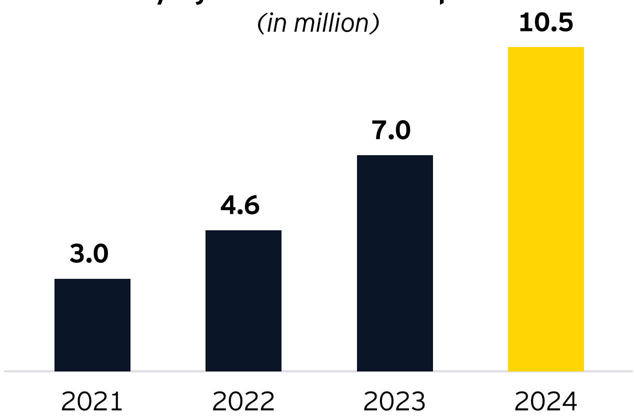
- Around 175 million people streamed music online in 2024 compared to 185 million in 2023[9]
- The fall was due to industry actions, which worked to disincentivize free music consumption by limiting features to free users
- In addition, Resso and Wynk ceased operations, and Gaana and Hungama went entirely pay

II. India heard 13.1 billion music streams every day[10]

- There were approximately 4.8 trillion music streams in 2024, of which 4.6 trillion were free/ ad-supported while 154 billion were paid streams
- Approximately 21% of all streams consumed in 2024 pertained to international songs, while 79% were for domestic songs
- Of the total streams, around 63% were film related and 64% were in Hindi

III. Paying consumers increased

Paying music OTT subscriptions
(in million)



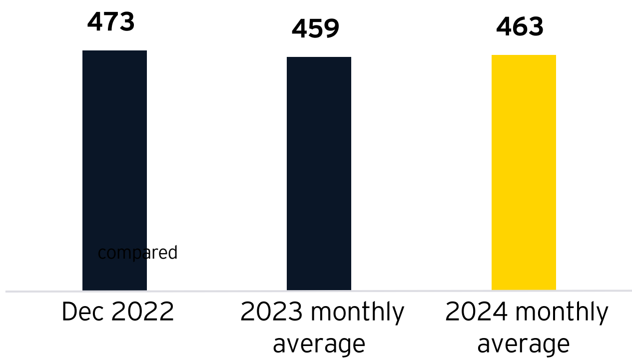
EY estimates

- Paid subscriptions increased from 7 million in 2023 to around 10.5 million in 2024, as certain platforms stopped ad-supported music consumption, while others like Spotify worked to incentivize free consumers to subscribe for a better experience
- On average, there were 12.8 billion paid streams each month in 2024, which equated to over 1,000 streams per paid user per month

Online news

I. Online news audience was 463 million in 2024[11]

Monthly reach of online news in India
(in million)



Comscore

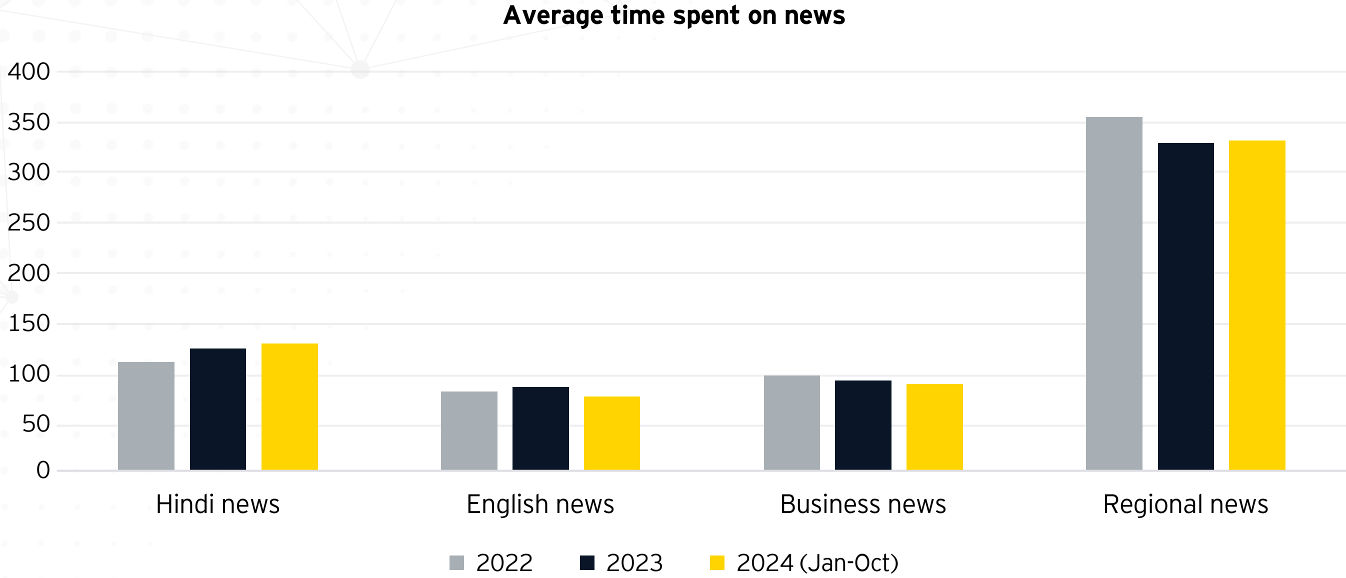
- Online news reached 463 million of India's 1.4 billion population in 2024, which is 32% of India's population[12]
- The reach has reduced compared to earlier years as younger audiences have started consuming news on alternate platforms, mainly social media and communication platforms, which has a direct impact on the reach of news and information platforms

II. News was consumed most on mobile phones[13]

- The mobile was the preferred mode of consuming online news, comprising 90% of total digital reach
- On an average, consumers used more than two platforms to consume online news, and 38% of them consumed news more than once a day
- 49% of respondents surveyed by Reuters Institute relied on social media for their news; the survey indicated that 54% of Indian respondents consumed news from YouTube, 48% from WhatsApp and 35% from Facebook[14]

[9] Comscore; industry discussions
[10] IPRS, based on 9-month data extrapolated from select platforms; language split based on their algorithms and other EY assumptions
[11] Comscore MMX Multi-Platform, Dec 2024, India
[12] EY analysis, Comscore, TRAI
[13] DNPA-EY report "Monetizing online news", February 2024
[14] Over 70% Indians rely on online media for news; majority on social media: Report | India News - Times of India

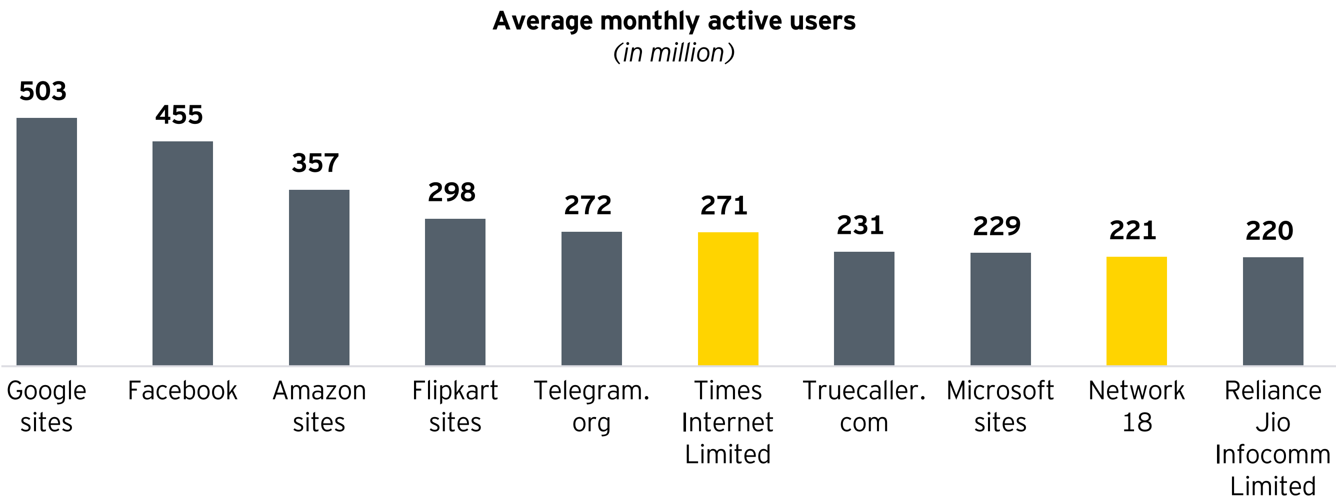
III. Hindi and regional language news consumption increased in 2024



Comscore | Average monthly minutes per visitor across a selection of app and web news portals

- While consumption of Hindi and regional news increased, consumption of English and business news fell slightly in 2024
- Online news has been increasingly providing hyper-local news updates, which physical print can find it difficult to provide, creating a unique product that consumers value and do not always have access to

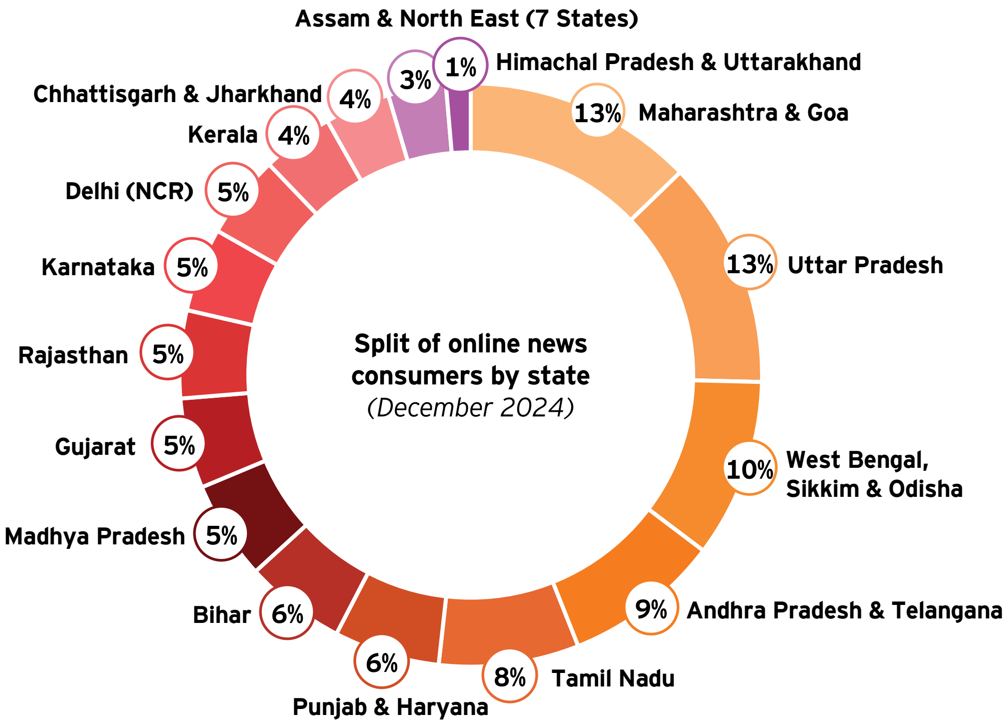
IV. Two traditional news platforms featured in the top 10 sites



Comscore MMX Multi-Platform, Total Digital Population, Oct 2024, India

- Times Internet's digital platforms had the highest MAU among legacy news companies, followed by Network 18
- However, many audiences consumed news on Google, Facebook and Microsoft sites as well as aggregators like DailyHunt and InShorts
- Youth consumed news across various social media platforms, including WhatsApp, and not as much on dedicated news sites, as per several industry discussions we had

V. Maharashtra, Uttar Pradesh and the east had the highest online news audiences

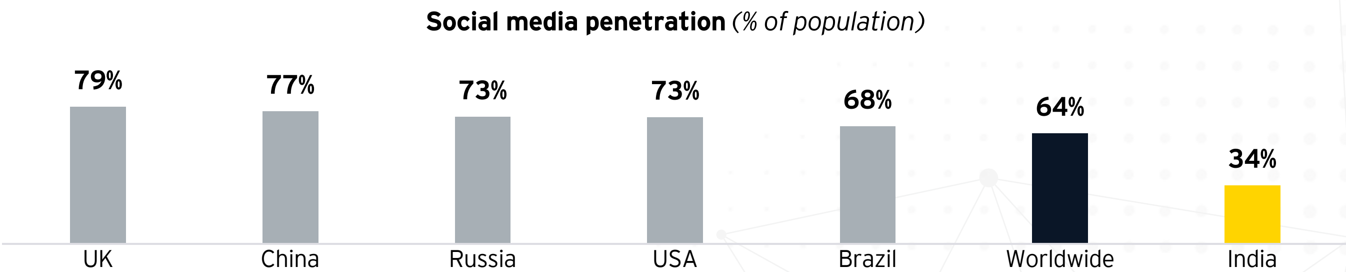


Comscore | December 2024 app + web audiences

- 72% of news consumers were from HSM markets
- 25% of news consumers were from south Indian states
- Uttar Pradesh and Maharashtra were the largest online news consuming states

Social media

I. Social media penetration was 34% in 2024



We are Social | Meltwater | As of Feb 2025

- Social media user base of Indians in 2024 reached 34% of the total population; for users above 18 years of age, the penetration was at 43.5%
- Though this is lower in percentage terms than many other countries, in absolute terms, India is the second-largest market behind China by the number of users[15]

[15] https://www.demandsage.com/social-media-users/

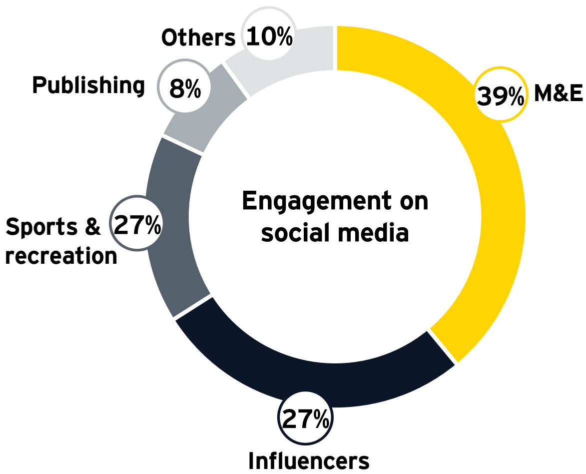
II. Social media users grew to 462 million in 2024[16]

- 462 million Indians were active on social media as of December 2024
- 78% of social media users accessed it on mobile exclusively, while another 15% used both mobile and desktop
- Most social media users subscribed to multiple platforms but did not use each platform daily, though 67.5% of India's total internet user base (regardless of age) used at least one social media platform in October 2024

III. Time spent on social media increased[17]

- In September 2024, Indians on average spent 22 hours per month on social media
- Time spent on social media has grown 43% from September 2020 and 16% over 2023[18]

IV. M&E and influencers led engagement on social media



Comscore social power rankings, on Facebook, X, Instagram, Jan-Jun 2024

- The highest engagement (defined as comments, shares, likes etc.) was related to media and entertainment related content
- The power of influencers is now evident, being the second highest in terms of engagement levels with audiences, while news has a relatively lower level of engagement with its audiences

V. The top social apps were from Meta

Rank	App
1	Instagram
2	WhatsApp
3	Facebook
4	Snapchat
5	ShareChat

Sensor Tower | Top apps in India by MAU

- Three of the top five social media apps in 2024 were from Meta
- Top Indian social media apps included ShareChat (Rank 5) and Moj (Rank 8)

[16]We are social report, Meltwater
[17]Comscore MMX Multi-platform desktop + mobile
[18]Sensor Tower, State of Mobile 2025

Monetization

Digital advertising

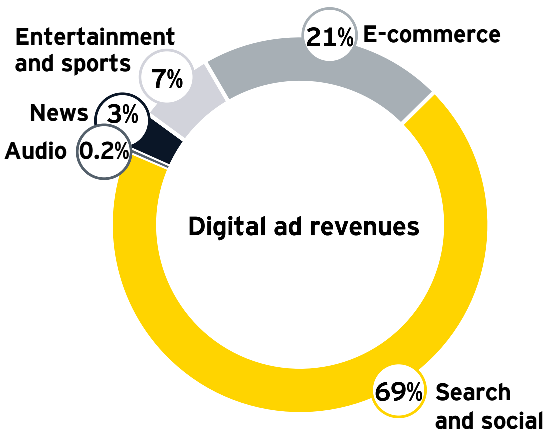
I. Digital ad spends grew 17% in 2024

	2021	2022	2023	2024
Large advertisers	247	319	382	442
SME and long tail	136	180	215	258
Total	**383**	**499**	**597**	**700**

INR billion (gross of taxes) | EY estimates

- Digital advertising grew 17% to reach INR700 billion in 2024, as several categories increased the share of their ad spends on digital media
- Included in the above, between 800,000 and 1.2 million SME and long tail advertisers spent INR258 billion on digital media, primarily for performance advertising on search, social media and e-commerce platforms
- Of the total, share of ad revenues generated by e-commerce platforms increased to INR147 billion, or 21% of total digital advertising (they contributed 16% in 2023)
- Net of the growth in e-commerce advertising, the digital media segment grew by 11%

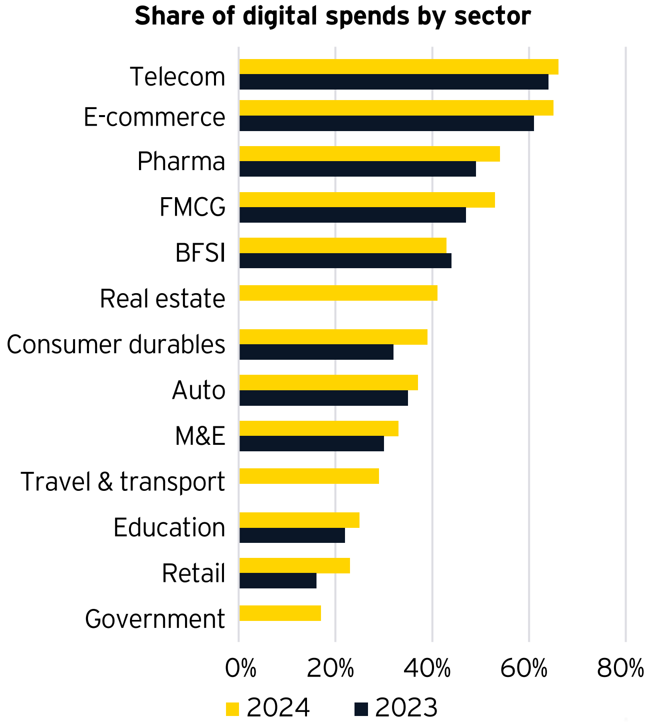
II. E-commerce and social ads dominated 2024



EY estimates

- Search and social media across different platforms continued to provide 69% of digital ad revenues
- E-commerce advertising grew 50% to reach INR147 billion to garner 21% of total digital advertising as more brands used online channels like Amazon, Flipkart, Jio, Nykaa, Myntra etc., to drive brand awareness and sales, these platforms seen as being closest to the point of consideration and purchase
- Sports, entertainment and news OTT platforms garnered 10% of digital ad revenues, led by Jio Cinema and Disney+ Hotstar

III. Six sectors spent over 40% of their ad spends on digital media



Dentsu Digital Report 2024 and 2025 | Select sectors only

- Six sectors spent over 40% of their total media budgets on digital media, while almost all sectors spent over 15% on digital media
- This analysis ties in to our 2023 marketer survey where over 80% of CMOs expected to spend more in 2024 on digital than in previous years

IV. Rich consumer data provided options for advertisers

- The growth of digital media now provides significant opportunities to advertisers to increase efficiency
- Apart from traditional methods of targeting audiences by region and socio-economic categories, the integration of large procurement data sets (e.g., Amazon, Flipkart, Nykaa), audience interest data sets (e.g., Meta, Google) and preference data (e.g., community OTT platforms like Team BHP, Zomato, etc.) enabled sharper targeting than ever before
- First party data will be the single most important asset in the years to come for advertising companies, and we expect to see several efforts to build or partner for the same by OTT companies in order to survive and compete with platforms that have rich consumption data
- 2024 also saw innovation around OTT subscription packs, with the traditional AVOD vs. SVOD offers changing to a three-tier system with an ad + lower-priced sub package being offered by some OTT platforms

V. Ad formats grew more interactive

- As the focus on performance advertising increased, significant innovation was noted in ad formats
- From the ubiquitous "click to buy" that has now proliferated most digital platforms, options for quizzes, polls, trials, contests, personalized offers, personalized creatives and many other innovations were provided by platforms to their advertisers
- Business communication platforms like WhatsApp provided retailers with options to send catalogues and enable transactions with their consumers and target consumers within their geographic localities
- Tools to help discounting and marketing spends on e-commerce platforms based on analysis around prices and offers on competing products and stock availability increased the efficiency of advertising spends

VI. Ad creatives got customized

- Industry discussions indicated that more ads were served in multiple languages than ever before
- Contextual advertising also gained scale, with ads related to the content being consumed increasing in volume
- Several campaigns used AI in various ways to ensure that creatives were customized by geography, audience profile and audience preferences, a trend we expect will see significant growth

VII. CTV ad revenues reached INR29 billion

- According to the MPA, CTV revenues reached their highest ever levels in 2024, and comprise 11% of total television revenues
- Industry discussions indicate that the largest contributor to these revenues is YouTube
- Cricketing properties made their mark on CTV in 2024, with a 8x to 10x CPM compared to mobile ad rate cards that we saw

Digital subscription

I. In 2024, digital subscription grew 15%

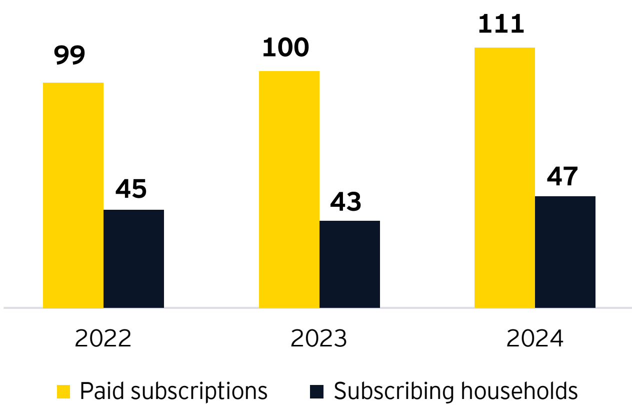
	2021	2022	2023	2024
Video	54	68	83	92
Audio	2	2	3	7
News	1	1	2	3
Total	**57**	**72**	**89**	**102**

INR billion (gross of taxes) | EY estimates

- Digital subscription grew 15% on the back of continued investment by media companies across film, music, episodic and news content
- We estimate that the number of Indian households who pay for one or more digital subscriptions reached around 50 million in 2024
- Video subscriptions comprised 90% of total subscription income, while audio and news subscriptions garnered 7% and 3% respectively, an indication that exclusive content–as provided by video OTT platforms–is critical to generate subscription revenues, and that where alternatives are available to consumers (as is the case with news and audio) the path to scaled revenues is more difficult

II. Online video grew 11%

Subscriptions and subscribing households
(in millions)

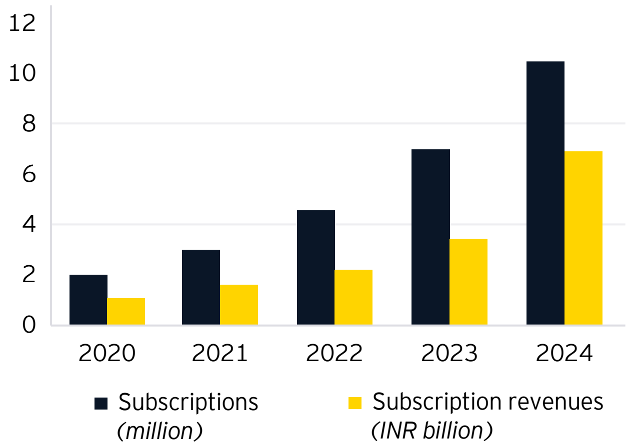


EY estimates | Averaged for each year

- Video subscription revenues continued their growth at 11% in 2024 to reach INR92 billion
- The growth was driven by market expansion and the proliferation of connected TVs; 47 million households paid for an average of 111 million video OTT subscriptions (around 130 million subscriptions at year end), including bundled subscriptions, which works out to around 2.3 subscriptions per household on an average
- The paid OTT audience could be estimated at between 95 and 118 million individuals, still far lower than the pay television audience being barely 20% of the total online video viewers in India
- Amazon, Netflix and YouTube together garnered approximately 58% of total video OTT revenues, while the OTT platforms of traditional broadcasters managed the balance 42%, despite far higher content investments in film and sports
- The average monthly ARPU settled at around INR70 per subscription, and we expect that to be maintained in the coming year, or grow marginally

III. Audio subscription doubled to INR7 billion[19]

Audio subscribers and revenues

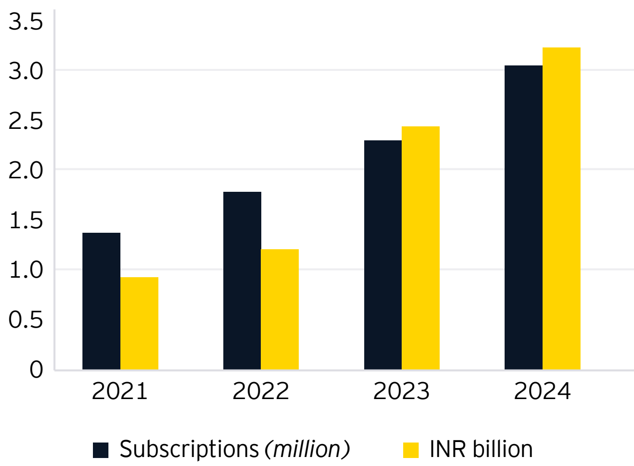


EY estimates

- Audio subscription revenues more than doubled in 2024 to reach INR7 billion on the back of significant industry efforts to grow the paid subscriber base
- The number of monthly music streamers marginally decreased to 175 million in 2024, compared to around 185 million in 2023[20] due to music streaming platforms disincentivizing free consumption, some platforms like Gaana and Hungama turning pay, and the shutdown of platforms like Wynk and Resso
- 6% of consumers (10.5 million) paid for a subscription, which shows a significant headroom for growth compared to other countries
- The average ARPU per month, including taxes, was approximately INR55

IV. News subscription grew, but remained sub-scale

News subscriptions and revenues



EY estimates (revenues are gross of taxes)

- News subscription revenue remained minuscule at INR3.25 billion primarily driven by premium and exclusive content and e-papers for consumers who had given up the physical product
- Apart from mainstream news brands, specialty publications for career growth, education/ awareness, finance, etc., gained popularity; Network18's MoneyControl advertised that it had crossed a million paying subscribers during 2024[21]
- The proliferation of free news platforms, as well as the AI summaries of news articles on search platforms, are deterrents to the growth of news subscription revenues
- News publishers tried several innovations in 2024 to grow revenues, including:
  - Limiting the number of free articles on aggregator platforms
  - Providing festival and other discounts
  - Bundling with other news products as well as other media platforms
  - Providing ad-free experiences
  - Keeping quality and exclusive content behind a paywall
  - Selling subscriptions on various e-commerce platforms and creating a magazine store on the ONDC
- The Indian diaspora provided a valuable audience for online news subscriptions; however, we have not included those revenues in the above estimates as we are unable to accurately estimate the same

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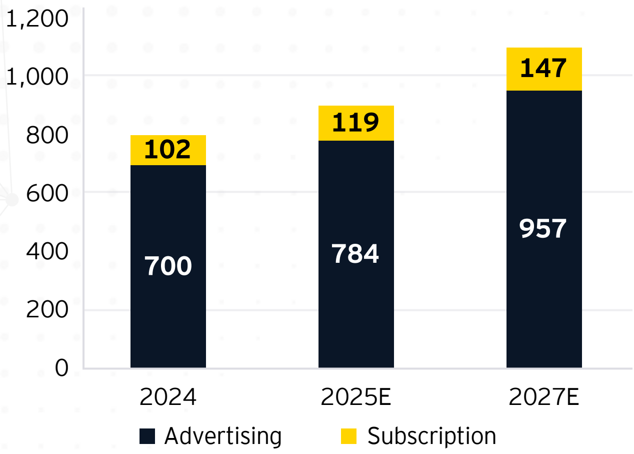
[19] EY estimates
[20] Industry discussions; Comscore; EY analysis
[21] www.moneycontrol.com, as of October 2024

Shape of the future

Digital media is expected to grow to INR1,104 billion by 2027

Digital segment revenue projections



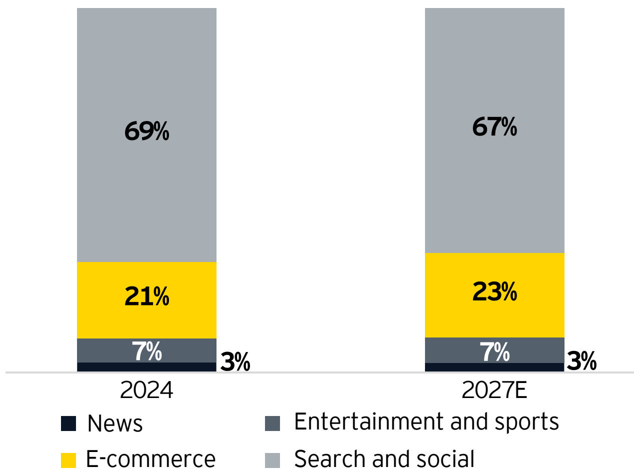
INR billion (gross of taxes) | EY estimates

- We estimate that the digital segment will be the first M&E segment to cross INR1 trillion in 2026, and will grow to INR1.1 trillion by 2027, at a 11% CAGR, reflecting the changes in consumption patterns being witnessed due to growth in connected televisions, mobile phones and affordable broadband connectivity
- By 2027, digital media will constitute 36% of the M&E sector, up by 4% from its 32% share in 2024
- Digital advertising is projected to grow from INR700 billion in 2024 to INR957 billion by 2027, maintaining a strong 11% CAGR driven by innovation and performance advertising
- The digital subscription revenue is forecasted to grow at a CAGR of 13% from 2024 to 2027, reaching INR147 billion by 2027 on the back of more Indian households paying for SVOD products

Digital advertising

I. Digital advertising will grow at 11%

Composition of digital ad revenues



EY estimates

- Digital advertising will grow at a CAGR of 11% till 2027 to reach INR957 billion and contribute 61% of total advertising by 2027

II. SME advertising will reach INR369 billion[22]

- SME and long tail advertising, included in the above, will grow from INR258 billion in 2024 to INR369 billion by 2027 on the back of:
  - growth in the SME advertiser base to approximately 1.5 million advertisers
  - proliferation of ONDC and consequent access to national markets
  - increase in the credit guarantee scheme from INR50 million to INR100 million as proposed in the FY26 union budget
  - focus of the government and several states to provide incentives and promotions to the MSME segment
- SME advertising will also be a key factor in growing e-commerce advertising, which we estimate will exceed INR220 billion by 2027

III. Consumer data will be crucial for growth

- As consumer consumption, preference and interest data gains significance in order to increase targeting and spend efficiency, we can expect to see more efforts being made to acquire such data by pure entertainment platforms
- Data would be acquired through research panels, partnerships with D2C platforms and anonymous data exchanges, subject to the provisions of the DPDP Act
- Platforms will make investments in technology in order to serve targeted advertisements to consumers not just based on geography, but based on their individual preferences, at scale

[22] EY estimates

IV. Every frame will be an opportunity

- Using AI, media platforms will be able to provide audiences with the ability to search for and purchase clothes, vehicles, durables, accessories or other products they can see on any screen
- Integration with e-commerce platforms and payment gateways will gain scale to enable transactions, and 'content' will evolve to 'performance content' designed to drive commerce and transactions across multiple languages

V. AI-based creatives will increase

- In order to boost ad efficiency, we can expect to see more advertisers use AI to customize ad creatives
- AI can be used not only for dubbing and sub-titling ads across languages but also to create custom ad content based on audience profile, viewer preference, spending power and location

VI. Interactive ads will gain popularity

- Interactive ad formats will proliferate as ads will emulate engaging content and include interactive elements that help attract and build a relationship with audiences, at the same time, gathering increased amounts of audience data to help platforms build their 1P data

VII. Programmatic sales will be de-prioritized

- News, entertainment and music platforms which struggle with inventory fill rates will come together to drive better ad rates and reduce programmatic ads from large networks by creating packages and bundling inventory across various platforms
- We could also see newspaper-type ad coalitions which aggregate and sell inventory to large advertisers

VIII. The need for assurance will increase

- More ad assurance tools will be demanded by advertisers as they increase their spends on digital platforms
- Tools will include measurement of audience quality, ad viewability metrics management, frequency cap monitoring, ad fraud prevention and attribution analytics

IX. TV and DOOH inventory could get traded via digital ad networks

- We expect linear TV and digital OOH ad inventory being made available across large digital ad exchanges, thereby creating a wider platform for media companies to access the advertiser base
- This can be a game changer for TV and OOH media, given that many of them are suited to handle just 500 to 1,000 large advertisers, and miss out on many MSMEs

Digital subscription

I. Subscription will grow at 13% CAGR till 2027

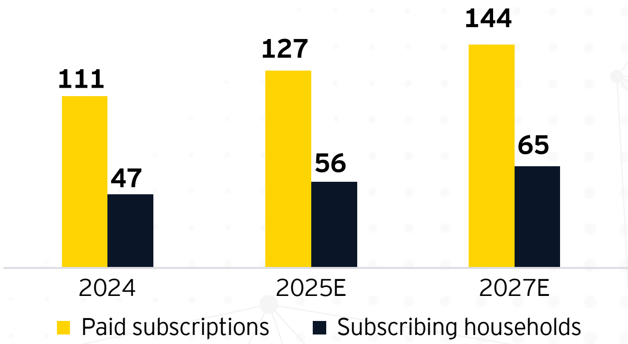
	2024	2025E	2027E
Video	92	106	126
Audio	7	9	15
News	3	4	6
Total	**102**	**119**	**147**

EY estimates | INR billion (gross of taxes) | Assumes no significant increase in content or data prices

- Digital subscription will grow on the back of rising per capita incomes, a move to connected TV sets (from around 30 million today to over 70 million by 2030) and continued content investments in tentpole films, premium sporting events and exclusive content which will be restricted behind paywalls
- While video will grow at a healthy 11% CAGR till 2027, audio and news will grow at 30% and 20% respectively, albeit from a much smaller base on the back of growing affluence and the desire to avoid ads
- Video will remain the dominant subscription generating medium in 2027, garnering 86% of all subscription revenues; by 2026, video subscription revenues will be comparable with broadcasters' share of television distribution revenues

II. Video OTT will reach 65 million households by 2027

Subscriptions and subscribing households
(millions)



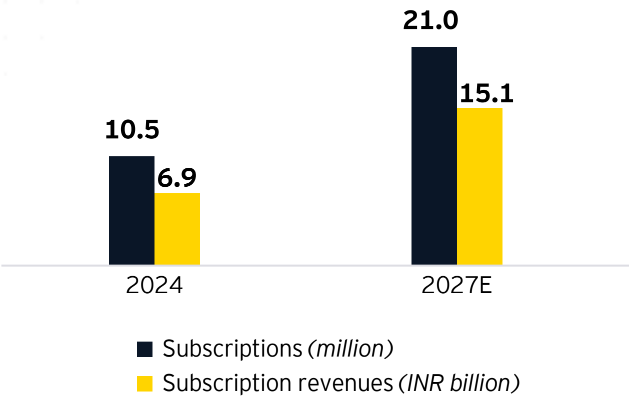
EY estimates | Assumes no significant changes to data prices

- Video OTT is expected to grow from 47 million households in 2024 to 65 million in 2027, with 144 million subscriptions, averaging approximately 2.2 subscriptions per household
- Bundling of various OTT platforms by ISPs and telcos will gain scale. They will in effect play the role that DPOs played in the television sector, but the customer will need to be provided with the choice of choosing different OTT platforms to bundle

- The JioHotstar platform will probably be the almost universal "first subscription pack" and therefore a significant contributor to this growth, given its large library of films and premium sporting content, and a lot will depend on its pricing strategy around the IPL
- The key challenge will be for platforms to ensure that they are in the top two OTT preferences of buyers, and that, in turn, will result in higher levels of bundling
- With over 60% of content focussed on crime and action, there is is need to differentiate content to attract women audiences, youth and the elderly; we can expect to see more content created in other genres in 2025 and 2026
- We can expect to see platforms experimenting with freemium plans, though the low ad rates in India would need to be corrected

III. Audio subscribers will double by 2027

Audio OTT projections

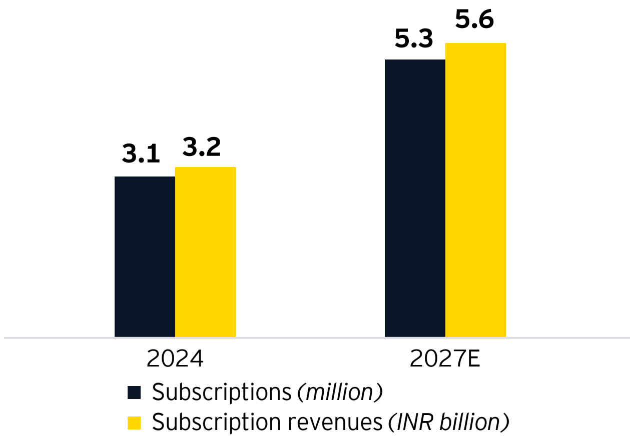


EY estimates

- Audio OTT subscriptions will double to 21 million by 2027 if music platforms continue to focus on premiumization of experience and differentiation, while reducing features and content for free subscribers
- However, we believe the overall music subscription market will remain relatively small given the plethora of free options available from radio to YouTube, though industry leaders expect subscription numbers to be higher
- We expect significant innovation around bundling, expanding the number of accounts and pricing options for various audience categories in order to facilitate growth

IV. News OTT will continue to struggle for scale

News subscription projections



EY estimates

- News OTT ad revenues will continue to struggle unless loyal, app-based audiences are built; we could expect to see a large industry-wide news app come into being to manage customer acquisition cost and increase customer lifetime value, but that will require making news content exclusive
- In case more aggressive bundling strategies are adopted, we can expect that by 2027, the number of subscriptions can increase to around 10 to 11 million
- Given the increasing cost of content and customer acquisition, news media companies will focus on building their app-based audiences, which have a higher lifetime value
- Platforms which have a high web-based or transient traffic (such as online news) will provide more incentives for app downloads and/ or partner and collaborate to create premium destinations with higher utility, aiming for audience stickiness and transactions
- News is moving from platform-based models to creator-based models; building multi-platform reach will define the next phase of growth, but talent costs could considerably increase

Business models

I. M&A activity and partnerships will increase

- Increased M&A activity is anticipated as smaller and regional OTT platforms optimize content portfolios and manage marketing and operating costs to improve profitability
- Smaller OTT players will also implement TVOD models more aggressively and we can expect to see innovative approaches to bring the several films which did not get an OTT release onto these smaller OTT platforms

II. There will be increased focus on subscription revenues

- India's digital ad rates remain a fraction of the international rates, while content costs for OTT platforms keep increasing
- Consequently, OTT models which rely exclusively on ad revenues for the most part are usually not profitable
- This will drive more OTT platforms to push for subscription sales by providing limited access to premium content, focusing on exclusive content and differentiating their service offerings across content, experience and/ or pricing
- We may also see deeply discounted linear and OTT bundles being created to protect TV and grow OTT

III. Asset exploitation will be enhanced

- Companies will move to 360-degree monetization of content viz., IP (particularly franchise content) will be monetized more widely across not just film, TV and OTT, but also across Free TV, gaming, music and merchandising
- Monetization will follow eyeballs, and we could see premium content releasing across many windows on YouTube, Meta platforms, e-commerce portals and other D2C platforms along with media OTT apps and aggregators
- The TV++ cost model will come into play as OTT platforms struggle for profitability:
    - A larger quantum of content will be created using this model as compared to the current high-cost premium OTT content model
    - The higher number of episodes will, in effect, keep the content investment the same while increasing the quantum of content and exploit the loyal fan base of a show for a longer period of time
- Innovative windowing strategies will emerge for films to enable a super-premium SVOD along-with-theatrical release option across select markets

IV. Measurement will evolve

- Measurement of content performance will necessarily move towards a digital + linear model, with an aggregation of views across both platforms
- Content deals will be incentivized across an aggregate of performance on digital and linear modes of distribution
- Ad performance will increasingly be evaluated using a common metric, perhaps the CPM, across both linear and digital media given both comprise significant audience bases
- This will need the creation of new models of measurement and will require ad agencies to change the way they are structured, so that advertising is sold and bought trans-media, now that digital media has exceeded television

V. Discovery will become more customer-centric

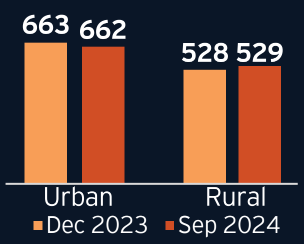
- Cross-platform recommendation engines will gain popularity as consumers demand a better search experience as they currently struggle to find content across multiple OTT platforms and apps
- The common user interface will be the new premium real estate on digital platforms, particularly on connected TVs, and could derive carriage and placement revenues in the medium term

Trends

Digital infrastructure

Telecom subscriptions remained stable at 1.19 billion as on Sep 2024

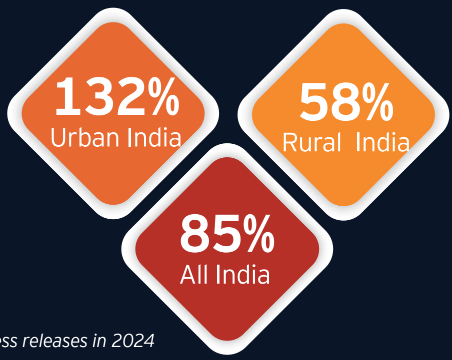
Telecom subscriptions
(million)



	Dec 2023	Sep 2024
Wireless	1,158	1,154
Wireline	32	37
Total	**1,190**	**1,191**

TRAI press releases in 2024

Teledensity is heavily skewed towards urban markets



TRAI press releases in 2024

Internet penetration grew 4%

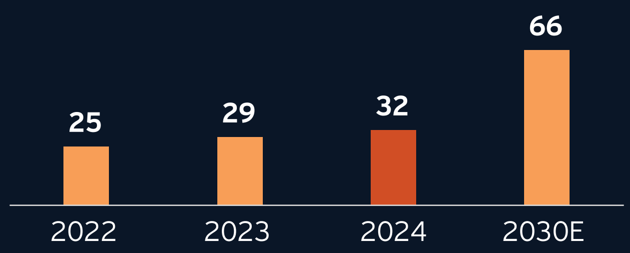
97% of subscriptions were broadband

Internet subscriptions	Dec 2022	Dec 2023	Sep 2024
Total *(a+b)*	866	936	971
Narrow band *(a)*	34	32	27
Broadband *(b)*	832	905	944
Urban *(a)*	516	548	566
Rural *(b)*	350	388	405

TRAI Performance Indicator reports

Average data consumption per month continued to grow

GB consumed per subscription per month

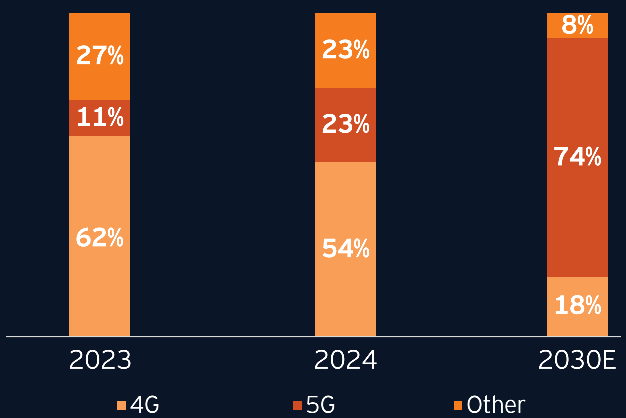


Ericsson Mobility Report, November 2022-24

5G connections grew to 23%

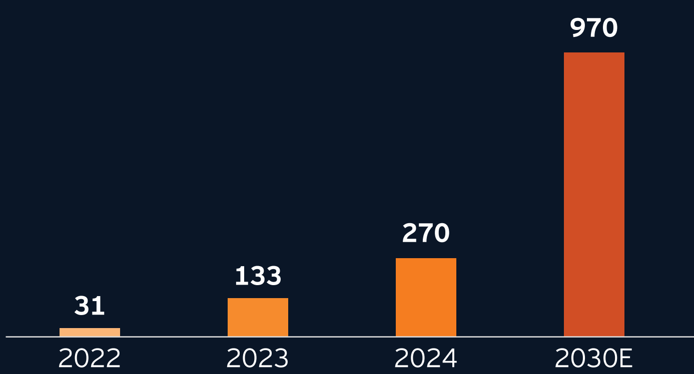
Up from 11% in 2023

Composition of mobile subscriptions



Ericsson Mobility Report, November 2022-24

5G subscriptions (million)



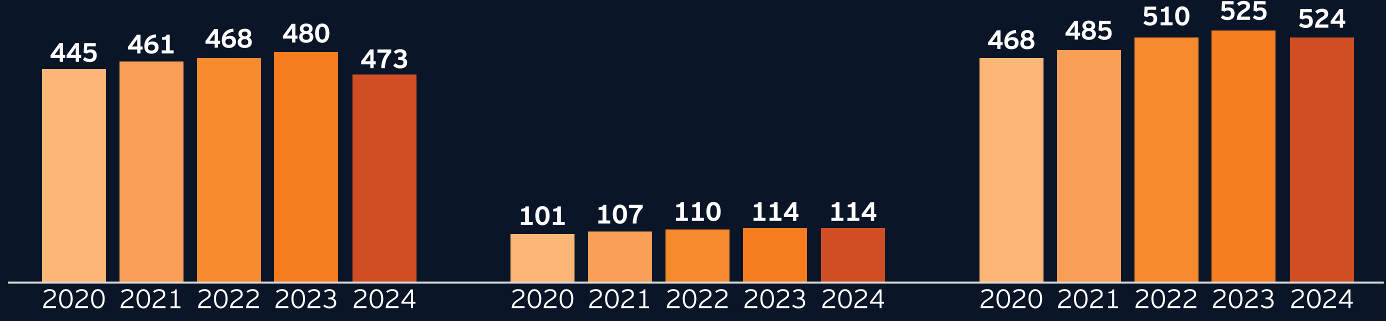
Trends

Digital reach

Powered by comscore

The total online audience was **524 million** in 2024

India digital users (million)



Smartphone users
Mobile, All Smartphones only, Dec 2020- 2024

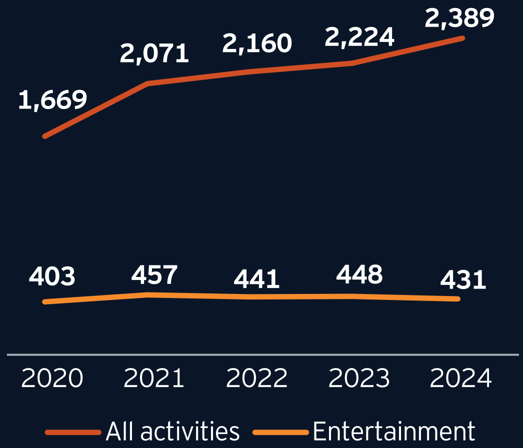
Desktop/ laptop users
Total audience, Dec 2020- 2024

Total online audience
Total digital population, Dec 2020- 2024

Smartphone users are de-duplicated unique visitors on Android & iOS smartphones and tablets. Total online audience is de-duplicated reach on Desktop and Mobile.

Time spent online continued to grow

Total minutes (billion)



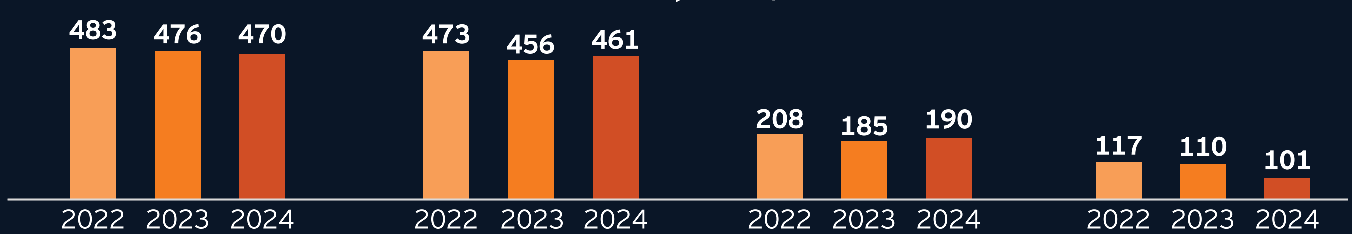
Entertainment, Total Digital Population, Dec 2020-Dec 2024

Top platforms	2023 Total unique visitors/viewers *(million)*	2023 Total minutes *(million)*	2024 Total unique visitors/viewers *(million)*	2024 Total minutes *(million)*
Alphabet	502	627,309	501	600,116
Facebook	464	531,711	450	505,229
Amazon	347	16,961	331	14,285
Flipkart sites	285	14,651	278	11,318
Times Internet Limited	239	10,771	265	18,938
Telegram.org	259	10,966	260	41,592
Microsoft sites	228	19,072	232	19,583
Truecaller.com	238	28,457	229	86,755
Network 18	227	53,029	214	2,572
Phonepe.com	223	17,209	204	4,679

Total Digital Population Dec 2023 and Dec 2024

The reach of **online news** and entertainment was similar

Reach (de-duplicated, in million)



Online entertainment consumers | Online news consumers | Online music consumers | Online gamers

Comscore MMX Multi-Platform, Entertainment, News/ Information, Entertainment - Music, Games - Online Gaming, Dec 2022-Dec 2024

All data has been provided by Comscore and has not been verified by EY. It has been provided in summary form for representation purposes only.

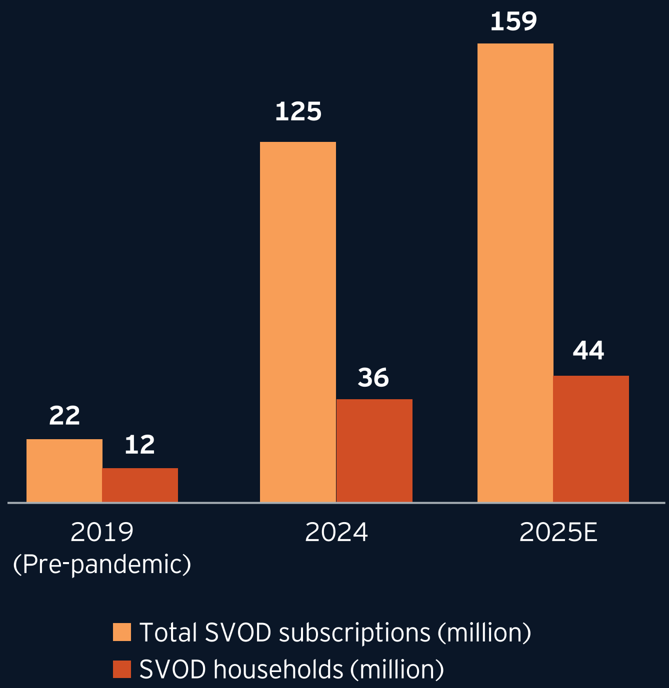
Trends

Online video

Powered by Media Partners Asia

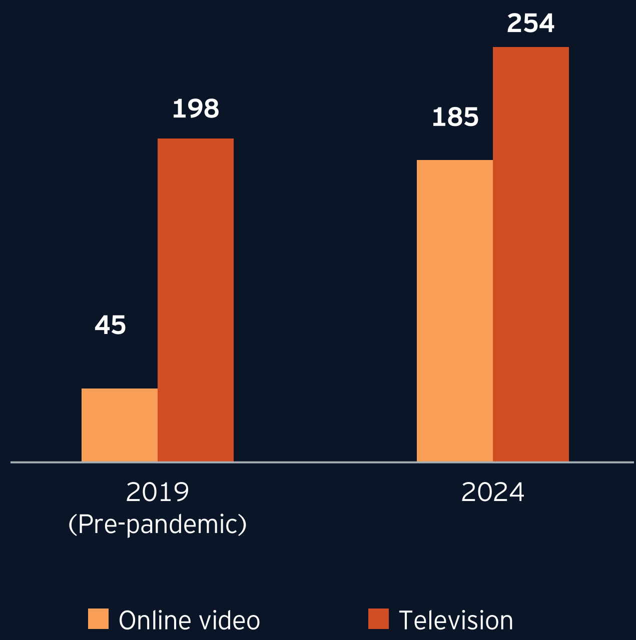
SVOD subscriptions increased over five times from 2019

10% of Indian households have an SVOD connection



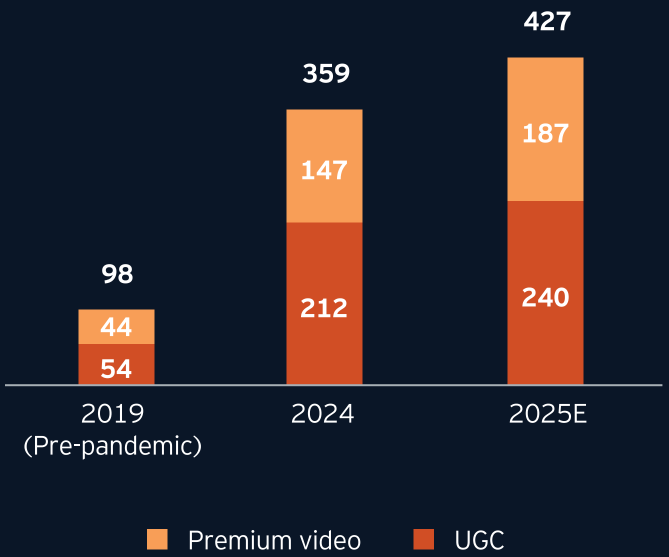
Content investments on online video grew over four times since 2019

Content investments *(INR billion)*



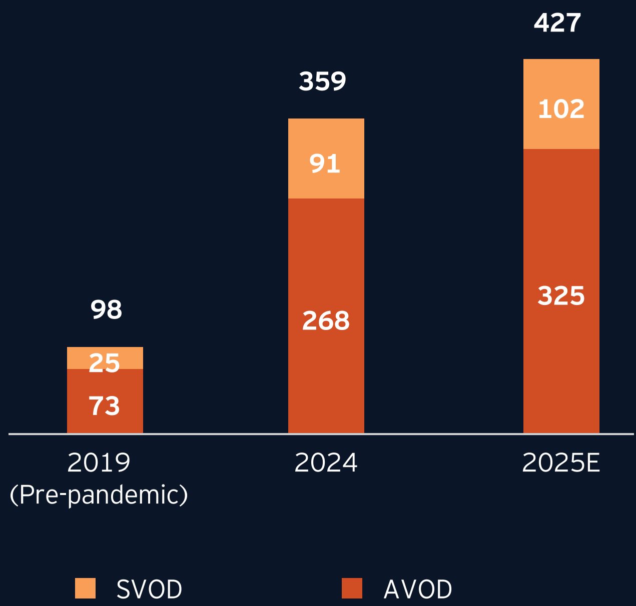
Premium video is expected to grow by 27% in 2025

Online video revenue *(INR billion)*



Ad revenue was 75% of the total online video market in 2024

Online video revenue *(INR billion)*



All data has been provided by Media Partners Asia and has not been independently verified by EY. It has been presented in summarized form for representation purposes only.

Trends

The Indian app story

Powered by Sensor Tower

24.4 billion
new app downloads in 2024
(-)5% compared to 2023

34% growth
in time spent by Indians on shopping apps in 2024 compared to 2021

1.13 trillion hours
spent by Indians on their mobile phones in 2024

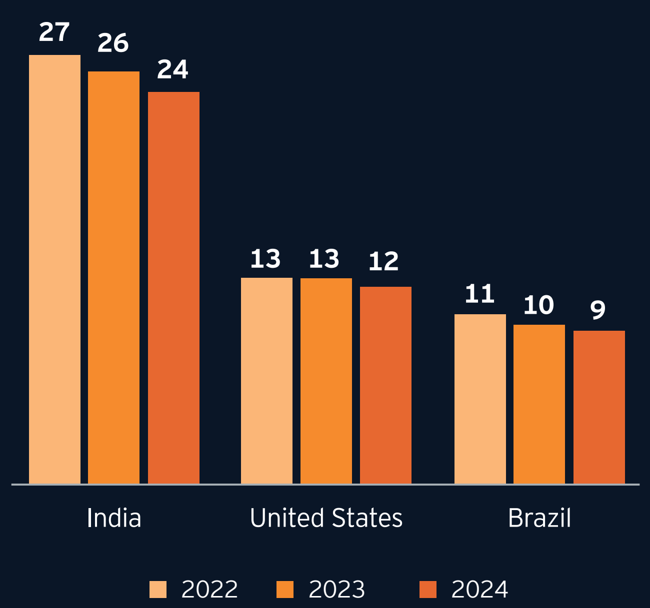
+17%
growth in mobile game spends compared to 2023

US$872 million
app store spend in 2024
+24% compared to 2022

+18%
growth in time spent on social media apps compared to 2023

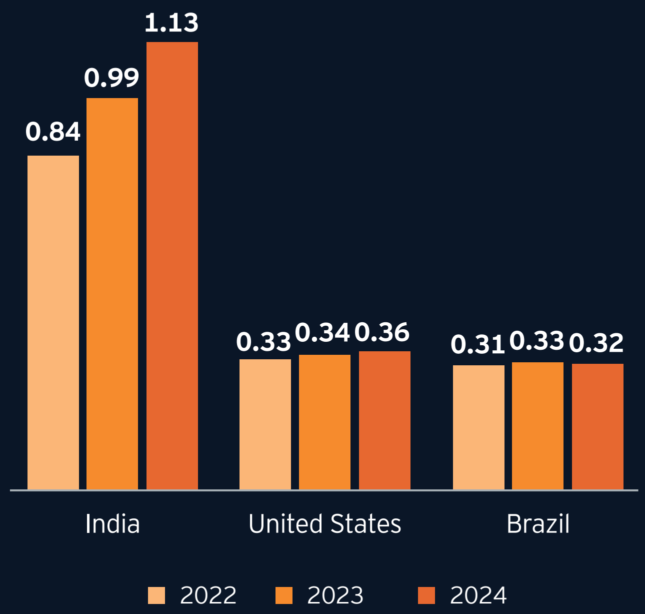
India had the highest number of **app downloads** in the world...

App downloads (billions)



...and Indians spent the most amount of **time on their phones** in 2024

Time spent (trillion hours)



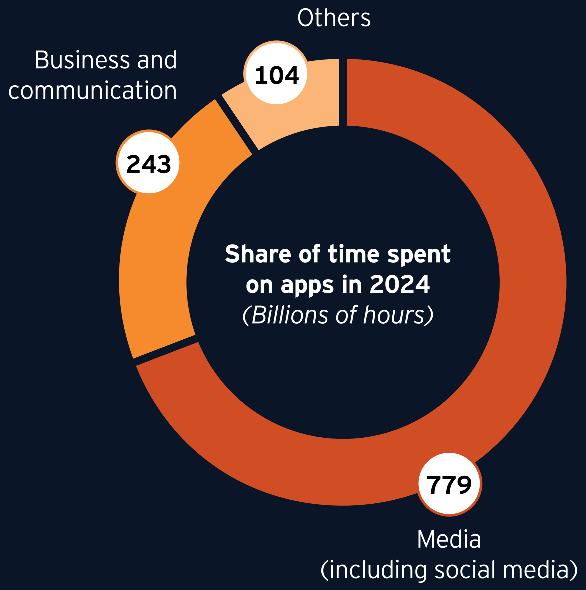
...but ranked 22nd in terms of mobile spends
India was ranked 25th in 2023

India shows great discrepancies between MAUs and spends

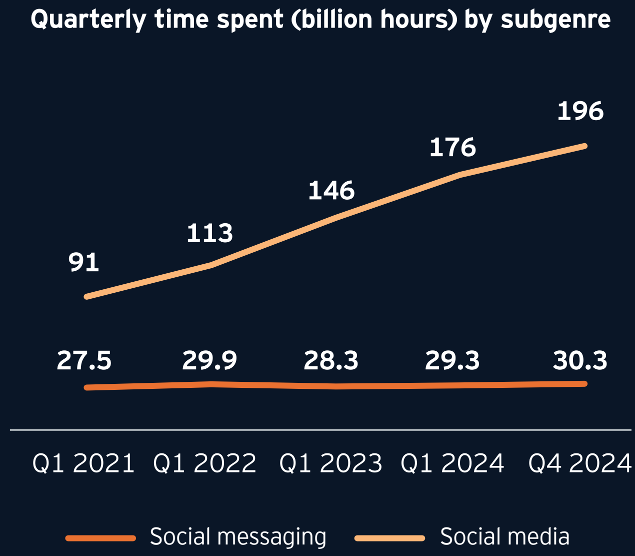
Rank	By downloads	By consumer spend	By MAU
1	Instagram	YouTube	Chrome Browser
2	Meesho	Google One	YouTube
3	Facebook	LinkedIn	Instagram
4	WhatsApp Messenger	Bumble	WhatsApp Messenger
5	PhonePe	Instagram	Facebook
6	Flipkart	Tinder	Google
7	Jio Cinema	Hotstar	Where is my train
8	Truecaller	Truecaller	Gmail
9	Snapchat	Sony Liv	Truecaller
10	WhatsApp Business	ChatGPT	Google Photos

Excludes side-loaded apps and non-app store revenues

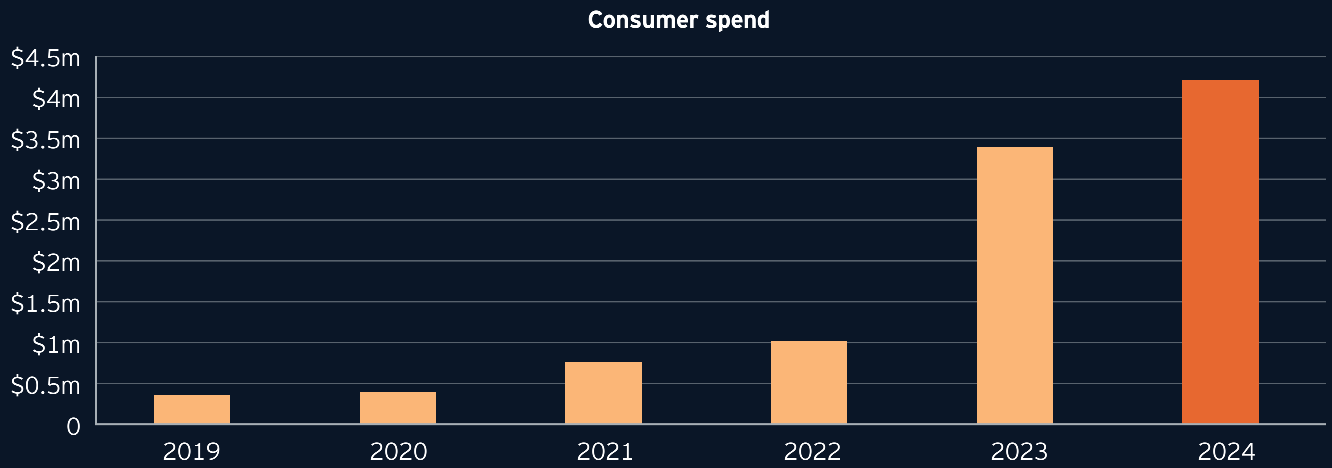
Indians continued to spend most time on **media** apps



Time on social media doubled since the start of 2021

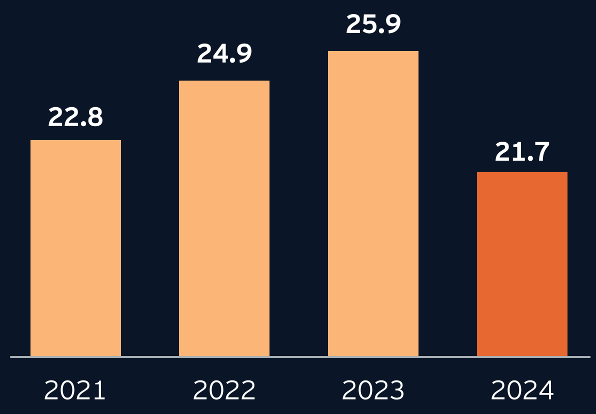


Consumer spends increased on **sports** apps in 2024

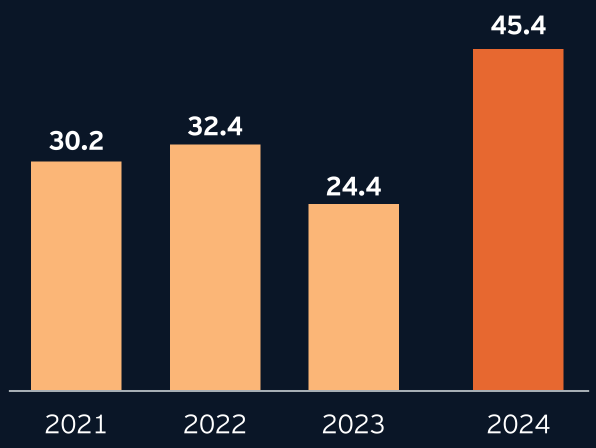


Video streaming time spent decreased, but consumer spends increased in 2024

Time spent (billion hours)

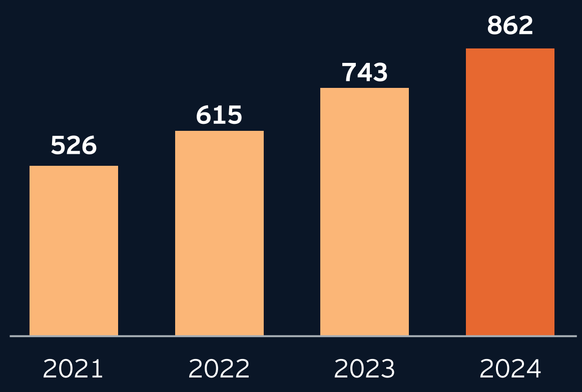


Consumer spend (in millions)

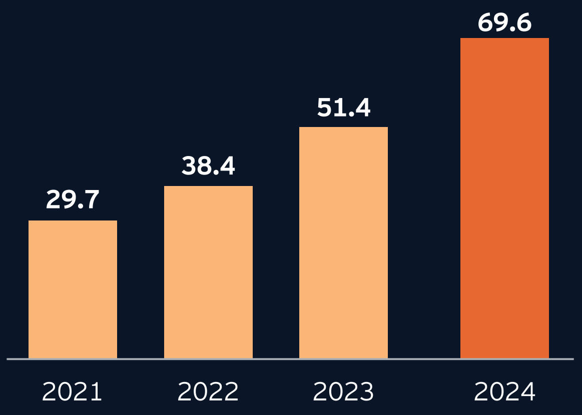


Social media app downloads and consumer spends increased in 2024

Time spent (billion hours)



Consumer spend (in millions)

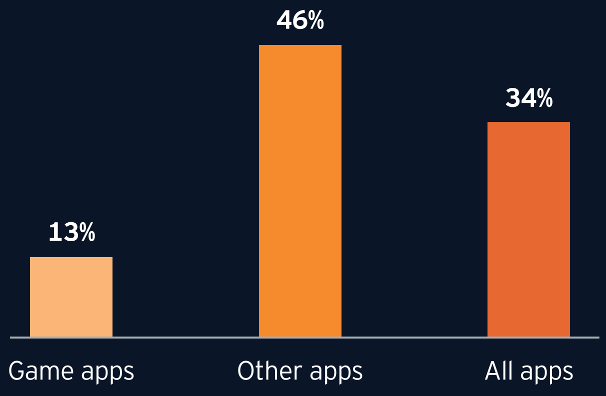


	Top sports apps by downloads
1	Dream11
2	My11Circle
3	Fancode
4	Cricbuzz
5	CREX
6	Howzat
7	BeBetta
8	Olympics
9	Cricket Line Guru
10	CricHeroes

Excludes side-loaded apps

A third of app downloads and a mere 8.5% of total app revenue accrued to **Indian publishers** in 2024

Share of domestic app downloads



China mainland metrics are iOS only. Side-loaded app revenues are not included. Revenues earned from app stores are gross of their commissions. All data has been provided by Sensor Tower App Performance Insights as of January 5, 2025. It has not been validated by EY and presented in summary form for representation purposes only. Revenues shown do not align with EY's revenue numbers and need to be seen directionally.

Trends

YouTube India

Reach and time spent

~800 million

reach in 2024

Source: Sensor Tower

#1

ad-supported platform in India for reach and watch time

Source: Comscore

80+ minutes

average daily YouTube consumption by online adults aged 35 years or above

Source: Comscore

YouTube consumption on CTV

2x+

growth in views of YouTube Shorts on CTV 2024 vs. 2023

#1

YouTube is the most watched streaming service on India CTV *(Mar 2023 to Mar 2024)*

21 min+

in India, over 50% YouTube CTV watch time is on content that is 21 minutes or longer

7 p.m. to 10 p.m.

prime time on YouTube in India in terms of concurrent viewers

Live streaming

9+ billion

live stream hours consumed by YouTube users in India in 2024

55%

growth in creator earnings from live streams in H1 2024 vs. 2023

YouTube shorts

65%+
of YouTube DAUs are also Shorts DAUs

1 trillion+
shorts consumed since its launch in India in 2000

Comedy entertainment
the most popular category on Shorts for GenZ's

Creators

10%
growth in YouTube channels earning INR100,000 or more a year in 2024

65%
of creators who earn from YouTube agree that it is their primary source of revenue

Source: Oxford Economics

900,000+
full-time equivalent jobs supported in India by YouTube's creative ecosystem

Source: Oxford Economics

All data has been provided by Google and has not been independently verified by EY. It has been aggregated and summarized for ease of consumption. Period of the data relates to 2023 and 2024.

Expert speak

Streaming, for the first time in entertainment, has made it possible to successfully cater to an incredible range of tastes and preferences—all at once. It has been established in the most definitive way that everyone's idea of a good time is different and streaming can entertain in every genre and format, including live sports. 2024 has proven that variety is quality, and an audience-centric view to entertainment is the only one that matters.

Monika Shergill
Netflix India

India's M&E industry has the opportunity to expand its reach and engage consumers across a billion screens, delivering content that resonates with each individual. Technology will play a crucial role to craft experiences that are not only assistive but also engaging and interactive. India will witness new economic models that will foster sustainable growth, disrupting traditional entertainment industry structures.

Kiran Mani
JioStar

Video streaming is now a driving force in the Indian M&E sector. With steady investments in content and technology, innovative and disruptive storytelling, and a massive and growing user base providing deep local and global reach, streaming platforms have propelled Indian stories and talent onto the world stage, cementing the country's position as a prominent player in the international entertainment landscape.

Gaurav Gandhi
Prime Video

Two key trends stand out this year; AI and Generative AI are disrupting digital advertising in India and empowering businesses of all sizes to scale faster. The other defining trend is the shift to messaging, which is truly driving the next chapter of digital transformation in the country. Together these can be kinetic enablers of India's digital economy.

Sandhya Devanathan
Meta India

The integration of immersive technologies like augmented reality will create new entertainment experiences both how content is consumed and how content is created. India will be at the forefront of driving the AR revolution.

Pulkit Trivedi
Snap

The CMO has a new super power - using Marketing AI to run analyses like LTV, Propensity Modelling, Audience Segmentation on cloud - and create the right creative for the right customer.

Satya Raghavan
Google India

As the Indian OTT market matures, we will see habit-based content consumption leading to low churn. Premium segment will be ready to pay higher subscription fees for a quality content slate. Extremely bullish outlook for premium subscription market.

Danish Khan
Sony LIV and Studio Next

The Indian M&E industry in 2025 is witnessing consolidation, regional content growth, and the rise of immersive content. These trends will continue to unlock new monetization opportunities, driving deeper audience engagement, and sustainable industry growth.

Umang Bedi
VerSe Innovation

High-quality journalism, combined with personalized experiences and loyal user engagement, will shape the next phase of digital news. By putting our audience first and delivering tailored content, we ensure long-term, sustainable growth in a competitive landscape.

Pawan Agarwal
DB Corp

Digital content depends on balancing financial viability with credibility. Reader-funded models and innovative monetization will shape the future, ensuring high-quality content remains independent and trustworthy in an evolving landscape.

Deepit Purkayastha
Inshorts

India's GDP growth potential faces challenges from global slowdown, AI/ML adoption, and new consumer behaviors. Re-adapt, re-imagine, and re-ignite your teams, to thrive in this VUCA environment to regrow your brands.

Bharat Gupta
Jagran New Media

AI and Personal Data Protection will be overriding themes for media in the next year. The opportunities that AI can unlock are tremendous but we have to be careful about putting guard rails to ensure editorial oversight is the final filter to maintain sanctity of news put out for the audience. Audience data privacy rules will evolve rapidly aided by regulation and technology to implement it.

Puneet Singhvi
Network 18 Media & Investments

Indian M&E is at a transformative juncture, driven by digital-first content, language expansion, and AI-driven personalization. New storytelling formats along with sachet pricing will drive disruption.

Vishnu Mohta
HoiChoi

Even as the OTT industry grapples with a slowdown in subscription growth and a push for cost rationalization across content and customer acquisition, regional OTT platforms have strived to differentiate themselves through stronger content propositions.

Hiren Gada
Shemaroo Entertainment

Evolving audience preferences, immersive storytelling and format innovation will define the next phase of entertainment. Players will have a keen focus on a diverse content repertoire that includes stories set in the Hindi heartland for wider appeal as well as International content which is localized.

Amogh Dusad
Amazon MX Player

I expect to see the rise in newer revenue streams like ad-supported tiers, strategic content windowing, and content acquisition models that prioritize ROI, particularly those linked to theatrical releases. Streaming is no longer just about scale- its pivoting towards sustainability.

Rohit Jain
Lionsgate Play Asia

Paid subscriptions will double in five years, driven by local content investments and low-cost ad-supported tiers, while AVOD expands driven by supply of premium inventory and increase in CTV viewing.

Vivek Couto
Media Partners Asia

The Indian M&E sector across all categories needs to rally for a 300 million paying sub base by 2030 and reduce its dependence on advertising. An added opportunity can be built around community to commerce, for sustained growth.

Neeraj Roy
Hungama Digital Media

The future of media and entertainment hinges on OTT and Content aggregation, streamlining content discovery and prioritizing consumer convenience to deliver seamless, personalized viewing experiences in a competitive market.

Anuj Gandhi
Streambox Media

Marketers are looking for clarity on how their advertising (video, display or e-commerce) impacts their business results at an individual deterministic level. This is what Retail Media Networks bring to them and is a critical capability that media companies need to develop.

Gulshan Verma
JioAds

Indian consumers in Tier 2/3 cities are increasingly willing to pay for content. Subscription and pay-per-episode models will thrive, enabling publishers to distribute high-quality regional content, driven by higher monetizability in these business models.

Ankush Sachdeva
ShareChat & Moj

Digital news consumers struggle to find truth on social media and via WhatsApp groups. This challenge is driving the rise of authentic new media, offering diverse perspectives that young audiences seek. News consumption will increasingly shift to these platforms in the coming years.

Raju Vanapala
Way2News

Television

Key trends of 2024

Television continued to degrow in 2024

	2022	2023	2024
Advertising	334	312	294
Distribution	392	398	385
Total	**726**	**711**	**679**

INR billion (gross of taxes) | EY estimates

- TV segment revenues fell 4.5% in 2024, for the second year in a row after a 2% fall in 2023
- TV advertising revenue fell 6% on the back of similar ad volume reduction and a 12% reduction in brands using television
- Distribution revenue fell 3% on the back of a 6% reduction in Pay TV households (a loss of 6 million paying subscribers to 111 million) and a small increase in ARPU to INR281 (gross of taxes)
- Active connected TV sets reached 50 million, of which around 30 million connected to the internet weekly

Reach

I. Number of television channels reached 936

	September 2022	December 2023	June 2024
Free-to-air (FTA)	532	546	574
Pay	353	353	362
Total channels	**885**	**899**	**936**

Prasar Bharati website, TRAI performance indicators reports

- 12% of channels were in HD
- 61% of total channels were FTA
- News comprised 40% of all channels, followed by general entertainment (19%) and movies (13%)
- In the Pay TV category, 50% of all channels were general entertainment and movie channels

II. Distribution platforms rationalized

	December 2020	December 2023	June 2024
MSO	1,702	998	880
DTH	5	5	5
HITS	1	1	1

TRAI press releases

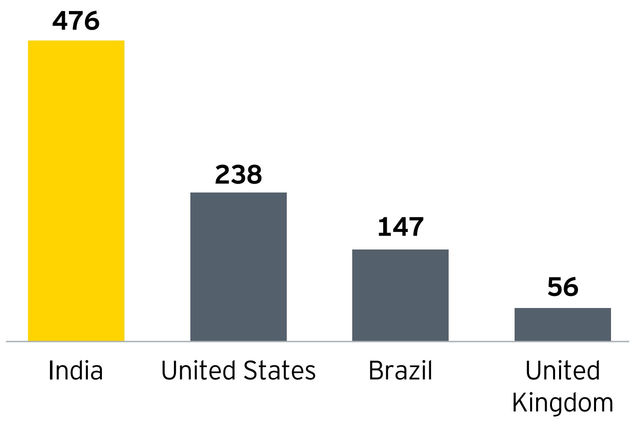
- The number of MSOs in India declined to 880 in June 2024, driven by users shifting to OTT platforms and resulting in smaller MSOs merging
- Some industry participants also believed that there was an increase in piracy, both linear and digital, which had led to the business of distributing television channels becoming less profitable
- According to TRAI, there were around 70,000 LCOs in India. We did a survey of around 28,000 LCOs, in which 49% of respondents claimed their subscriber base had fallen since 2018, and 35% of respondents claimed that their subscriber base had fallen by over 40% since then

III. DD FreeDish increased its reach[1]

- As of December 2024, DD FreeDish hosted 179 channels, including 37 Doordarshan channels, 12 e-Vidya channels and 33 Swayam Prabha channels
- The FreeDish service also delivers All India Radio's audio programming content of 25 satellite radio channels
- Under TRAI's proposed order, channels offered for free on DD FreeDish must also be FTA on other DPOs; however, this order is yet to be implemented, and many broadcasters fear this order could have significant revenue and/ or reach implications
- We estimate that free TV, on the back of Prasar Bharati's FreeDish satellite service, grew in 2024 to reach around 49 million homes[1]
    - We surveyed 20 dealers of FreeDish customer premise equipment and learned that:
        - 65% believed that the customer base was growing
        - 15% felt it was flat, and
        - Only 5% believed it was degrowing (another 15% were not certain)
    - Survey respondents believed the growth of FreeDish was driven by:
        - Improving quality of content on Free TV, particularly news and channels like Dangal TV, and Goldmines, which were the most watched entertainment and film TV channels in India for several weeks of 2024[2]
        - Increasing number of channels providing customers with more options
        - Internet quality of service issues in many rural areas
        - A large segment which would not wish to spend on Pay TV or on data, but were willing to spend INR300 to INR500 for hardware, if required
    - Survey respondents who believed that Free TV would remain flat or not grow, thought so because of the following reasons:
        - Growth in mobile viewing (particularly due to low electrification in certain markets)
        - Proliferation of fiber connections
        - TV viewing being limited to the older generation

IV. YouTube generated massive reach[3]

Top countries by YouTube audience



Statista | millions of users

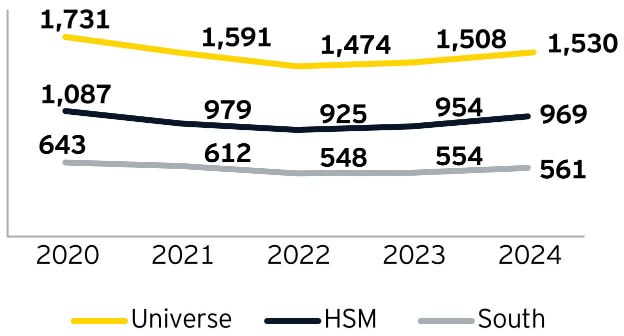
- YouTube continued to grow, reaching 476 million Indians in 2024, or double its audience base in the US
- YouTube's reach in India has grown to 63% of TV's reach in 2024 (it was 61% in 2023)[4], driven by increased internet adoption in HSM states like Bihar, Jharkhand, UP, Uttarakhand, Rajasthan, and the Northeast where 95% of its users consume content in local languages
- YouTube's user base in India is expected to reach over 800 million by 2029 on the back of growth in mobile, wireless and wired broadband, providing a formidable proposition to compete with television
- With a significant portion of Pay TV programming accessible on platforms like YouTube and OTT services at no cost, this poses a threat for the growth of linear television
- Consumption of kids content has moved from television to YouTube and Connected TV in a significant manner, aided by the fact that it is available for free and favorite shows are available on demand

[1]Prasar Bharati website
[2]BARC website
[3]https://www.grabon.in/indulge/tech/youtube-users-statistics/
[4]EY analysis

Television consumption

I. Overall, time spent on TV remained stable[5]

Total TV viewership

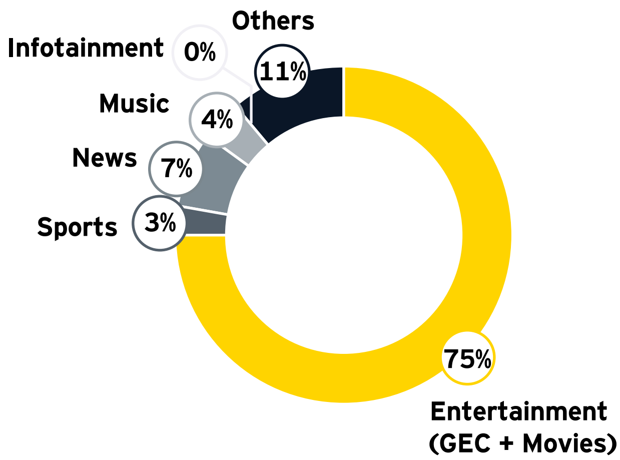


BARC | Weekly average impressions (AMA) in billions | 2020 to 2023 Wk1 to Wk52; 2024 is Wk1 to Wk53

- Overall impressions remained flat compared to 2023 levels
- 58% of total viewership was from audiences aged 15 to 50 years, while 24% of viewership was from audiences aged 14 years and below; both percentages are similar to 2023
- The cumulative reach of television was 753 million people each week, compared to 758 million per week in 2023; however, average time spent per day increased slightly to reach three hours and forty-two minutes a day
- Factors impacting growth of time spent on television include:
  - Rising popularity of YouTube, which has 476 million monthly users as of June 2024[5] and provides a relatively free multi-lingual and individually curated Indian and global content palette, including certain premium content from broadcasters and studios
  - Growth of social media, short video and gaming, which all compete for the consumer's free time, and have achieved a reach of more than 400 million[6]
  - Availability of high quality and niche content on OTT streaming platforms
  - Growth of wired and wireless broadband to around 46 million households[7], and sale of smart TVs, which are growing consumption on that distribution channel

II. Over 81% of viewership continues to be escapism-driven

Viewership share by genre

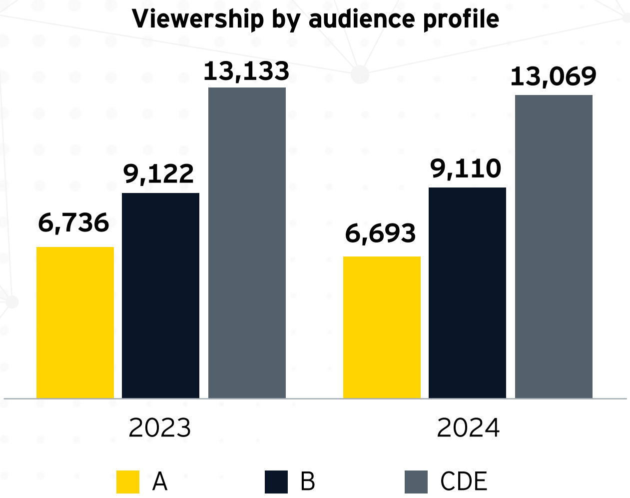


BARC | India 2+ U+R Weekly average AMA'000s Wk1 to Wk53

- 75% of all viewership was linked to GEC and movies, a ratio which has remained stable for the last seven years
- News viewership grew 13% on the back of the general and state elections
- Despite marquee events like the T20 Cricket World Cup and the IPL, sports viewership dropped by 27%, which could be driven by the shift to free streaming on OTT platforms and the growth of connected TVs[8] and because there was one less ICC cricket tournament in 2024 compared to 2023

[5]BARC
[6]Statista, July 2024
[7]EY estimates using TRAI data
[8]BARC data and EY analysis

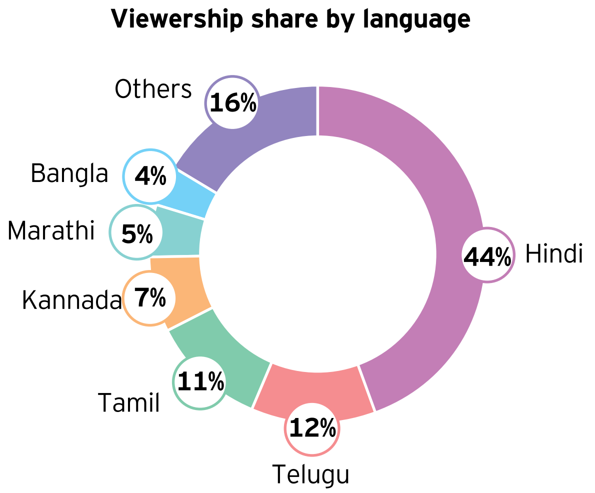
III. TV audiences remained largely stable across socio-economic classes



BARC | MF 2+ | All India | Week 1-53 | Weekly average AMA in million

- A slight drop of 0.6% was noted in NCCS A viewership, which as per industry discussions, indicates a movement by such audiences to CTVs and OTT platforms
- A minor drop of 0.5% in NCCS CDE viewership could indicate the movement of these audiences to the FreeDish platform

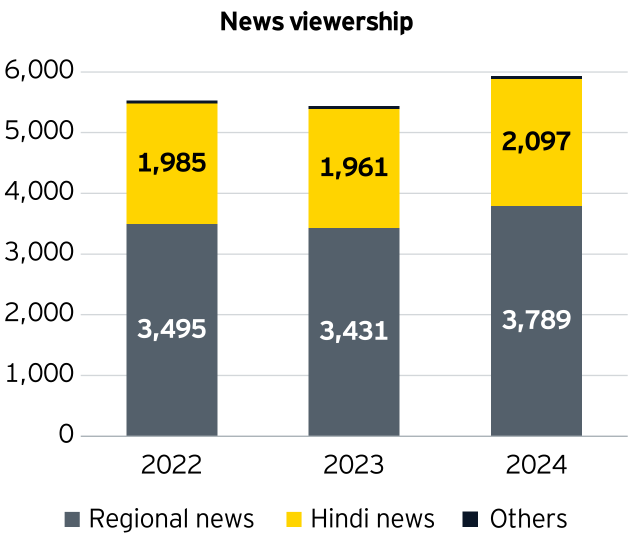
IV. Over 50% of TV viewership was not in Hindi



BARC | 2024 Wk1 to Wk53, AMA share%

- Hindi remained the most watched language on television with a 44% share of viewership
- The top five languages contributed 79% of total viewership
- Kannada, Marathi and Bhojpuri were the only languages to witness a growth in share, while Hindi, Telugu and Tamil witnessed a marginal reduction in viewership in 2024
- South Indian languages contributed to 33% of total viewership, while English was less than 1%

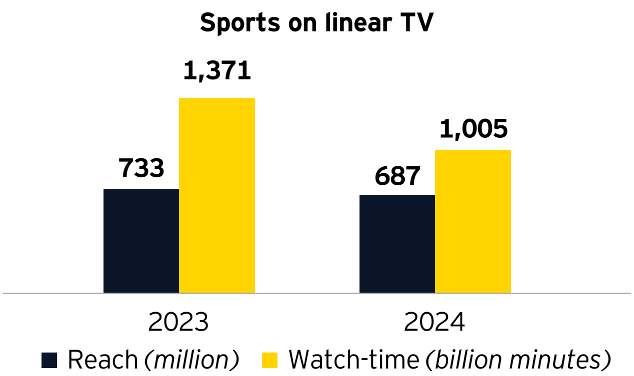
V. News viewership grew 13% in 2024



BARC, Weekly AMA 000s, 2+, All India, full day, Wk 14-52 (Apr-Dec)

- On the back of the general elections, several important state elections, and many news events, the viewership of news increased 11% to now comprise 7% of total TV viewership
- Regional news dominated the genre, comprising 64% of total TV viewership, while Hindi news comprised 35% and English was just 1%

VI. Sports reach reduced 6%

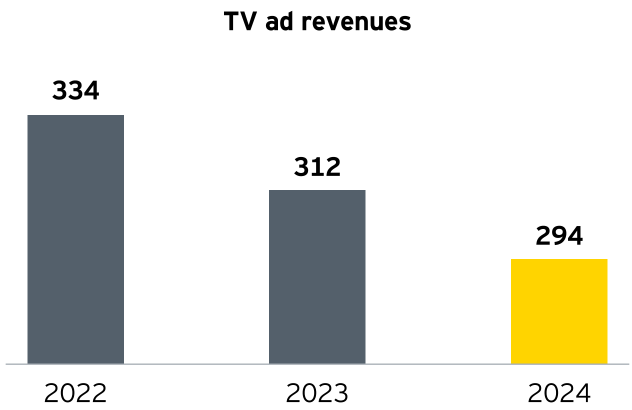


BARC, MF2+, Ind U+R

- The time spent viewing sports reduced 27% mainly due to the ICC Cricket World Cup in 2023, which set viewership records, and which was not there in 2024
- Out of 687 million sports viewers on linear TV, 12% came from metros, 36% came from Tier-I and Tier-II cities, whereas 53% came from rural markets
- 329 million women viewers watched sports on linear TV in 2024, contributing to 41% of total consumption

Advertising

I. TV advertising revenue fell by 6%

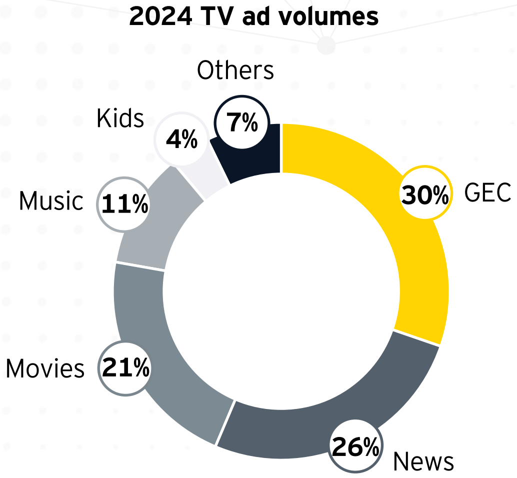


INR billion (gross of taxes) | EY estimates

- Linear TV advertising volumes declined by 6%[10] in 2024 despite viewership remaining relatively stable
- Number of advertisers on TV in 2024 decreased by 12%[10] compared to 2023
- In 2024, HSM channels bore the brunt of the fall in ad volumes; regional channels captured 16%[10] more advertising volume share than national channels, up from a 13% difference last year
- Due to the reduction in ad volumes, rates remained weak for most broadcasters

[9] Comscore
[10] EY analysis of TAM AdEx data, till week 48 of 2024

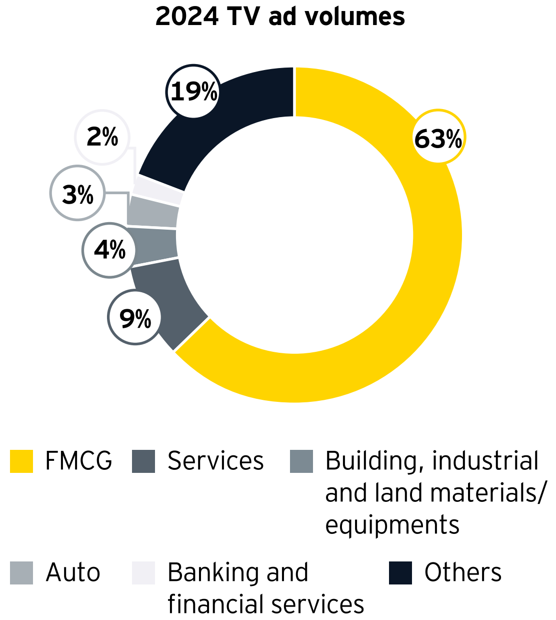
II. GEC and news remained the top genres in 2024



TAM AdEx | Wk1 to Wk53 2024

- GEC and news genres contributed 56% of total ad volumes in 2024, a marginal increase from 55% in 2023
- GEC and movie channels garnered 52% of ad volumes compared to 75% of viewership, while news and music channels managed 37% of ad volumes while generating 11% of viewership[11]

III. FMCG drove the majority of ad volumes on television



BARC | Total ad volumes in seconds, Wk1to Wk53, 2024

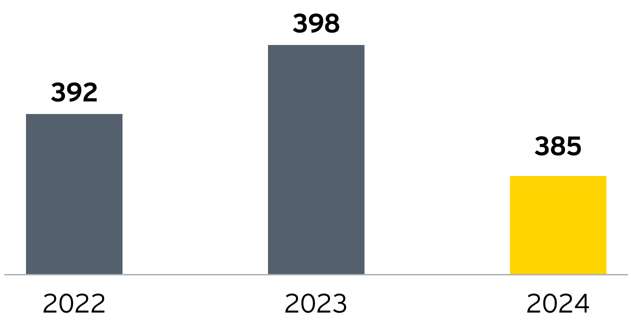
- FMCG accounted for 63% of TV ad volumes, though 8% lower than 2023 volumes in absolute terms, compared to the overall decline of 6%
- The fastest growing category in 2024 was building and industrial materials, followed by telecom/ telecom products and banking and financial services
- The highest percentage declines were in media, agriculture and services

[11]TAM AdEx and EY analysis

Distribution

I. Distribution revenues fell by 3% in 2024

TV distribution revenues



INR billion (gross of taxes) | EY estimates

- Television subscription revenues in India decreased 3% in 2024, despite an increase of 2.5% in TV subscription ARPUs, which reached INR281 (gross of taxes) at end-customer prices during the year[12]
- This decline was primarily due to reduction of 6.4 million in Pay TV homes
- Given the continued fall in Pay TV homes compared to the growth in OTT (AVOD and SVOD) and Free TV, there is a need for a re-think on channel pricing and discounting, content guidelines, treatment of free channels and distribution windows, in order to create a more level playing field amongst all distribution methods

II. Active paid subscriptions continued to reduce in 2024

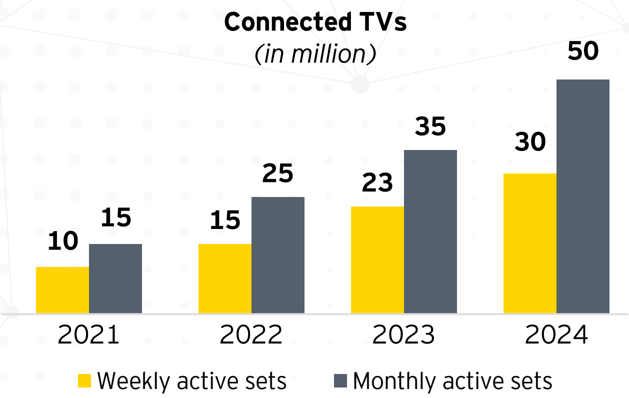
	2020	2021	2022	2023	2024
Cable*	72	68	64	63	60
DTH*	56	55	54	52	49
HITS*	2	2	2	2	2
Total Pay TV	**131**	**125**	**120**	**118**	**111**
Free TV**	**40**	**43**	**45**	**45**	**49**
Total TV	**171**	**168**	**165**	**163**	**160**

Television subscriptions in millions | Industry discussions, billing reports, TRAI data, EY analysis
*Net of inactive/ temporarily suspended subscribers, but including pirated and under-declared subscribers
** Free TV is derived as a balancing figure after reducing paid and pirated TV homes from total TV universe less temporarily deactivated homes

- Pay TV homes (including under-declared and pirated homes) continued to fall, decreasing by 6.4 million to 111 million in 2024
- The fall in pay television homes has been attributed to continued movement to connected TVs at the top end of the market, growth of alternate entertainment options and digital platforms, as well as availability of a sizeable content bouquet for Hindi speaking markets on free television, which grew in 2024
- Our discussions with MSOs, research agencies and broadcasters indicated a potential base of 10 million under-declared households and between 5 and 9 million pirated households
- Free television increased by 3.45 million to an estimated 49 million subscribers in 2024, primarily due to less expensive television sets, internet issues in rural areas, improved quality of content, increase in data charges and as an add-on connection to Pay TV[13]
- According to FreeDish distributors we spoke with, year-on-year growth has increased, and with an increase in number of channels and improvement in content quality, they see a stable growth in demand
- FreeDish entertainment channel Dangal consistently remained the most-watched channel in India across several weeks during the year, garnering more viewership than segment leaders like Star Plus, Colors, Zee TV and Sun TV. Goldmines TV, another FreeDish movie channel, was among the top 10 most-viewed channels during several weeks[14]

[12]EY estimates, industry discussions, TRAI data
[13]Industry discussions, discussions with FreeDish CPE dealers
[14]BARC

III. Connected TV sets neared 50 million



EY estimates

- The overall CTV base reached 50 million unique sets connecting to the internet each month, of which an estimated 30 million connected weekly, up from 23 million in 2023
- The growth in CTV households has been driven by the growth in wired and fixed wireless broadband (which reached 46 million homes in 2024)
- YouTube's CTV views in India have quadrupled in the past three years, highlighting the platform's growing prominence in Indian households[15]; Samsung Ads has estimated that AVOD and FAST products generate 82% of total streaming hours on their CTV platform
- 36% of SVOD audiences in urban India regularly use connected TV devices to watch streaming video, and 66% of connected TV viewers watch streaming content with other family members[16]
- CTV penetration is not limited to metro cities. Five of the bottom 10 states with the lowest GDP per capita are among the top 10 regions with the highest growth in CTV impressions[17]

Shape of the future

We expect television households to reach 196 million by 2027

	2024	2027E
Pay TV (cable + DTH + HITS)	111	95
Free TV	49	53
Unidirectional TV	**160**	**148**
Connected TV (bi-directional)	**30**	**48**
Total TV	**190**	**196**

EY estimates | millions of subscriptions

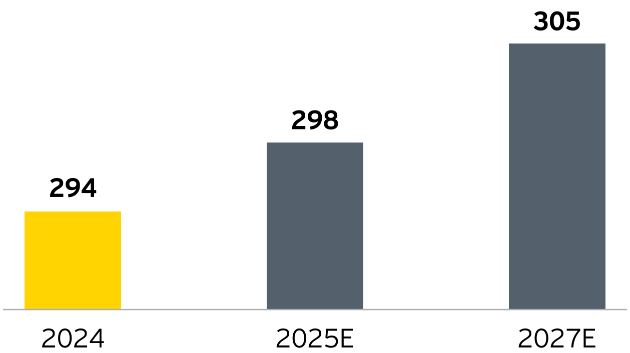
- Pay TV is expected to fall to 95 million homes in the country, as more large screen viewership moves to Connected TVs
- Free TV is expected to grow to 53 million homes. As India's per capita income increases from US$2,698 in 2024 to US$3,510 by 2027[18], the lower middle class will grow and more people will be able to buy a television set. Currently, of over 320 million Indian households, around 100 million do not have a TV, and growth in per capita income will help those homes enter the TV segment
- Connected TV homes are expected to increase to 48 million by 2027, as broadband access in the home increases steadily. India has seen its wired broadband increase from 32 million to 46 million during the last two years[19]

[15] YouTube brandcast India event
[16] Ormax SVOD audience report 2024
[17] GroupM, The changing landscape of Indian television report

[18] IMF estimates; India GDP per capita 2024 - StatisticsTimes.com
[19] EY estimates, based on TRAI data

Linear TV ad revenues will remain under pressure

Linear TV ad revenue projections

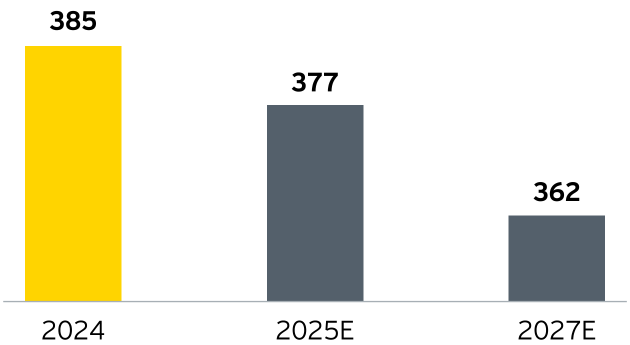


INR billion (gross of taxes) | EY estimates

- It is expected that continued growth in India's GDP in the 5% to 7% range until 2027 will ensure that advertising remains healthy
- In addition, it is expected that various categories like online gaming, auto, BFSI and Chinese brands will return to TV in 2025, as consumer spending picks up (a majority of CMOs we interviewed in December 2024 expected consumer spending to rebound in 2025)
- The increase in government spends and growth in export production due to incentives is also expected to grow overall consumer spending in India
- However, as the affluent portion of Pay TV audiences move to Connected TV (which revenue is included under the digital segment in this report), linear ad revenues will remain stressed and accordingly, we have assumed a net three-year CAGR of 1.2% for linear TV ad revenues

Linear Pay TV distribution income will continue to fall

TV distribution revenue projections



INR billion (gross of taxes) | EY estimates

- The projected 2% CAGR fall in television distribution revenues till 2027 reflects the expected fall in Pay TV homes in the country, as more large screen viewership moves to Connected TVs (which revenue is included under the digital segment in this report)
- The large number of LCOs providing broadband services will also help the growth of wired broadband (a recent survey conducted by AIDCF and EY across over 28,000 LCOs indicated that 3 in 4 LCOs were either providing broadband, or planned to launch the service for their TV subscribers)
- Growth in India's population will increase Indian households from 330 million in 2024 to 338 million till 2027[20]. Further, the middle-class population is projected to grow substantially, reaching 715 million in 2030-31 and 1.02 billion in 2046-47[21]. This will, in turn, increase the demand for TV sets
- Continued electrification of rural areas and poor internet connectivity, particularly in the Hindi speaking markets like UP and Bihar, will also drive free TV consumption
- However, the increasing cost of Pay TV is driving cost-conscious consumers toward more affordable options like Free TV services and YouTube on mobile and other connected devices
- Pay TV content, now widely accessible for free on YouTube and OTT platforms, is further accelerating the adoption of internet-based entertainment
- Additionally, the rise of engaging social media and short-form video platforms is reducing the relevance of the television set for the family

[20]Worldometers.info
[21]People Research on India's consumer economy

The industry will work on protecting reach

- Industry discussions indicate a higher willingness for broadcasters and distributors to work together to grow the reach of television across markets, particularly HSM
- This could be achieved by reactivating the over 20 million deactivated STBs by providing incentives and curated packages to such homes
- NTO 4.0 is expected to permit DPOs to be flexible with consumer pricing:
  - With TRAI abolishing the fixed ceiling, DPOs can set NCF based on the market dynamics, taking into consideration number of channels, region of operation, customer category, etc.
  - Also, as recommended by TRAI under NTO 4.0, increasing the maximum discount DPOs can offer from 15% to 45%, may bring in more flexibility and attractive deals for customers
  - Accordingly, creating nuanced regional packs for Tier-III and IV markets, and making offers to FreeDish homes to convert them to Pay TV homes can go a long way towards growing the reach of linear TV
- Large broadcasters' FreeDish strategy will be critical, at the very least to ensure that no recent content is made available on that platform
- Consolidation in the TV segment has created a large and profitable TV leader who is expected to keep investing in linear television, building a better product for the masses, and this will hopefully spur the entire industry to innovate

The CTV opportunity will be monetized

- As CTV continues to grow its reach and viewership, a significant quantity of Pay TV content is being consumed on it either live or as catch-up TV
- There is a need to monetize this audience appropriately, and we expect to see more combined deals being done selling audiences across linear and connected TV together
- This could be aided by the implementation of a common measurement metric across linear TV, CTV and mobile
- Given that brands targeting affluent audiences are increasingly moving to digital, adopting a cross-platform measurement matrix can enable ad slots to be positioned as premium assets with precise ROI tracking across devices, paving the way to re-attract these high-value advertisers to TV

SME advertising will be facilitated

- SME advertising on digital media is estimated at INR258 billion in 2024 and there is a latent demand for such advertisers to use the TV medium, something that they could not afford in the erstwhile linear environment
- We expect to see innovations to bring SME advertisers with a national presence on to television, through creation of self-serve ad platforms, partnership with social and e-commerce platforms, etc.
- Innovations like "scan-to-buy", "click-to-buy" etc. will be integrated across linear feeds (with QR codes) and CTV streams to add a performance marketing aspect to the brand building that TV is usually associated with

Consumer experience will gain prominence

- Multi-window innovation, i.e., packaging and pricing across the three TV consumer segments (Pay TV, Connected TV, Free TV), will be implemented to provide audiences with more content choices
- Broadcasters will create smart bundles at differential price points for different regions and audiences, subject to regulatory guidelines
- Increased flexibility will be provided to subscribers to choose/ replace channels within bundles to prevent churn
- TV content distributed through OTT platforms will be placed behind a paywall or be made available only after a significant delay, and not be provided free of cost online along with its TV broadcast, except for those who have subscribed to the channel on TV or OTT
- OTT and short video content could be used to create television channels for affluent audiences
- Public-private partnership could enable TV dark homes to buy televisions through incentives such as:
  - Free distribution of sets under government programs in border/ sensitive areas
  - Subsidized distribution of sets and STBs
  - Creating a low-cost India TV plus receiver product

News TV will rethink its business model

- As news consumption moves to online video and text, and youth consume news on social and other platforms, news media will need to re-think their content, monetization and measurement strategies
- Content will need to be created multi-format and multi-media, and separately for younger audiences and for different segments
- Premium and mass audiences would require different products and pricing
- Alternate revenue streams like IP, branded content, and exclusive products will be introduced
- News will also move to a "News+" content model, covering a wider variety of themes to reach wider audiences
- The TRAI mandate that channels offered for free on FreeDish cannot be pay channels on Pay TV can create a significant disruption for news channels, which rely for around a quarter of their viewership on FreeDish[22]; hence, news channels will need to re-work their distribution strategies in 2025 to manage viewership

Family content will make a come-back

- The television has always been a way for families to spend time together and build a discuss stories and characters
- We expect broadcasters to make significant investments in commissioning and promoting 'family content' to bring back group viewing, on linear and CTV
- This will give rise to a new category of production houses and talent, across geographies

There would be three large TV sub-segments by 2030

	2024	2027E	2030E
Pay TV (cable + DTH + HITS)	111	95	81
Free TV	49	53	57
Unidirectional TV	**160**	**148**	**138**
Connected TV (bi-directional)	30	48	76
Total TV	**190**	**196**	**214**

EY estimates | millions of subscriptions

- We expect total TV subscriptions to grow to 214 million by 2030, driven by a 1% CAGR in Indian households and increasing per capita income
- By 2030 there would be three large and important segments - Pay TV, Free TV and Connected TV, and broadcasters will need to cater to them all
- With over 43.6 million broadband connections (as per TRAI September 2024 data) and 272 million 5G connections[23], the rate of adoption of connected TVs is significantly increasing, putting significant downward pressure on Pay TV homes, which will fall to around 81 million by 2030, or two-third their peak of 130 million
- Once OTT bundling picks up scale, and pricing parity between OTT and linear TV is more pronounced, the impact on TV homes could be faster
- In effect, CTV would be the largest distributor of content on large screens by 2030, but broadcasters would be competing with not just each other on the CTV platform, but also social media, short video, gaming, etc., all of which underlines the need for diversification of products and re-engineering organizations towards audience segments
- TV measurement would need to follow the three segments, and a common metric (perhaps, the CPM) would need to emerge to enable better planning, which would require broadcasters to build first-party consumer data at scale
- Introduction of massive measurement ecosystems, perhaps using the household level return-path data, would be implemented to provide increased credibility and build advertiser confidence

[22]Industry discussions
[23]Ericsson Mobility Report, November 2024

Trends

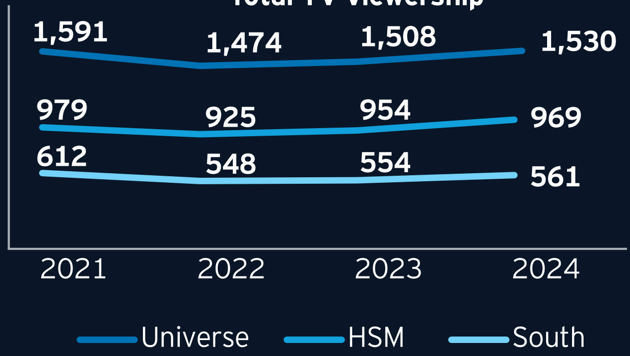
Television viewership

Powered by

Aggregated viewership of 1.5 trillion gross AMA was generated watching television in India

Same as 2023

Total TV viewership

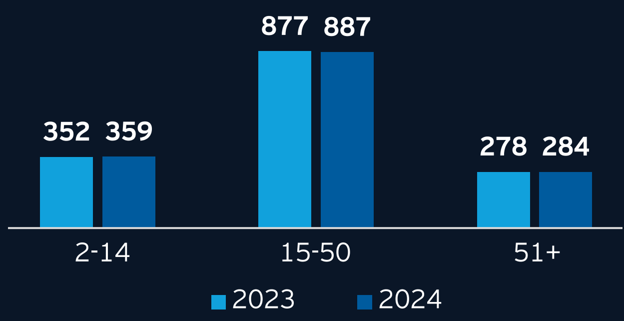


AMA (in billions) aggregated across 30 minutes slots | All India 2+ | Wk1 to Wk52 till 2023 and Wk53 2024

81% of TV viewership was people under **50 years of age**

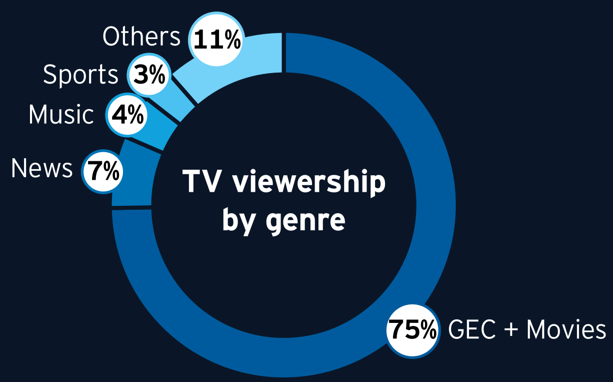
Same as 2023

Age-wise TV viewership



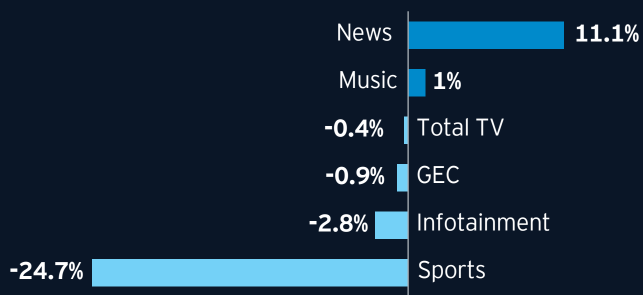
AMA (in billions) aggregated across 30 minutes slots | All India 2+ | Wk1 to Wk52 2023 and Wk53 2024

81% of TV viewership was on **escapism**



News grew the most in an election year

Change in viewership by genre



India 2+ | Weekly average AMA | Wk1 to Wk53

TV has remained by and large **stable**

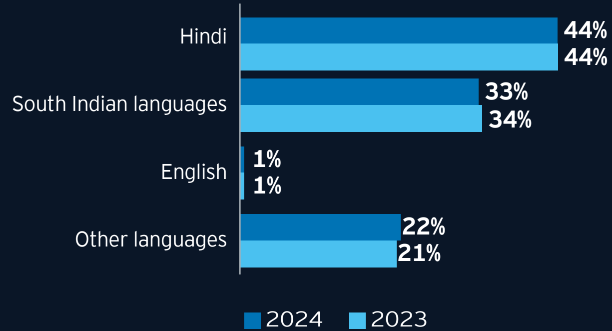
2024 (2023)	**Weekly cume reach** *(million)*	**Average time spent**	**Weekly AMA** *(billion)*
India	751 (757)	3:43:05 (3:41:39)	28.9 (29.0)
HSM	515 (519)	3:31:21 (3:29:25)	18.3 (18.3)
South	236 (237)	4:06:44 (4:06:25)	10.6 (10.7)

All India, Wk1 to Wk52 2023 and Wk53 2024

At 44%, Hindi remained the most viewed language on television

English language viewership was just 1%

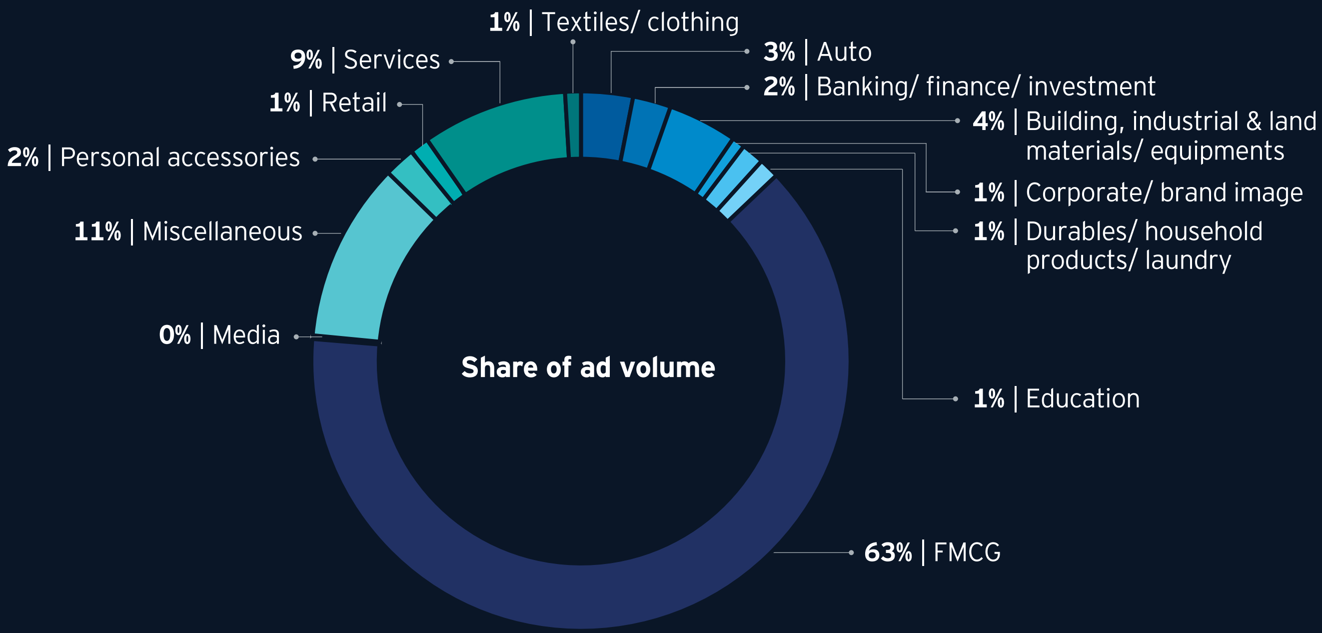
Share of viewership by language



All India, Wk1 to Wk52 2023 and Wk53 2024

FMCG sector contributed **63%** of ad volumes

Down by 3% from 2023



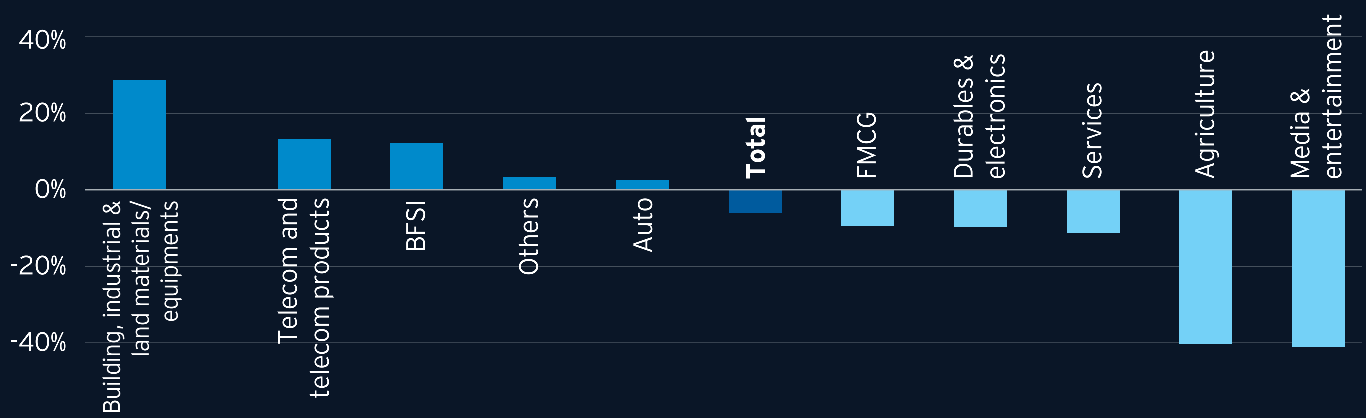
Top 20 **advertiser groups** in 2024

contributed 53% of total ad volumes to television

Rank	Advertiser group	2023	2024
1	Hindustan Unilever	293	257
2	Reckitt Benckiser Group	217	188
3	Godrej Group	70	62
4	Procter & Gamble	57	57
5	Cadburys India Ltd	40	35
6	ITC Ltd	32	32
7	Govt of India	17	31
8	Glaxosmithkline Group of companies	20	23
9	Wipro (G)	20	22
10	Pepsi Foods (G)	27	21

Rank	Advertiser group	2023	2024
11	Reliance Industries Ltd(G)	21	19
12	Coca Cola India Ltd	27	19
13	Tata (G)	20	19
14	Colgate Palmolive India Ltd	19	18
15	Aditya Birla Group	10	17
16	Govt of Punjab	14	17
17	Nestle India Ltd	16	16
18	Wadia (G)	18	14
19	Amazon Online India Pvt Ltd	15	13
20	Patanjali (G)	10	12
	Total	**964**	**894**

Change in ad volume by category 2024 vs. 2023



All data has been provided by BARC India and is based on their research. The data has not been independently validated by EY and is presented in summary form for representative purposes only.

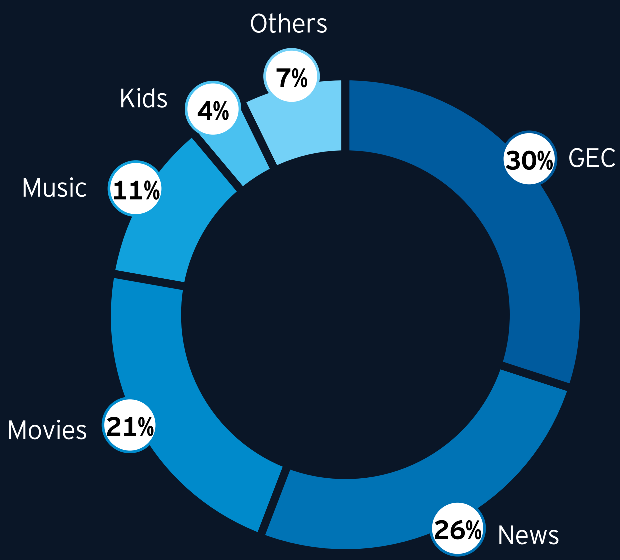
Trends

TV advertising

Powered by TAM AdEx (A division of TAM Media Research)

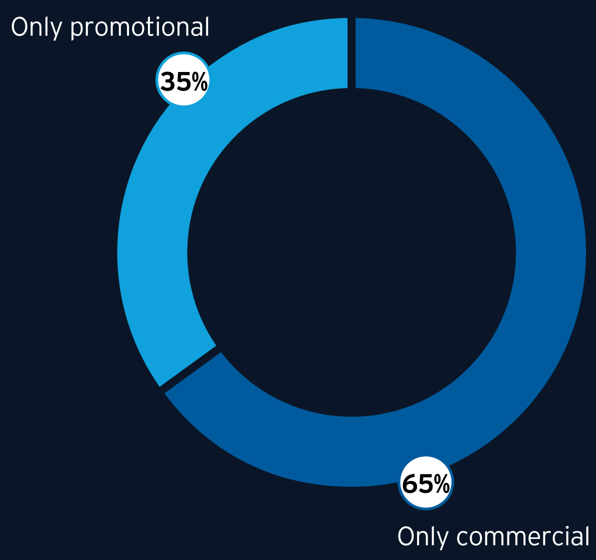
The top five TV genres garnered 93% of total **ad volumes**

However, overall ad volumes on TV fell 8%



65% of **non-program inventory remained commercialized**

Down from 68% in 2023



The number of **advertisers on television** dipped further in 2024

	2022	2023	2024
Categories	480	467	452
Advertisers	9,245	8,477	7,476
Brands	14,180	13,381	11,718

149 **categories increased ad volumes** on TV compared to all other media in 2024

Rank	Top 10 categories
1	Toilet soaps
2	Toilet/ floor cleaners
3	Washing powders/ liquids
4	Toothpastes
5	Milk beverages
6	Shampoos
7	Biscuits
8	Chocolates
9	Rubs and balms
10	Tea

Share of total ad volumes for regional channels was 16% more than national channels

The difference was 13% in 2023

The **top five advertisers** contributed **34%** of TV advertising volumes

Down from 39% in 2023

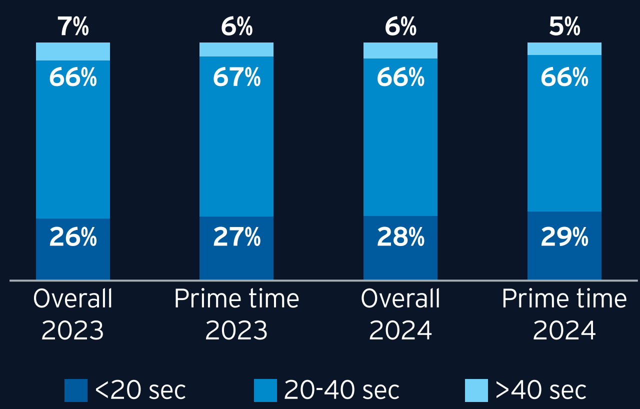
Rank	Top five advertisers	Share
1	Hindustan Unilever	14%
2	Reckitt Benckiser (India)	12%
3	Godrej Consumer Products	4%
4	Cadbury India	2%
5	ITC	2%

Top three **sectors** encompassed more than 50% of advertising on TV

Rank	Top five sectors	2023	2024
1	Food and beverages	22%	22%
2	Personal care/ personal hygiene	18%	16%
3	Services	13%	13%
4	Household products	9%	9%
5	Personal healthcare	7%	7%

Ad length reduced from 2023

Ad length



Source: TAM Media Research. TAM AdEx's data pertaining to 600+ television channels for Jan to Nov 2024. Data for Dec 2024 is extrapolated in some cases. Volumes are in seconds unless otherwise stated. The data has been provided by TAM Media Research to EY and has not been independently verified by EY.

Trends

India connected TV

Powered by Samsung Ads

Reach

27%
y-o-y increase in active Samsung smart TVs in India

-1%
y-o-y fall in connected dongles

29%
y-o-y increase in the number of users, similar across AVOD and SVOD

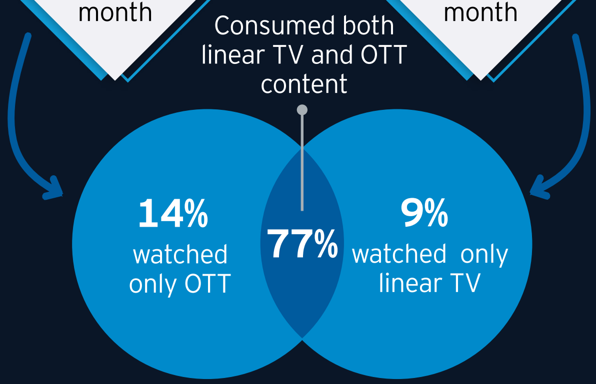
Viewership

5 apps
Average streaming apps per household, of which 3 were AVOD

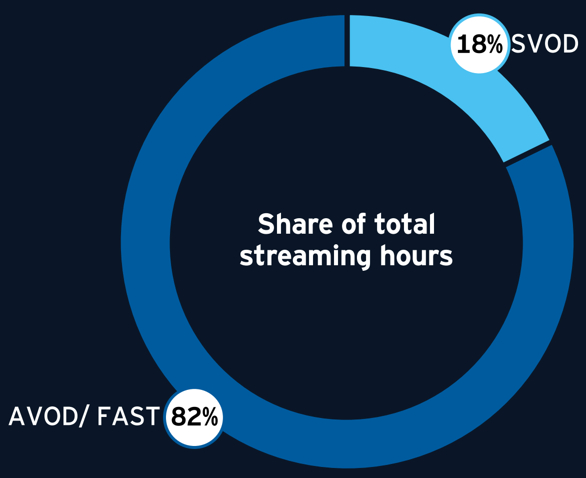
36.3 hours
Total hours spent watching OTT per TV per month

4.6 hours
Total hours spent watching linear TV per TV per month

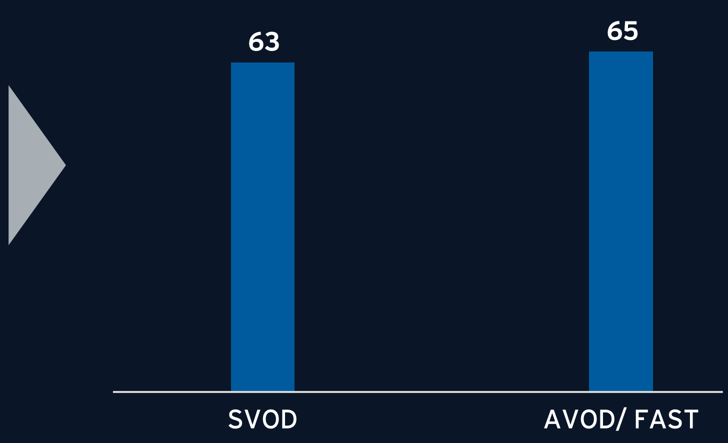
99.5%
of total streaming time was spent on the top 10 apps



Ad-supported platforms dominated viewership



Average viewership (Minutes per day)



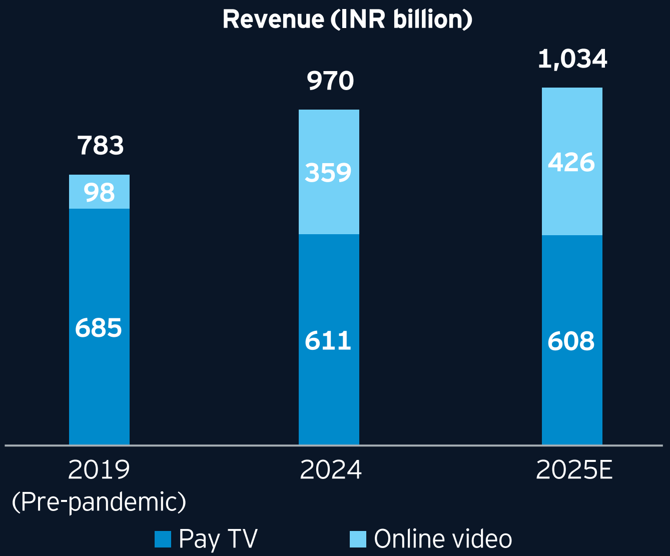
Samsung Ads proprietary ACR data India 2024. Viewership is Weighted average viewing time per category. Data is till 30th Nov 2024. All data has been provided by Samsung Ads to EY and has not been independently verified by EY.

Trends

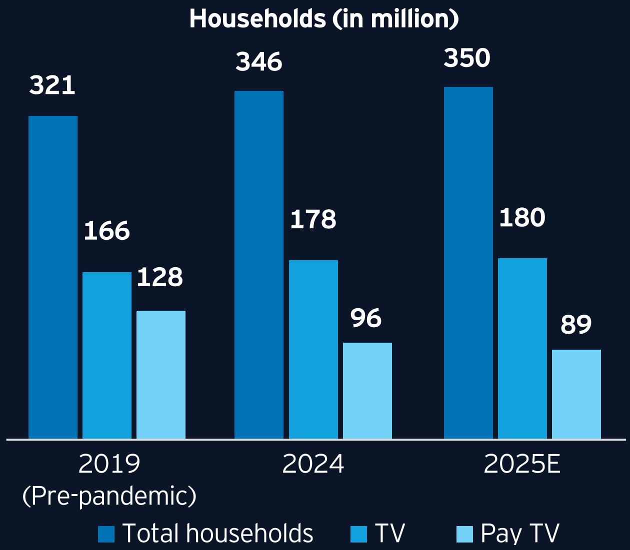
Pay TV

Powered by Media Partners Asia

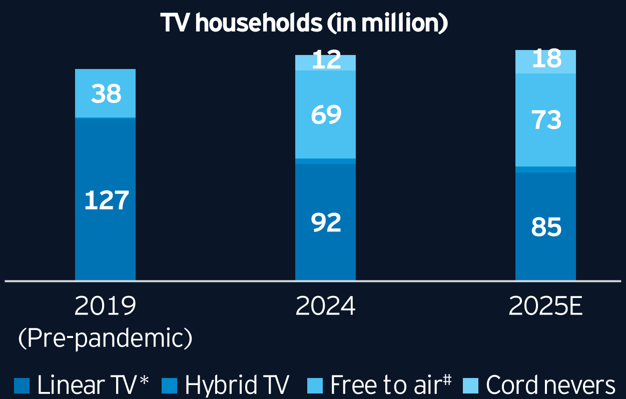
Total video revenue grew 24% from pre-covid period



TV households continue to increase *though Pay TV households declined*

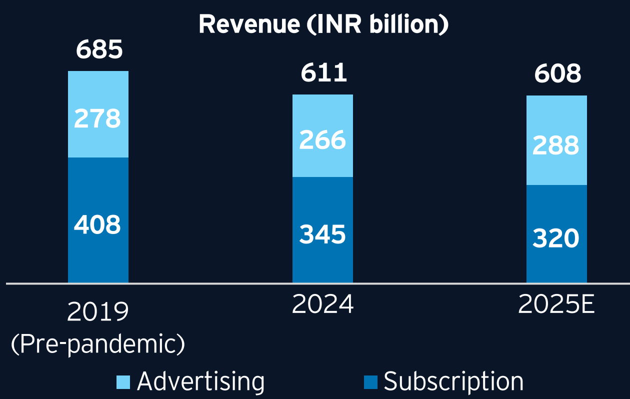


TV reach has been increasing *Led by free to air and cord nevers*

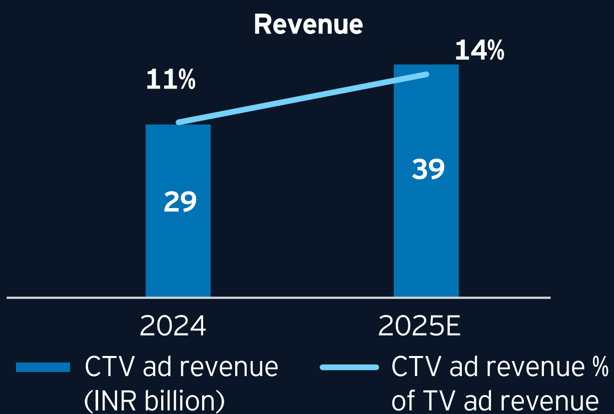


**Linear TV may also include CTV users streaming video through SmartTVs and dongles*
#FTA includes FreeDish and terrestrial TV households

TV revenues are falling *but advertising will recover in 2025*



CTV ad revenue is expected to increase by 34% by 2025

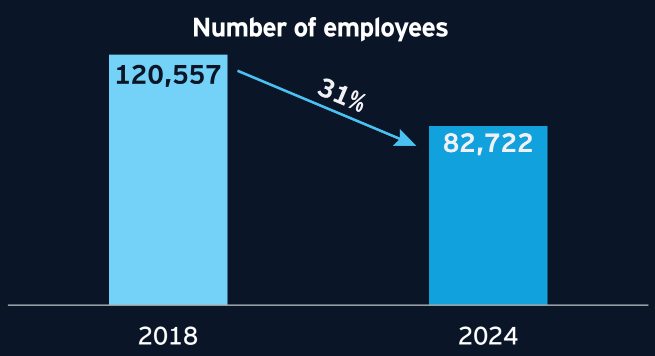


All data has been provided by Media Partners Asia and has not been independently verified by EY. It has been presented in summarized form for representation purposes only.

Trends

Local cable operators

31% loss of employment reported by LCOs since 2018



93%

of LCO respondents reported that their monthly take-home income had reduced since 2018

Key issues faced by LCOs

#1

Inability to increase collections/ rates from customers when channel rates increase

#2

Movement from Pay TV to OTT, Free Dish and Connected TV

#3

Quality of content on Pay TV is not at par with OTT platforms

Leading to approximately 10k of our respondents losing more then 40% of their subscriber base

49%

of LCO respondents reported a fall in subscriber base since 2018 of which 35% reported a fall of over 40%

Change in subscriber base since 2018

Change in subscriber base	No. of respondents
Fallen over 40%	9,863
Fallen 20% to 40%	2,536
Fallen 0% to 20%	1,127
Grown 0% to 10%	564
Grown over 10%	14,091

Results of a survey of 28,181 LCOs across 31 Indian states and Union Territories conducted with the support of the AIDCF.

Expert speak

Innovative, deeply personalized, tech-powered content experiences will shape the future of the M&E sector, serving as the key differentiator for players to gain higher mind share and wallet share of consumers. In this TV 'AND' Digital era, consumers will follow the platform that delivers quality content.

Punit Goenka
ZEE Entertainment Enterprises

Storytellers are always in the war for viewer attention. And this war has been made more intense today because of new technology. Viewers have no time for anything formulaic - and so the story, the writing, the sets the costumes, the music must be authentic, rooted and at its core different. Once, we raise the bar and the content works, we continue to have incredible ways to monetise it.

Gaurav Banerjee
Culver Max Entertainment

The boundary between traditional TV and OTT programming is fading. We are seeing dramatic consumption of mainstream TV shows on OTT platforms, reshaping viewing habits. As major broadcasters embrace digital platforms for their flagship linear content, they may secure short-term gains but risk accelerating the decline of Pay TV—a potential pyrrhic victory.

Arjun Nohwar
Warner Bros. Discovery

Broadcasting is witnessing phenomenal technological development. We have to enable a regulatory and governance framework that facilitates technological innovation and growth, maintains a level playing field across diverse players; enhances consumer choice & experience, yet ensures responsible content dissemination.

Anil K Lahoti
TRAI

Audience demands in terms of content variety, personalization and mode of consumption are continuously expanding. Public broadcasting must simultaneously straddle radio, TV and digital modes to reach all audiences, as Prasar Bharati does with Akashvani, Doordarshan and Waves.

Gaurav Dwivedi
Prasar Bharati

Short-form content, summaries and UGC, coupled with newer marketing avenues like e- and q-commerce, OTT, in-app and in-game, are reshaping the industry. 5G and cloud gaming will drive immersive & interactive entertainment. Blockchain-based authentication will help manage IP, monetise digital work and combat misinformation. Media, brands, and consumers are more intertwined now than before and will continue to converge, collaborate and co-create to stir discovery, influence behaviour and drive consumption.

N Subramanian
Times Group

Breaking news is the ultimate engagement driver, and live content commands unmatched attention and thus value. As news brands build cross-platform conversations, lean forward/ lean in consumption is demonstrating real-time, high-impact.
Live news deserves a premium, and it's time the market recognizes and reflects this shift.

Kalli Purie
India Today Group

It is an inflection year for news television.
Industry is facing a choice - A status quo'ist response to the emerging business landscape leading to extinction or work together to convert all challenges into opportunity and expand the cake rather than shrink it.

Barun Das
TV9 Network

It's a year of abundant caution. Trade wars, economy not at its strongest and consolidation in media, increasing use cases of AI are all likely to disrupt the industry in the next fiscal . The strongest will be able to weather this storm. For many others it could be challenging

Avinash Kaul
Network18

The entry of some of the pay broadcasters into the FTA space is a positive development. They may take FTA market share by 15% in the beginning, but it will also expand the market by 15% within a year. This growth will benefit the market, offering consumers a wider range of choices and fostering a healthier ecosystem.

Manish Singhal
Enterr10 Television

Cannibalizing the same content on OTT & linear television has resulted in audience binge watching the content on OTT at their convenience resulting in decline in Pay TV homes from 132 million to 111 million in last 5 years. If the same content is exclusive for linear television it will become appointment viewing for audience at the time pre-decided by the broadcaster and linear television will exist for at least 10 years.

Manish Shah
Goldmines Telefilms

India's M&E industry is going through a market consolidation phase, growth and consistency in business models will be dependent on collaboration and partnerships to achieve further scale. The diversity and vastness of the Indian market continues to present a large market opportunity if played correctly.

Aditya Pittie
IN10 Media Network

For prolonged uncertainty over the sector to disappear, the entangled noodles that disparate regulations have created over the years need combing. A level playing field amongst distribution platforms wrt taxes and removal of price and margin controls, can help. Market forces will handle the rest.

Harit Nagpal
Tata Play

The M&E industry is at the cusp of a transformation fueled by varied consumer needs and the emergence of newer technologies. This is creating opportunities to connect with audiences in an immersive & interactive way and offering them unmatched experiences.

Siddharth Sharma
Bharti Airtel

The future of the M&E industry in India will be premised on its ability to integrate innovation with legacy. Evolution through IPTV exemplifies this – providing a seamless transition from traditional cable and offering a dynamic and personalised alternative to standalone OTT services. This would effectively combine 'live' TV, video-on-demand, and access to streaming apps on a single platform, creating a unified entertainment experience.

Vynsley Fernandes
Hinduja Global Solutions

While the industry is facing pressure on subscriber growth, the way forward is clear—delivering the right content at the right price to the right audience. Success will hinge on content personalization, value-driven strategies, and adapting to evolving consumer preferences.

Manoj Dobhal
Dish TV India

Consumer demand for diverse, high-quality content will drive the convergence of Pay TV, OTT, and digital media, making regulatory balance and technological innovation key to industry transformation.

Ajay Singh
GTPL Hathway

As content consumption diversifies, a balanced regulatory approach, fair competition across platforms, and evolving business models will shape the sustainable growth of India's M&E industry.

Tejinder Singh Panesar
Hathway Cable and Datacom

The television distribution landscape is polarizing into three segments: a shrinking legacy pay-TV base, a saturated free-to-air segment, and a rapidly expanding CTV segment, driven by rising home broadband adoption.

Mihir Shah
Media Partners Asia

Broadcasters now compete beyond rivals—any experience stealing screen time is competition. To win, we must transcend platforms and craft immersive, unforgettable journeys that keep audiences engaged and coming back.

Sandeep Mehrotra
Culver Max Entertainment

Indian M&E's 3rd wave is here. Super-aggregators are on the rise, with national and regional content, supported by addressable advertising and social commerce, which is changing how brands connect with audiences at scale.

Ajit Varghese
JioStar

The future of advertising is the increasing convergence between TV's unmatched reach and brand building abilities coupled with Digital's interactivity and exponential growth. The key is to design and deliver innovative ad solutions that drive meaningful impact, ROI for brands and higher relevance for consumers.

Ashish Sehgal
ZEE Entertainment Enterprises

Connected TV in India is destined for tremendous growth in the coming years! With expanding connectivity and surging demand for streaming services, more personalized viewing experiences, and content beyond entertainment, CTV is poised for a brilliant future.

Prabhvir Sahmey
Samsung Ads

Despite digital platforms, linear TV stays popular due to its cultural significance, market value, and commercial viability. It continues to remain a compelling, family-friendly entertainment option in the evolving digital landscape.

Rajesh Kaul
Culver Max Entertainment

Win-win partnerships with affiliates are the cornerstone of driving growth for the Pay TV ecosystem. Technology is at the heart of creation, deployment, and consumption of content today. This is the golden era for content and a perfect balance between the right pricing and extensive reach will drive the industry forward.

Piyush Goyal
JioStar

Pay TV harbors immense headroom for expansion, growing parallelly with digital subscriptions. As viewing habits evolve, the industry must also embrace value-driven innovation that complements linear and digital platforms through smarter bundling, cross-platform monetization and enhanced entertainment experiences to drive sustained subscriber engagement and growth.

Anil Malhotra
ZEE Entertainment Enterprises

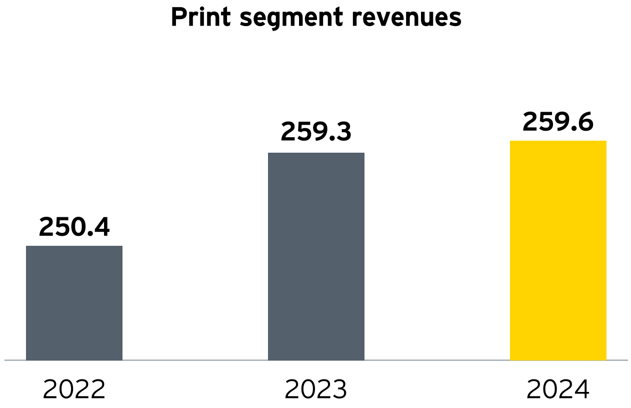
Nearly 560 million Indians tune in to spend an average of 3 hours and 42 minutes on TV every day. Close to 100 million of them spend 6+ hours watching TV. By far, television continues to remain the strongest medium for entertainment and in shaping public opinion and purchase decisions nationwide.

Nakul Chopra
BARC

Print

Key trends of 2024

The print segment remained flat in 2024



INR billion (gross of taxes) | EY estimates

- The print segment remained stable at INR 259.6 billion in 2024
- It is still, however, just 88% of its pre-COVID-19 revenues
- Print remains the go-to medium for reaching affluent audiences in India, and is used by most premium brands and categories like real estate, auto, luxury products, phones, etc. particularly for brand and product launches
- Circulation growth has stagnated for most print brands we interviewed, and future growth is expected to be difficult; most print CEOs making efforts to maintain circulation at current levels

Advertising grew 0.7%, while circulation declined by 1.2% in 2024

	2022	2023	2024
Advertising	170.1	177.6	178.9
Circulation	80.3	81.7	80.7
Total	**250.4**	**259.3**	**259.6**

INR billion (gross of taxes) | EY estimates

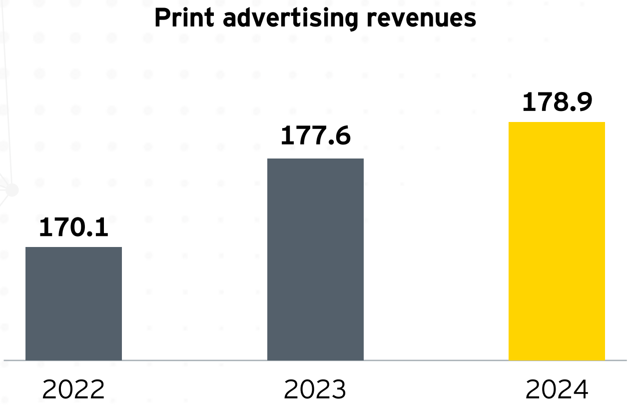
Newspapers grew marginally, while magazines remained flat

	2022	2023	2024
Newspaper	243.6	252.3	252.6
Magazine	6.9	7.0	7.0
Total	**250.4**	**259.3**	**259.6**

INR billion (gross of taxes) | EY estimates

Advertising

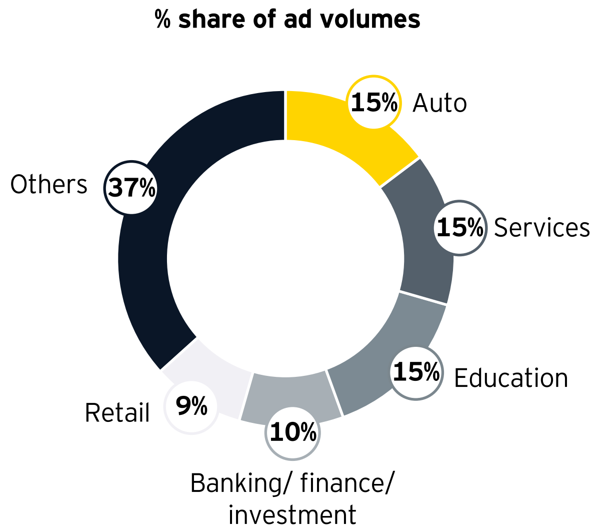
I. Advertising revenues grew 0.7% in 2024



INR billion (gross of taxes) | EY estimates

- Overall ad insertion volumes increased 1.3% over 2023[1] while ad rates fell 1% as the retail mix increased[2]
- The number of advertisers on print declined – there were over 140,000 advertisers which used print during 2024, compared to 150,000 advertisers in 2023
- For some print companies we analyzed, event revenue growth made up for the fall in ad revenues
- The DAVP rate increase which was expected in 2024 did not happen
- Share of advertising in the total income of print segment was 68%, up from 65% in 2021

II. Top five sectors contributed 63% of ad volumes

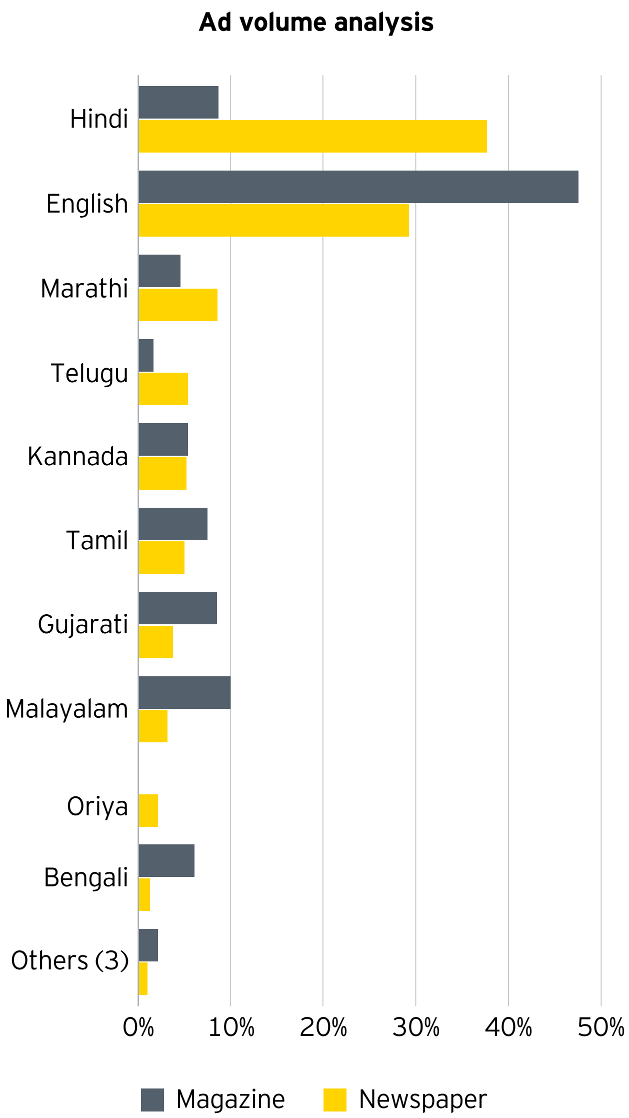


Tam AdEx

- There were three large sectors driving print volumes – auto, services and education – each contributing around 15% of total print volumes
- The top five categories were cars, two-wheelers, real estate, coaching and jewelers, each with an over 5% share of ad volumes
- A few print company CEOs mentioned that the rise of e- and q-commerce had impacted retail sales spending on advertising
- Government and PSU ad spends declined with the code of conduct restrictions applicable for the general elections held in 2024, though advertising by political parties was significant for many news companies[3]

[1] TAM AdEx data till November 2024, extrapolated for December 2024
[2] EY estimates
[3] Industry discussions

III. English and Hindi publications garnered 66% of newspaper ad volumes



Tam AdEx | % share of ad volumes

- Hindi continued as the largest contributor to newspaper ad volumes, given it has the largest reach of any language in India, stable at 38% of ad volume share
- English language newspapers gained 2% ad volume share since 2022, while regional language newspapers saw their share reduced by a similar percentage
- English magazines garnered 48% share of the total magazine advertising, up from 46% share in 2023
- Four south Indian languages together contributed 24% share of magazine ad volumes in 2024, with Malayalam contributing 10% by itself

IV. Events focus increased

- Most newspaper CEOs we interviewed stated that their investment in events had increased, and more than 10 brands that we could identify conducted over 200 events a year each
- Events conducted by trusted news brands provide a credible platform for advertisers to engage with consumers and businesses
- In 2024, there were three key types of events that saw traction:
  - B2B events like awards, conferences and conclaves which targeted corporate executives
  - B2C events like fairs, exhibitions, sports leagues etc.
  - Brand initiatives like listings, rankings and social movements
- For magazine companies, profitability was largely driven through events, and not ad sales, while for most newspaper companies events usually provided a top-line boost without, in many cases, a significant bottom-line impact
- Events were seen in the past as metro-centric but 2024 saw their reach move to the top 40 million+ population towns as well

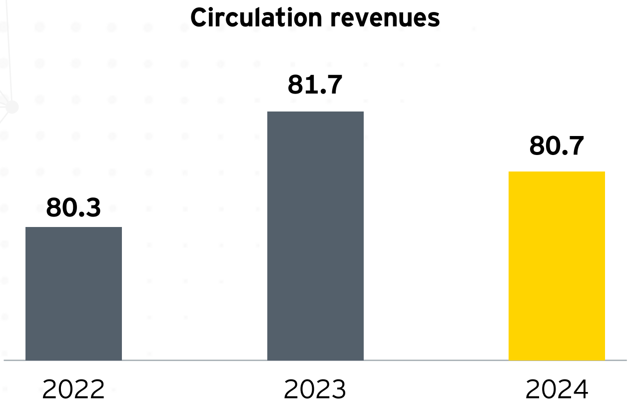
V. Digital revenues grew 12%

- The digital revenue of print publishers has been growing every year and is likely to see a steady growth of 10% to 15% in the next three years
- While our estimates indicate that digital comprises 6% of total revenues and 9% of ad revenues, industry discussions indicate that it is still well below 5% of most print companies' total revenues
- E-papers have grown significantly, and some industry experts estimate that their readership could be as high as 10% of physical readership
- However, industry discussions indicate that the growing use of AI in search engines and use of web crawlers has been detrimental to digital revenues of many print companies. Several of them have (or are planning to) ban the use of web-crawlers on their original content

Circulation

This section is based on industry discussions and data available from publicly available financial statements, since no readership survey was conducted for 2024.

I. Circulation revenues declined by 1.2% in 2024



INR billion (gross of taxes) | EY estimates

- English language publications grew their circulation revenues by 3.6% in 2024, while revenues of other language publications declined by 1.8%
- Most companies we interviewed claimed that their copies were marginally lower or flat compared to 2023
  - Many claimed that reading a newspaper delivered to the home has been reduced to three to four days a week, as against a daily habit, and is highly dependent on content quality, large news events, depth of analysis and viewpoints rather than just facts
  - The number of homes with a second or third newspaper is reducing, felt industry leaders, as more news is consumed through the day on digital media
  - Accordingly, the focus is on moving towards quality audiences rather than just quantity
- Total circulation revenues are currently 10% below their pre-pandemic levels, however, circulation for English newspapers remains 23% lower while being 9% lower for other language newspapers
- Our analysis of ABC circulation data shows that newspaper circulation fell 2.7% between 2023 and 2024, for like to like editions, while magazine circulation grew 1.2%

II. Newspaper distribution is becoming a challenge

- The key USP of Indian newspapers is its door-to-door distribution capability
- With the rise of e-commerce and q-commerce, traditional distributors are attracted to those delivery platforms rather than newspapers, as they have better timings and offer higher remuneration
- Consequently, the number of people willing to distribute newspapers is reducing, which could be a significant cause for concern for the print segment
- The print segment is now discussing steps to enhance remuneration and incentives, reduce the time for delivery, as well as providing alternative options to distribution partners to enhance their revenues

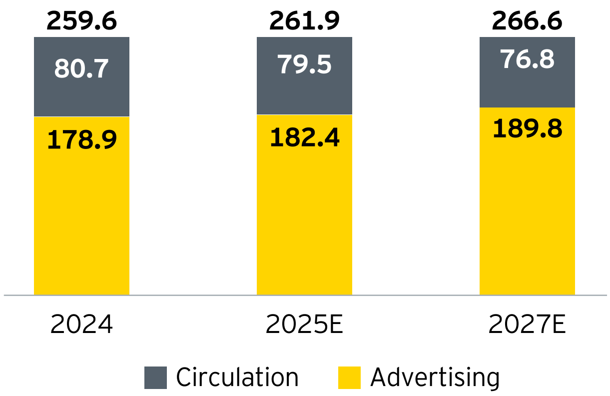
III. Magazine circulation grew

- Subscription grew on the back of better delivery and a higher focus on marketing and schemes, as well as increased government buying for libraries, schools and colleges
- Churn, however, remained an issue, with many publishers claiming renewal rates of below 50%

Shape of the future

Print segment can grow to INR267 billion by 2027

Print segment revenue estimates



INR billion (gross of taxes) | EY estimates

Core print revenues will grow marginally

- We expect the print segment to grow at less than 1% CAGR till 2027
- Advertising will grow at a 2% CAGR, driven by access to increasingly elusive NCCS A audiences and premium inventory formats
- Subscription may see a decline of (-)2% CAGR as circulation continues to fall

Focus will be on quality readers

- As the country moves more towards one paper in the home, the focus of print companies will be on building their brand and loyal reader base, rather than discounting to sell subscriptions, and thereby grow circulation at the cost of competing products
- Building a loyal customer base can be achieved in many ways, like providing more local and hyper-local news, in-depth analysis, viewpoints from influencers and celebrities, content more linked to career and personal success, coupons and discounts on e-commerce sites, etc.
- Print companies will increasingly target high-rises and more affluent audiences to grow circulation

The affluence + tier-II and III story will resonate with advertisers

- As consumption grows faster in smaller towns than in many metros[4], and affluence spreads across the country, the consumption story must be communicated strongly to media buyers
- For many regional newspapers, a "state ownership" strategy will help in garnering a higher share of wallet, where the newspaper brand becomes the window to all media in that state for advertisers
- News companies will focus on getting brands to spend consistently on print in 2025, rather than in short, tactical bursts, or when they see sales drop
- There is scope for ad rates in regional language papers to correct as consumption grows faster in those markets than in metros

[4]The Growth Paradigm, EY report and several news articles

Focus will increase on SME advertisers

- We expect print companies to increase their focus on SME advertisers (we estimate their digital spends in 2024 to be around INR258 billion, gross) as this category of advertisers is increasing its spends on media faster than larger advertisers
- We expect to see self-serve platforms being launched for them, aided by generative AI tools to help with content creation, as well as more innovations like scan-to-buy and e-commerce linkages to enable transactions
- For smaller SMEs, split editions will continue to be created to increase affordability

Events will gain in importance

- Print companies' trusted brands will continue to provide advertisers with credible platforms to connect with their audiences, B2B or B2C
- We expect print companies to increase event revenues to 8% to 9% of topline by 2027

"35 will be the new 25"

- Most young readers used to come to print after completing their education and starting work at 25 years of age, but that age has increased to 35 years now as youth have fewer responsibilities at 25 than they used to
- Creating products with exclusive content for this class of career professionals, including premium products that help with career growth, will be important to keep readers coming back to print
- The narrative of "10 minutes, 20 pages" can be used as the path to personal and career success

Cover prices may need to increase

- The fall in circulation, the need to incentivize distribution partners, and expected increases in newsprint prices (as well as the falling INR exchange rate) can force news publishers to consider increasing cover prices
- The conundrum of increasing cover prices to sustain profits while circulation reduces will result in micro-pricing strategies depending on brand strength and market leadership

We will see increased bundling

- Flexibility in pricing strategies, selective price increases, and strategic partnerships could be a proactive approach to sustain and grow readership
- We expect to see many bundling innovations, such as:
  - corporate offers
  - educational institutions
  - bundles with D2C brands, telcos and e-commerce platforms
  - digital + physical offers
- We expect a common magazine app to be launched with access to many major magazines, discussions for a magazine store on ONDC and other initiatives to increase digital reach

Young readers will force a new strategy

- The print segment faces challenges in attracting younger readers, and that can be an existential threat
- We expect to see increased investment in products (both physical and digital) for young audiences and those who are entering the workforce, linked to syllabus and their specific needs
- The news in education (NIE) program will see increased focus as content linked to education will be increasingly made available to students, either physically or on digital media, including English newspapers being made available in regional language markets[5]
- News brands will also focus more on connecting with youth audiences on social media, where their consumption of news takes place

Revenue streams will diversify

In order to increase revenues, we expect print companies to look to new revenue streams, which could include:

- Monetizing content, including archives, on digital media
- Explore innovative content formats such as short video, podcasts and curated short films
- Evaluating high-priced products tailored for niche audiences
- Consider launching international editions to tap Indian diaspora
- Build communities around Indian themes, which can be monetized globally e.g., yoga and spirituality

Digital news will be a collaborative effort

News publishers will focus on creating a credible digital story. Some initiatives could include:

- Providing "certified inventory" to increase trust in advertisers and thereby increase ad yield
- Building 1P data through interactivity, partnerships and data sharing, to enable better targeting for advertisers
- Enabling cross-platform measurement, so that print + e-paper + mobile + CTV audiences can be packaged and sold together
- Leveraging digital audiences for content commerce and integrating sales teams for cross-platform advertising
- Rolling out a One-India news app with participation from all leading news brands as a united platform with a massive consumer base, thereby saving on customer acquisition costs as well as generating usable consumption and audience data, particularly in a cookie-less world, where first party data becomes critical for ad efficiency

Sustainability will matter more

Several environmental initiatives will be undertaken to present a more sustainable product proposition to readers, from use of solar power, building windmills, tree-plantations, lower GSM paper use, electric transportation, reduction of single-use plastic, etc.

Efficiencies and scale will be important

- Generative AI provides publishers the opportunity to develop hyper-personalized content at scale, while at the same time reduce the effort pertaining to research, analysis and editorial
- Infrastructure sharing - on the lines of the tower sharing companies created by telcos - across news gathering, printing, distribution and ad sales can lead to significant cost reduction
- As the print segment focusses on efficiency, it will need to invest more in attracting talent to innovate and think differently

[5]Industry discussions

Trends

Print advertising

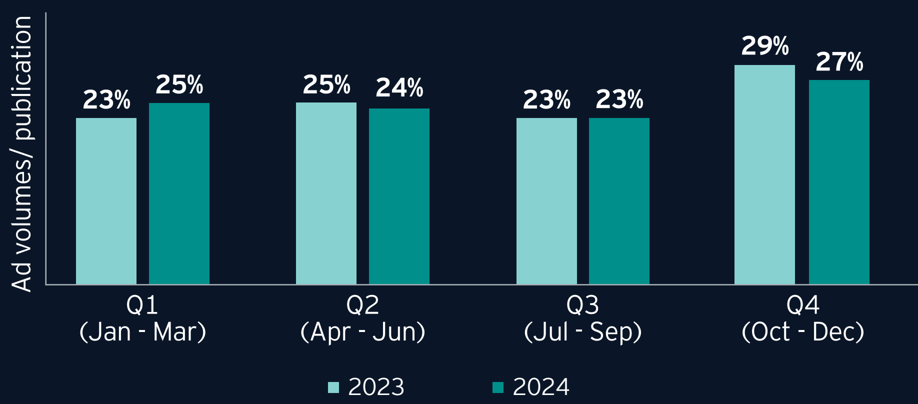
Powered by TAM AdEx

(A division of TAM Media Research)

1% increase

Print ad volumes grew 1% in 2024, though average insertions per day reduced, indicating larger ad formats

Q4 contributed 27% of **ad volumes** to print in 2024



The **number of advertisers** using print dropped to 2020 levels

	2020	2023	2024
Product categories	714	702	684
Advertisers	140k	150k	140k
Brands	170k	185k	172k

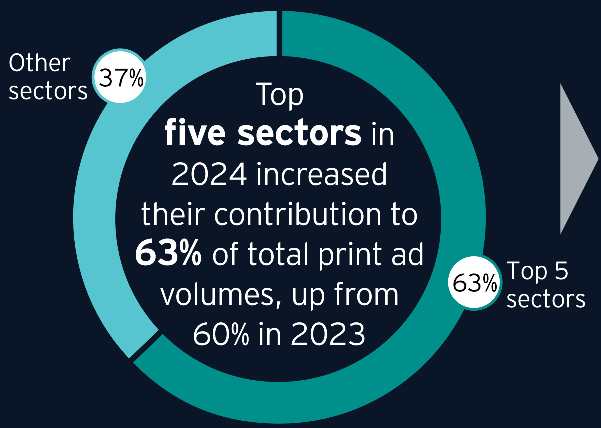
153 ad categories

had higher ad volumes in print compared to TV, radio and digital

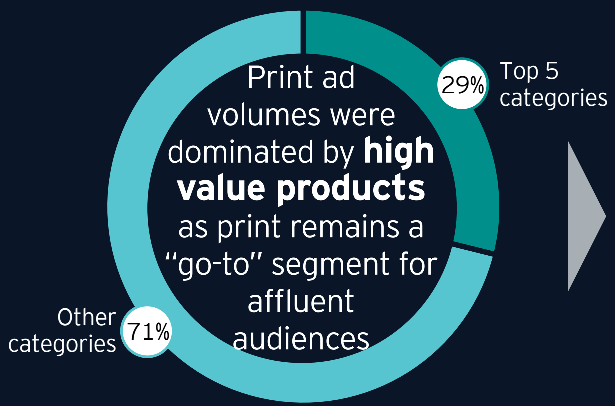
Top five advertisers contributed 9% of ad volumes in 2024

They had contributed 12% in 2021

	2022		2023		2024	
Rank	Top five advertisers	Share	Top five advertisers	Share	Top five advertisers	Share
1	SBS Biotech	3%	Maruti Suzuki India	2%	Hero Motocorp	2%
2	Maruti Suzuki India	2%	SBS Biotech	2%	Maruti Suzuki India	2%
3	Reliance Retail	2%	Reliance Retail	2%	Honda Motorcycle & Scooter India	2%
4	Hero Motocorp	2%	Hero Motocorp	2%	SBS Biotech	2%
5	LIC of India	2%	LIC of India	1%	Reliance Retail	1%



Rank	Top five sectors	2023	2024
		Share of ad volumes	
1	Auto	13%	15%
2	Services	15%	15%
3	Education	14%	15%
4	Banking/ finance/ investment	9%	10%
5	Retail	9%	9%

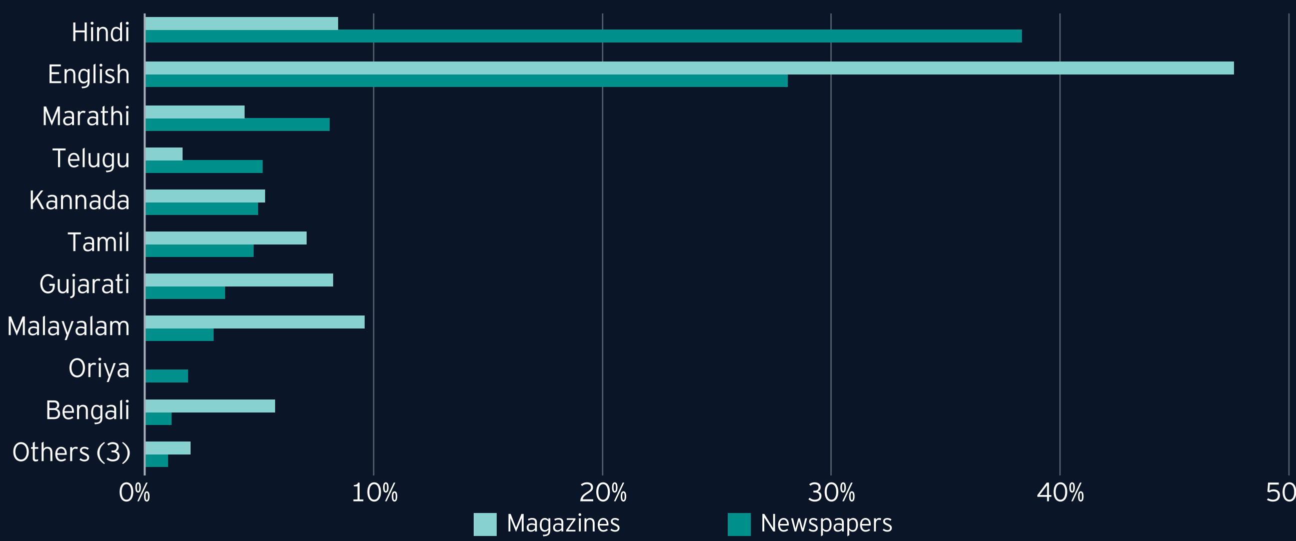


Rank	Top five categories	2023	2024
		Share of ad volumes	
1	Cars	7%	7%
2	Two wheelers	5%	6%
3	Properties/ real estate	5%	5%
4	Multiple courses/ coaching	5%	5%
5	Retail outlets - jewellers	4%	5%

Hindi and English publications garnered **66%** and **56%** of total newspaper and magazine ad volumes

Ad volumes share for English publications increased from 2023

Ad volume analysis



Five states continue to contribute half of **newspaper ad volumes...**

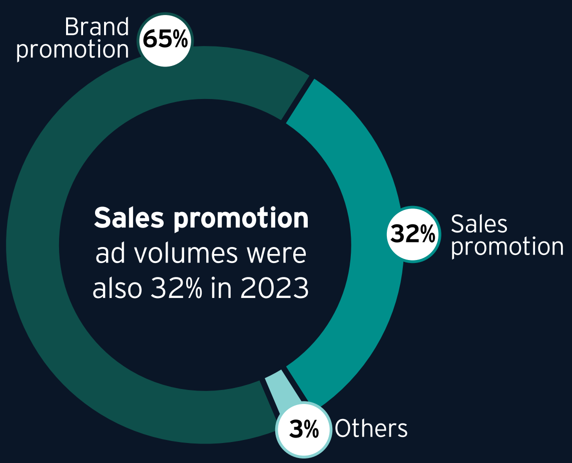
Rank	States	Share 2023	Share 2024
1	Maharashtra	14%	14%
2	Uttar Pradesh	11%	12%
3	Tamil Nadu	9%	9%
4	Karnataka	8%	8%
5	Andhra Pradesh	8%	7%
6	Rajasthan	7%	7%
7	Punjab/ Chandigarh	5%	5%
8	Madhya Pradesh	4%	5%
9	Kerala	4%	4%
10	Gujarat	4%	4%
Others (13)		25%	25%
Total		**100%**	**100%**

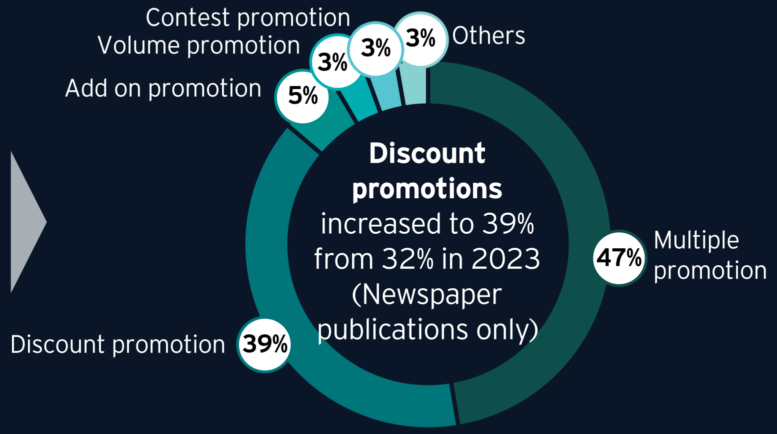
...while national magazines garnered half of **total magazine ad volumes**

Rank	States	Share 2023	Share 2024
1	National	49%	51%
2	Maharashtra	11%	11%
3	Kerala	10%	10%
4	Tamil Nadu	8%	7%
5	West Bengal	7%	6%
Others (5)		15%	16%
Total		**100%**	**100%**

Sales promotions contributed **32%** of total ad volumes in 2024

39% of these offered discounts and 3% included contests





TAM AdEx's data pertains to 820+ publications for Jan to Nov 2024. Where indicated as '2024E', data for Dec 2024 has been extrapolated. The data has been provided by TAM Media Research to EY and has not been independently verified by EY.

Expert speak

Success of print media lies in building trust, driving innovation, and deep-rooted local connect along with credible journalism that engages readers and creates unmatched value for advertisers.

Sanjay Gupta
Jagran Prakashan

As digital evolves, print shall remain the core—immersive, credible, and enduring. Its power lies in reinventing engagement, shaping narratives, and building legacy. The future belongs to timeless storytelling with the power of aesthetic intelligence.

Sivakumar Sundaram
The Times of India

With rapid advancements in AI and evolving consumer preferences, it is an exciting time for media. The future lies in audience first propositions, seamlessly integrated across core and emerging formats, balancing innovation and credibility.

Sameer Singh
HT Media Group

As journalism adapts to the AI age, the combination of AI's analytical capability and human empathy will shape the most reliable, transparent, and reader-centric news platforms of tomorrow. Media organizations will also have an opportunity to discover new models for sustained growth.

Tanmay Maheshwari
Amar Ujala

Last year has been good for the industry due to increased spending by government as well as commercial advertisers. Post COVID-19, leaders in various markets who have been nimble have emerged stronger. We are confident of close to double digit growth over the next 3 years.

Karan Darda
Lokmat Media Group

Print will grow in FY26 aided by revenue growth on both advertising and reader revenue. New growth will come from a focus on engagement and bundling brands with experiences.

LV Navaneeth
The Hindu

Advertisers see the importance of Print in building brands for lasting impact. We believe the focus and credibility of Print media is unparalleled compared to other mediums.

Jayant Mammen Mathew
Malayala Manorama

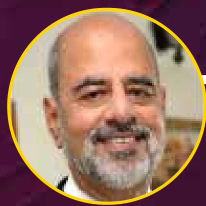
In the world of AI, long term success for the media industry will come to those who invest in original ideas rather than follow formulas. This applies to an exclusive news break, a unique rhythm or an unpredictable movie script.

Anant Goenka
The Indian Express

Subscribers remain the No. 1 priority this year as well. After overhauling the delivery system with the launch of 'Magazine Post' by India Post in 2023, the industry is working closely with ONDC to create a large footprint of online stores across dozens of B2C apps, to sell magazine subs to millions of online users.

Anant Nath
Delhi Press

For readers, print media offers credible global to hyper-local news content, and wide ranging features. For advertisers, it delivers high impact, contextual placement, innovative layouts, geo targeting, instant response and brand connect initiatives like ground activations.



I Venkat
Eenadu

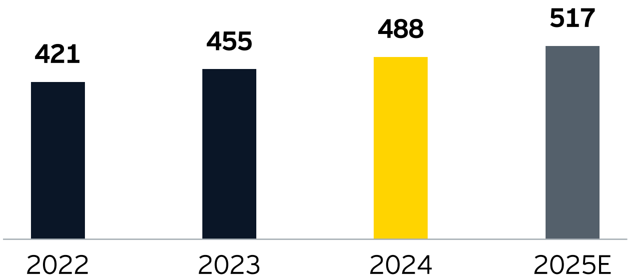
Online gaming

Key trends of 2024

Reach and consumption

I. Online gamers grew by 7% in 2024

Online gamers in India
(in millions)



EY estimates

- India's online gamer base expanded to 488 million in 2024, with an addition of 33 million new gamers, including both casual and real money gamers, across all devices
- During the year, more than 155 million gamers engaged with real money gaming (RMG) sub-segments such as fantasy sports, rummy, poker, and other transaction-based games, registering a 10% year-on-year growth[1]
- We estimate that around 110 million people play games daily
- The increase in number of gamers was primarily driven by factors such as growth in smartphone penetration, low data costs, launch of games in regional and vernacular languages, a packed cricket calendar with major cricketing events like the IPL and ICC World Cup in the first half of 2024, and increasing disposable income[2]
- The return of BGMI helped to bring back casual gamers to one of their favorite games that was missing in 2022 and parts of 2023

II. The scope of gaming widened

- Gamification in shopping and entertainment also gained momentum in India:
  - E-commerce platforms and brands increasingly incorporated interactive elements like "spin the wheel" rewards, quizzes, and challenges to enhance user engagement and build loyalty
  - Sports and entertainment broadcasters used gamification to increase stickiness, and we estimate that over 100 million viewers played quiz, predictive, etc. games during 2024

  This trend introduced non-gamers to game-like mechanics, effectively lowering the behavioral barriers to entering the gaming ecosystem
- Opinion trading games which cover a variety of themes like sports, entertainment, economy and politics also gained popularity

III. Tax remained a dampener for growth

- However, the imposition of a 28% GST on deposits received by transaction-based gaming platforms, and TDS on winnings, has led some users to migrate towards illegal and offshore platforms which continued to operate and advertise in 2024. These alternatives, which operate outside the regulatory framework, attract users by offering higher payouts but come with increased risk due to lack of oversight and legal protections[3]
- Despite these challenges, the number of online gamers in India is projected to reach 517 million by 2025, and is expected to keep growing at a 5% to 6% CAGR till 2027

[1]https://www.thenewsminute.com/voices/the-rise-of-the-real-money-gaming-a-revolution-in-digital-entertainment#:~:text=The%20568%20million%20strong%20community,connected%20to%20real%2Dmoney%20gaming.
[2]India's per capita income is projected to increase by 8.7% in FY25 to INR230,195 as per data released by MoSPI
[3]https://economictimes.indiatimes.com/tech/technology/high-taxes-selective-bans-drive-30-growth-in-illegal-online-gambling-in-india-says-study/articleshow/111321958.cms?from=mdr, industry discussions

IV. Simulation games were most downloaded

- The number of game apps downloaded by Indians was 8.5 billion at the end of 2024, a drop of 11%[4]

Rank	Game genre	Downloads (% share)	Share of IAP revenues
1	Simulation	22%	5%
2	Arcade	19%	1%
3	Puzzle	17%	9%
4	Table-top	9%	2%
5	Action	6%	2%

Sensor Tower | Excludes side-loaded game apps

- Simulation games remain the most downloaded category, followed by arcade, puzzle and table-top games, reflecting their broad appeal and easy accessibility
  - Simulation and hyper-casual games attract audiences across different demographics and geographies due to their simple gameplay mechanics, which require minimal skill and low time commitment. This accessibility makes them appealing to both casual and new gamers
  - On supply side, the relatively low cost of game development for hyper-casual titles enables developers to rapidly produce and release games. This efficiency encourages a continuous stream of new games, further fueling the category's growth and appeal
- Regular content updates, linkages to film stars and cricketers, seasonal events and immersive gameplay have helped sustain player engagement. In action games, the inclusion of competitive elements drove long term involvement and increased downloads, while the creative freedom in simulation games encouraged deeper player investment and a loyal user base

Monetization

Game type	2022	2023	2024
Transaction-based	159	190	179
Esports and casual	37	46	53
Total	**196**	**236**	**232**

INR billion (gross of taxes; but net of GST make-good for transaction-based games) | EY estimates

- Overall, online gaming revenues remained largely flat in 2024 due to the impact of the GST make-good that transaction-based gaming companies absorbed into their margins
- In fact, there was growth at a gross revenue level for most gaming companies we interviewed
- Esports and casual games continued their steady double-digit growth that the segment has been seeing over the past few years

[4]Sensor Tower, iOS and Google Play combined

I. Transaction-based games revenues dropped to INR179 billion in 2024

Game type	2022	2023	2024
Fantasy sport	67	82	76
Rummy and poker	74	87	80
Other participation fee games	18	20	23
Total	**159**	**190**	**179**

INR billion (net of GST make-good), excludes gambling and betting games | EY estimates

- Revenue from transaction-based games fell by 6% in 2024 on a net basis, following the implementation of 28% GST on game deposits, which came into effect from October 2023
- To minimize disruptions to player experience and retain the players, platforms strategically absorbed the GST impact. Consequently, while these platforms grew their revenues in 2024, their revenues net of the GST make-good were down
- Absorbing the tax impact had a considerable effect of around 20% on the toplines and profitability of platforms in this segment for all of 2024, compared to three months in 2023
- Larger players navigated this challenge, leveraging their resources to absorb the impact while smaller players struggled to sustain operations. This disparity led to shutdowns among smaller platforms, and drove consolidation (e.g., Nazara's acquisition of a significant stake in PokerBaazi's parent company)
- This, combined with the growing prevalence of illegal and offshore platforms, hindered the overall growth of the sub-segment by diverting users and revenues away from Indian regulated operators. It is pertinent to note that such platforms have been continuously ramping up their ad spends, misleading consumers by falsely claiming exemptions from GST and TDS, enticing them to participate
- Rummy and poker saw a comparatively smaller decline in revenue than fantasy sports, driven by two key factors:
  - Gaming companies were able to increase game play and inter-game play, by incentivizing more plays, reducing/ limiting payouts, etc. so that spin rates increased and players stayed invested for longer and across more games
  - Increasing awareness of poker, particularly among younger gamers in non-metro cities, contributed to a broader player base
- The growth in 'other participation fee games' was largely driven by the surging demand for real money Ludo games
  - Allinone Hax's "Ludo Players" platform quickly surpassed over one million registered users, establishing itself as a top skill-based Ludo platform within a short span[5]
  - By introducing creative and competitive gameplay formats, the platform successfully attracted skilled and competitive players, further solidifying its position in the market
- Gaming companies adapted to the adverse impact of GST on margins by pivoting their business strategies to build more sustainable operations. Key shifts included:
  - **Multi-sub-segments strategies:** Leading platforms (such as MPL, Winzo, etc.) diversified their presence across multiple sub-segments, leveraging these platform ecosystems to enhance spin rates and drive user engagement
  - **Reducing CAC:** Focused efforts on optimizing marketing budgets, from leading players such as Dream 11, Games 24x7, MPL, etc., helped lower customer acquisition costs, ensuring more efficient spending
  - **Market diversification:** Platforms are exploring international markets and non-RMG gaming opportunities to broaden their revenue streams and mitigate risks associated with the domestic regulatory environment, as seen with M-League's 2024 launch of Blast+, their publishing arm that aims to help independent game developers across the world publish and scale their games in India

[5]https://www.businesstoday.in/impact-feature/story/ludo-players-trusted-by-over-a-million-users-bringing-verified-and-secure-real-cash-gaming-experience-458910-2024-12-30

II. Casual games grew by 20% in 2024

Revenue stream	2022	2023	2024
In-app purchases	15	21	27
Advertisement	11	13	14
Esports	11	12	13
Total	**37**	**46**	**53**

INR billion (gross of taxes) | EY estimates

In-app purchases

- A full uninterrupted year of BGMI significantly contributed to the growth of in-app purchases, along with the growth in smartphones to over 560 million in 2024
- By removing entry barriers, F2P games foster high engagement, while monetization through in-app purchases and ads ensures sustained revenues for them

Rank	Game genre	Downloads (% share)	Share of IAP revenues
1	Shooter	6%	51%
2	Casino	3%	10%
3	Strategy	2%	9%
4	Puzzle	17%	9%
5	Sports	4%	6%

Sensor Tower | Consumer spend across iOS and Google Play. Does not include side-loaded apps | Apps classified using Sensor Tower's Game taxonomy as of January 5, 2025

- From a genre perspective, shooting games remain the highest monetized category:
  - BGMI followed by Free Fire were the top-grossing games of 2024, dominating the market in terms of monetization. Another popular shooting game, Call of Duty: Mobile, secured a spot in the top 10 rankings[6], further highlighting the genre's appeal and revenue potential
  - Several made-in-India shooting games, such as Underworld Gang Wars (UGW), Fearless and United Guards (FAU-G) are nearing their launch. These titles are expected to further strengthen the shooting game genre
  - Clash of Clans and Whiteout Survival lead the strategy genre, securing its position among the top three most popular genres. Meanwhile, the match genre follows closely in fourth place, dominated by fan-favorites such as Candy Crush Saga and Royal puzzle[7]

Advertisement

- Advertisement revenue experienced a steady growth of 10% in 2024. Casual and hyper-casual games, with their high download volumes, emerged as popular platforms for brands to engage with younger, upwardly mobile audiences across Tier I, II and III cities
- Many hyper-casual and casual game developers increasingly adopted advertising as their primary revenue streams, seamlessly integrating native and video ads into gameplay, as well as brand integrations
- Ad-yields and e-CPMs in gaming continued to trail behind traditional digital platforms like OTT or social media, reflecting the relatively nascent stage of monetization in the gaming sub-segment and its distinct audience engagement dynamics

Esports

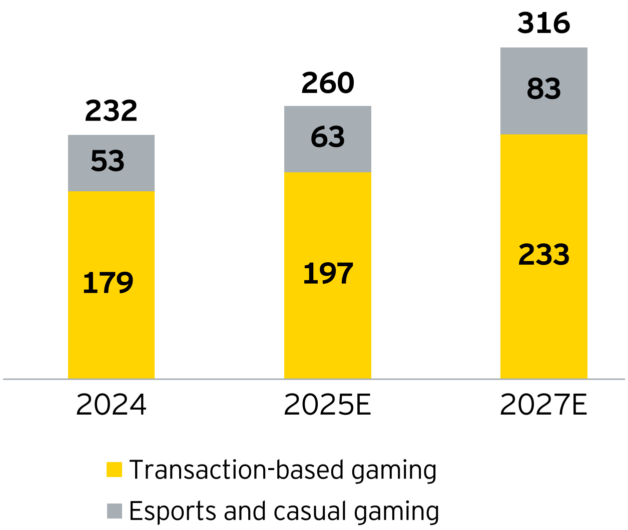
- The portfolio of games remained largely unchanged from the previous year, with no new titles achieving significant breakout success; however, participation in tournaments crossed two million for the first time, and the number of professional esports teams reached 36[8]
- The number of live and other broadcast hours reached 7,400 across 15 platforms[9]
- Game streaming saw a boost with the return of BGMI but faced challenges from the end of FIFA's partnership with EA Sports and rising operational costs
- These factors collectively limited growth, resulting in a muted 5% increase in the segment's overall revenue
- Esports is gaining increasing traction in non-metro cities, driven by India's status as a mobile-first gaming nation
- Building on this momentum, JetSynthesys launched the global e-Cricket Premier League late last year, capitalizing on India's deeply rooted cricket fandom. This initiative has the potential to redefine esports in India, merging the country's love for cricket with the rapidly growing esports ecosystem

[6,7]Sensor Tower
[8,9]NODWIN Games' estimates

Shape of the future

Revenue is expected to reach INR316 billion by 2027

Revenue projections



INR billion (gross of taxes), net of the GST make-good for transaction-based games | EY estimates

- The online gaming segment is projected to grow at a CAGR of 10.8% over the next three years, reaching INR316 billion by 2027
- We anticipate the esports and casual sub-segment will grow at a 16% CAGR as compared to the transaction-based sub-segment which we expect will grow at 9% unless illegal and offshore betting apps are curtailed
- As a result, the share of esports and casual gaming in total online gaming revenues is expected to rise to 26% by 2027, up from 19% in 2022
- In-app purchases are expected to grow at 20% CAGR on the back of new titles, increasing interest in immersive gaming experiences, particularly mid-core and hard-core games, the rise of cloud gaming platforms that enhance accessibility and continued growth in per-capita income and a rising share of digital payments, including smoother transactions for gaming
- Esports is projected to grow by 13% on the back of higher prize money (aided by the return of Free Fire tournaments), growth in professional teams, titles like Asphalt and Mobile Legends making their India entry, and rising popularity of Indian titles like Indus Battle Royale, Underworld Gang Wars, Road to Valor and FAU-G

Online gaming will drive the Make-in-India agenda

- Overall, the online gaming segment will remain one of the driving forces behind the growth of the broader AVGC sector, consistently creating employment opportunities across all phases of game development and distribution, including design, game-art, coding, marketing, and user support
- The current environment is resulting in more Indian game development companies starting to serve international markets from India, where regulations are more favorable, either by setting up operations there or by making targeted acquisitions
- Their experience in working in these markets is increasing at a time when mobile gaming, AA games and indie gaming are growing in importance globally, with the largest game developers planning strategic investments in the medium[10]. Given India's mobile-first gaming capabilities, it can become the gaming back-office of the world. At scale in the medium term, this can add US$3.75 billion to India's exports annually by 2028[11]

Regulatory certainty will drive investment

- Immediate clarity on retrospective GST taxation is essential to enable RMG companies to:
  - Focus on innovation, diversification and other growth-oriented initiatives
  - Boost investor confidence, paving the way for increased funding and FDI
  - Explore opportunities for public listing, enhancing market visibility and access to capital
- Gaming firms welcomed the Supreme Court's recent decision to stay the GST show cause notices, with the final hearing scheduled for March 2025, providing temporary relief from potential tax penalties
- Stringent measures are required to curb illegal and offshore operators offering betting and other banned games, ensuring regulatory compliance and a level playing field for all stakeholders
- The regulator must clearly define permissible advertising standards and permissions for money games, ensuring that promotional content is not misleading and permitted for legal games only

[10]Newzoo
[11]EY estimates

Platform and multi-platform strategies

- With GST now being applied to deposits, single-game operators face significant challenges, as frequent withdrawals and deposits amplify the tax burden and erode profitability
- A platform strategy, which integrates multiple games under a single ecosystem, offers a compelling solution. It drives higher spin rates, mitigating the GST impact by circulating deposits within different games on the platform. Moreover, it ensures sustained player engagement
- An increasing number of gaming companies are expected to adopt this strategy soon to ensure long-term growth and resilience, as well as increasing game availability to multiple platforms rather than being exclusive

A robust publishing ecosystem

- India's gaming segment lacks a strong publishing framework, limiting the growth of local developers and restricting the global reach of Indian-made games. This issue is particularly significant for mid-core and complex game genres, leading local developers to primarily target casual or hyper-casual games markets
- Increasing customer acquisition costs also prohibits adequate investment in game release and distribution
- Consequently, the development of a structured publishing ecosystem is expected, which will propel the growth of India's online gaming segment by:
  - Attracting increased funding for developers, enabling them to focus on creativity and innovation
  - Enabling access to global markets
  - Facilitating strategic partnerships with global studios to enhance game development quality
  - Build marketing efficiencies using 1P data

Made-for-India games

- Industry discussions indicate that there are over 1,000 game development companies and start-ups in India; and hence the coming years will see a marked shift towards localized game content catering to India's diverse audience across multiple languages
- Drawing inspiration from the success of BGMI and Free Fire, we will see a rise in Indian-made games. Some notable examples include:
  - MPL backed Mayhem Studios launched beta version for Underworld Gang Wars achieving over six million pre-registrations[12]
  - SuperGaming launched beta version for Indus with more than five million downloads[13]
  - Nazara Publishing announced the beta launch for FAU-G, developed by Mumbai based Dot9 Games[14]
- These developments will not only foster skill building but also create jobs and drive growth across the gaming value chain
- Expansion into niche categories such as educational games, region specific skill-based games, mythological games and esports is expected to further enrich the gaming landscape

[12]https://www.youtube.com/watch?v=SrG5Agx36RA
[13]https://play.google.com/store/apps/details?id=com.indusgame.play&hl=en_IN
[14]https://in.ign.com/fau-g-domination/221717/news/fau-g-domination-closed-beta-test-for-android-to-launch-on-december-22-2024

Cricket: Converting fans to players

India's unmatched passion for cricket presents an opportunity for cricket esports to transform the gaming landscape

- With strategic execution, a robust cricket esports IP could emerge as a contender against global franchises like EA Sports FC or NBA-2K; JetSynthesys has already launched its cricket sports league, and the BCCI has released an RFP for its own esports game
- We believe that such initiatives could redefine not only gaming and esports in India but also position India as a significant esports player on the global stage

Free-to-Play (F2P) games will dominate

F2P games remain a cornerstone of the gaming industry

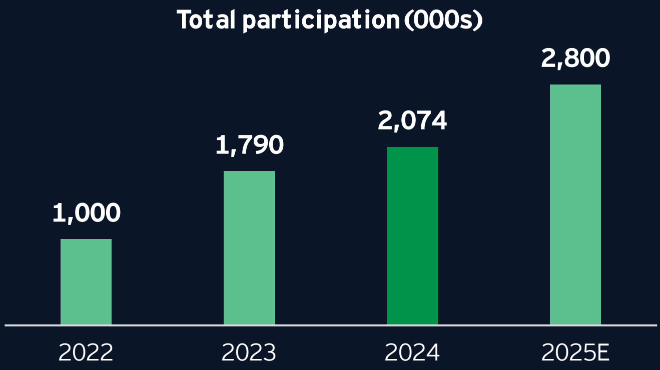
- Simplicity and accessibility of F2P games will continue to attract a broad player base as players prioritize value-driven experiences
- We can expect to see innovations around building and maintaining communities to cultivate loyalty, creation of games for older and more affluent audiences, and more women-based games

Trends

Esports

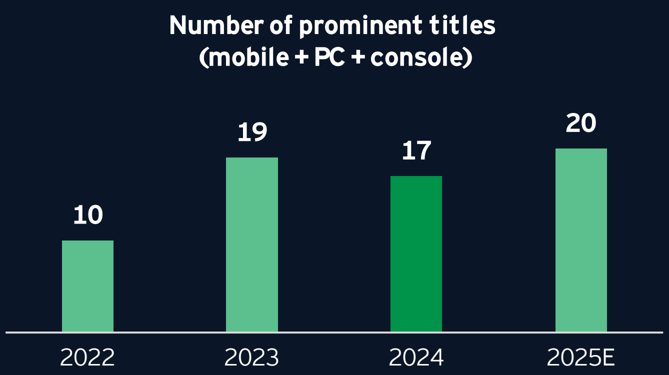
by NODWIN Gaming

Total participation in esports tournaments exceeded 2 million

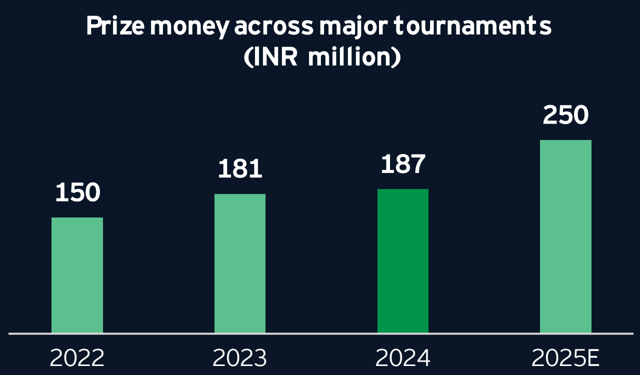


Professional **esports teams** continued to grow

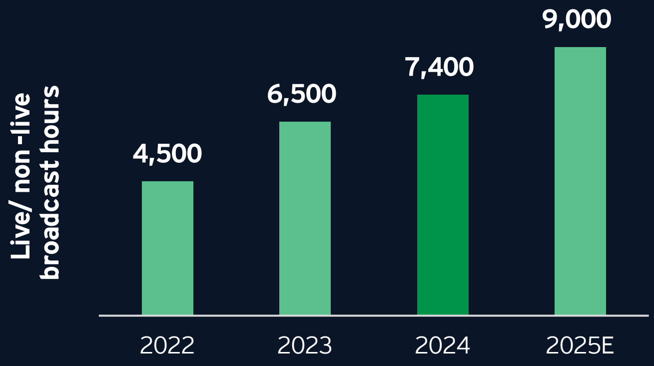
Esports titles are expected to increase as many **Indian games** will be published in 2025

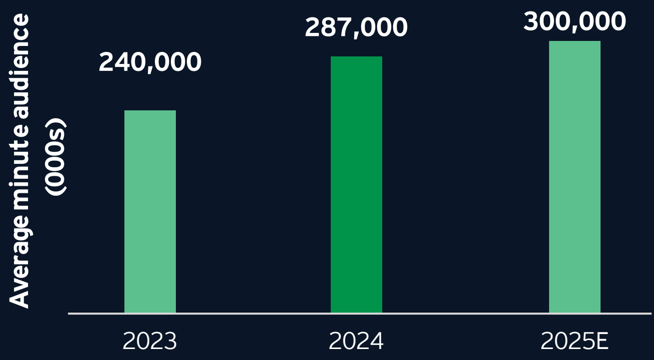


The **prize pool** is expected to grow with the anticipated return of Free Fire and tournaments of new titles

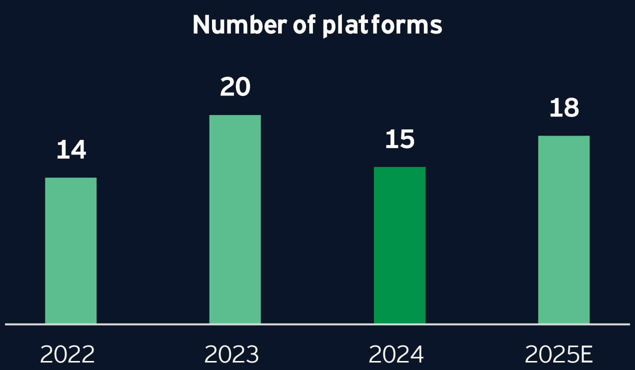


Airtime and viewership continued to grow (across all competitive level games)

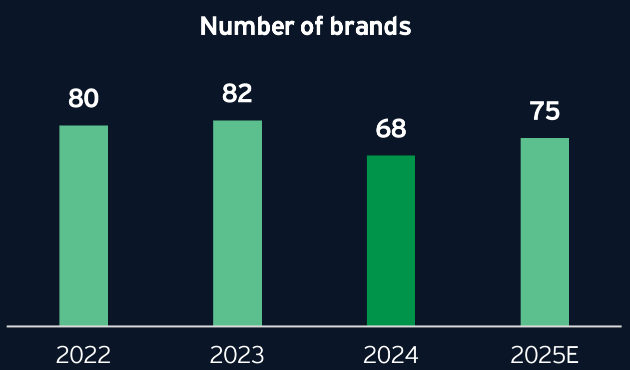




After consolidation in 2024, a rise in platforms fueled by growth in **social streaming apps** is expected

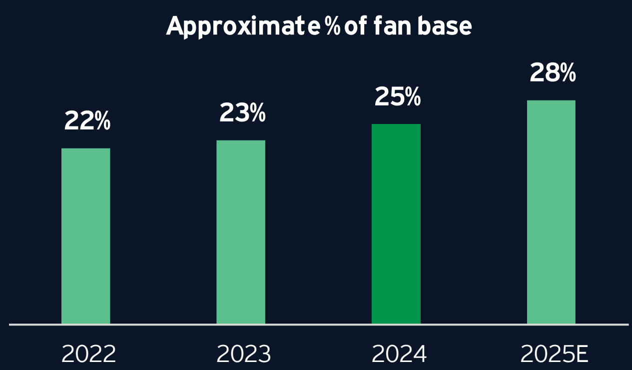


Number of brands investing in esports likely to grow in 2025 with the introduction of new titles



Number of **international teams is** expected to grow, as India sends more teams for the Esports World Cup and international chess tournaments

Women fan base continues to grow led by introduction of Bollywood and other female characters in games



All data has been provided by NODWIN Games and has not been verified by EY. It has been provided in summary form for representation purposes only.

Expert speak

Technology has played a critical role in India's sports transformation journey by increasing fan engagement. Advancements in sports technology will power further innovation and data intelligence. From AI-driven analytics to immersive fan experiences, the future promises a smarter, more connected, and performance-driven sports ecosystem that will redefine the game for athletes and fans alike.

Bhavit Sheth
Dream11

The era of Indian gaming has dawned. With a vibrant pool of innovative talent, a booming digital culture, and a strong focus on AI-driven game development, India is perfectly positioned at the cusp of a breakout, captivating global players in the coming years and cementing its status as a thriving hub in the international gaming landscape.

Nitish Mittersain
Nazara Technologies

Gaming's evolution into a mainstream entertainment force is creating new opportunities for storytelling, content creation, and greater social experiences. Investing in local game development, fostering startups and talent, and driving responsible gaming practices will be essential in fuelling this growth and shaping India into a global gaming powerhouse.

Sean Hyunil Sohn
Krafton India

The next big opportunity in Indian gaming lies in Free-to-Play. Just as skill gaming drove industry growth over the past six years, we see F2P following a similar trajectory. With rising engagement and in-app purchases, India is poised for a major shift.

Sai Srinivas
Mobile Premier League

In 2025, we anticipate sustained growth in the sector as long as favorable regulations and safeguards emerge. Online gaming remains a pillar of entertainment, reflecting India's digital advancements and playing a vital role in propelling the nation toward a trillion-dollar digital economy.

Bhavin Pandya
Games24x7

The future of entertainment is two-way interactivity with content. Nothing does it better than video gaming. I believe 'Gamer-tainment' is the future of entertainment beyond just gaming, we see it growing through esports, live entertainment and addition of gamification layers across digital platforms, predominantly mobile phones.

Rajan Navani
Jetline Group of Companies

The path to esports greatness is becoming increasingly defined, with Esports World Cup emerging as a pivotal destination for competitive excellence. Organizations will now need to focus, either building reach and influence through content and engagement or prioritizing competitive success and winning medals. The KPIs of the future will reflect this shift, with companies excelling in one domain rather than trying to dominate both.

Akshat Rathee
NODWIN Games

Indian gaming has defied the odds—evolving from the sidelines to a global investment magnet and economic powerhouse. As an industry that exports bytes, not boxes, it drives a borderless digital revolution. With the right push and regulatory clarity, India can export globally competitive gaming IP, unlocking $25-30B in investor value within 2-3 years and securing its place in the $300B gaming economy.

Paavan Nanda
WinZO Games

India's online gaming industry is evolving rapidly, with skill-based casual gaming, especially Ludo, gaining mainstream traction. Prioritizing responsible gaming will ensure a safe, engaging, and sustainable ecosystem for players.

Dilsher Malhi
Zupee

Despite the challenges posed by the 28% GST on deposits and the rise of illegal offshore platforms, the unwavering support of Indian players gives us hope. We eagerly anticipate the government's review of these critical issues, removing these obstacles to unlock the domestic industry's full potential and contribute to India's economic growth.

Shivanandan Pare
Gameskraft

India's gaming ecosystem stands on the brink of a revolutionary leap—fueled by AI breakthroughs, bold new game formats, and a dynamic wave of young, tech-savvy players. As homegrown talent reimagines interactive entertainment, we're primed to shape the next chapter of gaming.

Ankur Dewani
RummyVerse

Indian Esports is progressing rapidly, fuelled by government support and global recognition, especially with the planned Olympic Esports Games. The WAVES Esports Championship, organised under the aegis of the MIB, highlights the sector's significance and growth potential. Our recent historic triumphs at the BRICS Games and Asian Esports Games, direct consequences of these efforts, underline the same.

Lokesh Suji
Esports Federation of India,
Asian Esports Federation

We've witnessed the rise of Indian game development studios, showcasing local talent and creativity on a global stage. By fostering responsible innovation, supporting MSMEs, and embracing progressive regulations, we can ensure balanced growth that prioritizes consumer protection and integrity, laying a strong foundation for a sustainable and globally competitive gaming ecosystem in India.

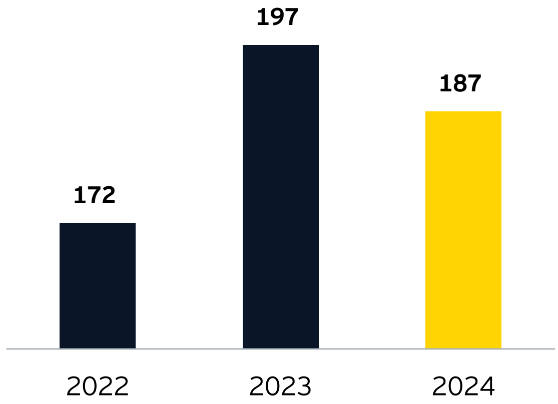
Roland Landers
All India Gaming Federation

Filmed entertainment

Key trends of 2024

Revenues fell 5% in 2024

Film segment revenues



Segment	2022	2023	2024
Domestic theatricals	105	120	114
Overseas theatricals	16	19	20
Digital/ OTT rights	33	35	31
Broadcast rights	14	15	13
In-cinema advertising	5	8	9
Total	**172**	**197**	**187**

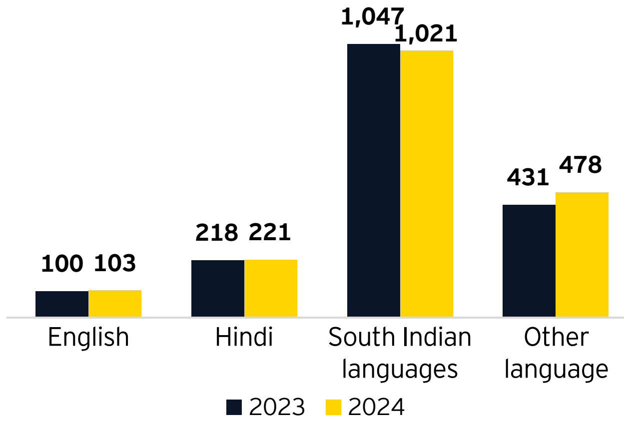
INR billion (gross of taxes) | EY estimates

- 2024 was a year where some of the largest Hindi cinema stars had no releases, including Salman Khan, Aamir Khan, Shah Rukh Khan, and Ranbir Kapoor, while those who did release films (Akshay Kumar, Ajay Devgn, Hrithik Roshan, Deepika Padukone) found limited success at the box office
- Poor performance of large budget Hindi films, as well as some South films, led to a drop in overall box office collections; a fewer number of hits drove a larger proportion of revenues, with some estimates showing that over 70% of total box office earnings were delivered by just the top 10 films. The trend is clear: either a film is hugely successful at the theater, or it tends to completely under-perform
- Uncertainty and consolidation in the television segment and cost-cutting by some large OTT platforms had a far-reaching impact on the value of rights purchased for TV and OTT releases

Domestic theatricals

I. Film releases increased 1.5% over 2023

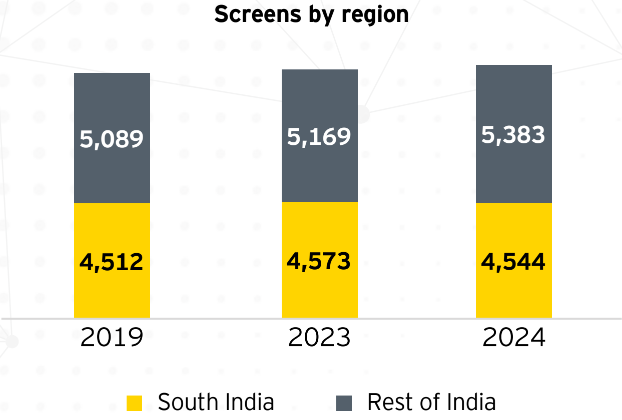
Film releases by language
(including dubbed versions)



Comscore

- 1,823 films (including 204 dubbed films) released in theaters in 2024 across languages and dubbed versions, compared to 1,796 releases in 2023
- The highest number of films were released in Telugu (323), Tamil (252), Kannada (242), Hindi (221) and Malayalam (204)
- South Indian language film releases reduced by 3%, while other language releases increased by 11%
- Over 100 films released in English, making India a key international market for Hollywood

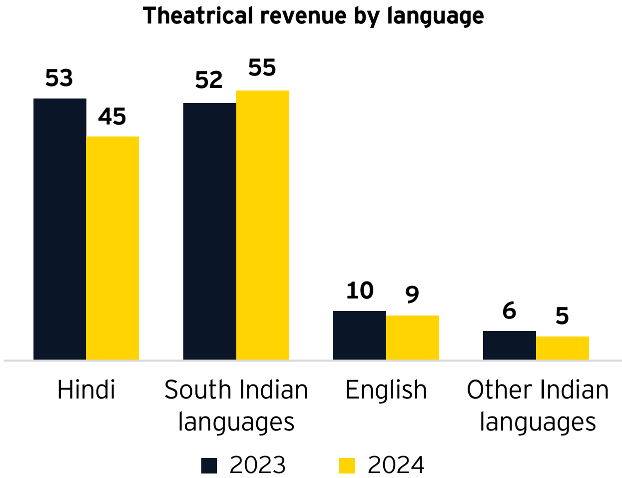
II. Screen count grew 2%



UFO Moviez

- Screen count increased 2% to reach 9,927 screens led by Maharashtra which added 50 new screens (5% increase), Kerala which added 36 new screens (5% increase), Rajasthan (8% increase) and Gujarat (2% increase) where both the states added 20 new screens
- The largest multiplex distributor proposed to rationalize 70 screens across India in FY 2025, to remove redundancies and reduce low-performing screens[1]
- India's screen density remains extremely low compared to other countries like the US and China, with just 6% of its population (per our estimates) entering any cinema hall in a year, due to lower-cost alternatives like OTT and TV being available to large parts of the population
- The shortening of digital windows to four weeks in many cases has led to the cost-conscious audience segment willing to wait for films that do not receive a high rating or positive social media reaction; one producer analyzed that average Hindi films earned 80% of their theatrical revenues within the first three days of release

III. Box office revenues crossed the INR100 billion mark for the third consecutive year



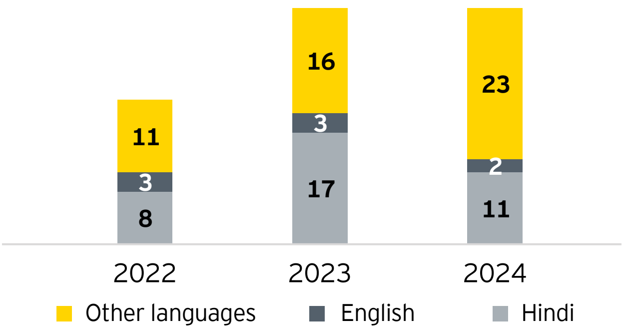
INR billion (gross of taxes), includes dubbed versions in respective languages | EY estimates

- Gross box office collection dipped to INR114 billion in 2024 from INR120 billion in 2023
- Admissions continued to decline from around 900 million to just over 857 million, a fall of around 5%[2], though average ticket prices continued to increase from INR130 in 2023 to INR134 in 2024[3]
- Interestingly, per Comscore, admissions peaked in 2018 at 1.56 billion, which indicates a 45% reduction in annual cinema footfalls since then
- The industry is encountering challenges in digitizing its ticketing and data collection processes, with some single-screen, rural and small-scale theater chains still relying on manual tickets and data submissions, which raises issues around credibility of box office data and could impact tax collections
- Some studios we met believed that the practice of producers or distributors purchasing tickets for their own movies to show a better opening performance had increased

[1]https://www.livemint.com/companies/pvr-inox-to-close-70-non-performing-screens-in-india-heres-why-11725189082625.html
[2]Comscore
[3]Ormax
[4]https://www.imdb.com/list/ls528780263/
https://www.imdb.com/list/ls524596284/

IV. Thirty-six[4] releases grossed INR1 billion or more at the box office

Number of films crossing INR1 billion at the box office

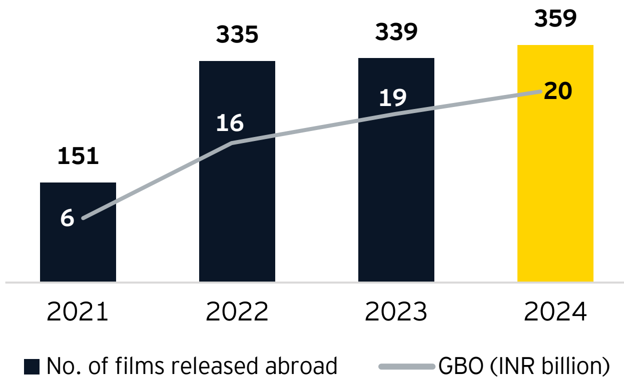


IMDB | Worldwide collections for Indian films; domestic collections for English films

- South Indian films led monetization at the box office; other language films comprised 22 south Indian language films and one Punjabi language film
- Hindi films earned 13% less in 2024, but that included Hindi-dubbed versions of some south Indian films; net of those, Ormax estimated that theatrical revenues of original Hindi films reduced 37% from INR51 billion to INR32 billion, a fact that many industry discussions attributed to the lack of quality writers
- According to Ormax, Malayalam theatrical revenues grew 104% and Gujarati revenues grew 66% in 2024, English films (including their dubbed versions) earned 17% less than 2023
- The pan-Indian film is now established, and is attracting audiences across Hindi, Tamil and Telugu markets; of the top 10 movies that crossed the INR1 billion mark, four were in Hindi, and the remaining six were in south Indian languages, including their dubbed versions

International theatricals showed a growth of 5%

International theatricals

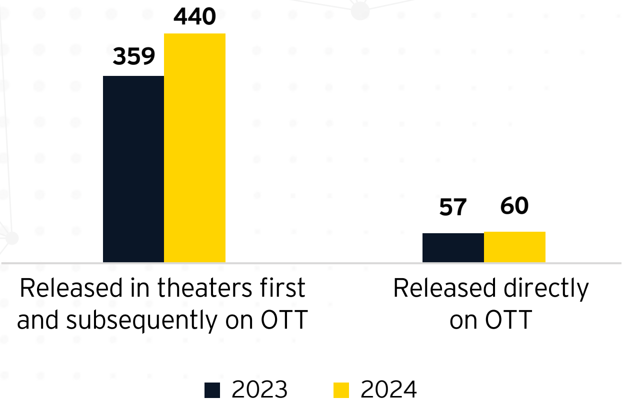


INR billion (gross of taxes) | EY analysis

- 359 films released across 38 countries, up from 339 movies in the previous year, which were also released in 38 countries
- International theatricals generated a gross box office collection of INR20 billion showing a growth of 5% as compared to last year in terms of total collection
- While significant progress has been made in growing overseas theatricals independently, the film industry tapped into the China market in 2024, with films like *12th Fail* and *Maharaja*. Also, the film *Jawan* was released in Japan during November 2024
- Indian films continue to cater to the Indian diaspora in the main, and few, if any, films appeal to large-scale international audiences like the British and American films do
- Releasing films in markets with similar cultural backgrounds, particularly China, can significantly grow international theatricals. Full and unrestricted access to such markets will be crucial to exploit this opportunity

Digital rights faced cost pressures

Number of film releases on OTT platforms



Estimates by content services team of EY

- Around 500 Indian films released on digital platforms in 2024, a growth of 20% over 2023's 416 film releases; however, the number of films releasing on digital platforms continued to trail theatrical releases as several OTT platforms focused on profitability during 2024 and used films largely as subscription revenue drivers
- The number of direct to digital releases showed a nominal increase from 57 in 2023 to just 60 in 2024 (12% of all Indian OTT film releases) as platforms rationalized their direct to digital premiums, de-risked their expensive rights purchases and, in some cases, understood that theatrical performance was required to market the film for OTT platforms as well
- Consequently, tentpole films and small-budget films remained in demand, while many mid-sized films found it difficult to find buyers; digital film deals saw increased carve-out of certain IPs, windows and geographic restrictions as platforms tried to curtail spends across certain types of films
- Many films from south India were unable to get a release. Their production costs had gone up significantly over the past few years, and in the current cautious environment, found few buyers at elevated prices
- Several OTT platforms released films within four weeks of their theatrical release, which ensured a higher interest in the film's online release, and enabled the platform to benefit from theatrical marketing efforts
- New digital platforms are providing increased access to watch films online:
  - Prasar Bharati's "WAVES" launched in 2024 to support independent filmmakers by offering a space for diverse storytelling[5]. WAVES proposes to use AVOD, SVOD and TVOD models for film consumption
  - The Kerala government has launched "CSpace" for Malayalam content with a pay-per-view model, while the Karnataka government is gearing up to launch its own OTT platform, to feature Kannada and multilingual content[6,7]
- 2024 witnessed mergers which reflected a broader trend of consolidation within the OTT industry, with companies aiming to expand their content libraries, enhance technological capabilities, and compete better in a crowded market

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[5]https://www.indiatoday.in/movies/story/prasar-bharati-unveils-ott-platform-waves-with-over-65-live-channels-2637509-2024-11-22
[6]https://www.hindustantimes.com/india-news/kerala-launches-country-s-first-government-backed-ott-platform-cspace-101709797557837.html#:~:text=Kochi%3A%20[7]Kerala%20chief%20minister%20Pinarayi%20Vijayan%20launched%20India%E2%80%99s,film%20have%20been%20admitted%20to%20CSpace%20%28Twitter%20Photo%29
[7]https://www.newindianexpress.com/states/karnataka/2024/Dec/09/binge-watch-karnataka-looks-to-launch-own-ott-platform?utm_source=chatgpt.com

Shape of the future

Broadcast rights remained soft

Movie channel genre	2022	2023	2024
Hindi	582	671	685
South Indian	2,159	2,176	2,167
Other regional	801	837	932
Total viewership	**3,542**	**3,684**	**3,783**

BARC, AA 15+, Mon-Sun, 1-24 Hrs, Average of GRPs

- Film viewership on television has been stagnant, contributing 26% of total TV viewership[8]
- Hindi movie viewership comprised just 18% of total movie genre viewership in 2024, and one of the highest rated movie channels of the year was Goldmines, which was a Free TV product that had exclusive films that were not available on any Pay TV or OTT platforms
- Viewership issues have been attributed by industry leaders to two key reasons:
  - Movement of film consumption to OTT and pirated OTT platforms, where the films are available much in advance of television due to long windows post the theatrical release
  - The creation of less 'mass' content in 2024, and a year where the films that released did not have the largest of stars
- The consequent decline in ratings of film premiers led to some broadcasters scheduling films simultaneously on several channels in order to maximize viewership
- Uncertainty on account of mergers between Viacom18 and Disney, and between Sony and Zee impacted sale of broadcast rights; the number of films shown on television experienced a 2%[9] decline in 2024 compared to 2023, led by Hindi language films (-4%)
- Consequently, broadcast rights values fell 10% during the year[10], reflecting the reduction in their share of broadcast ad volumes to 21%, down from 22% in 2023[11]

In-cinema advertising grew 20%

- INR9 billion was generated from cinema advertising in 2024, a 20% growth over 2023
- The growth is attributed to increased focus on such sales by the merged PVR-INOX exhibition chain, and the scarcity of avenues to reach affluent theater-going audiences

We expect the sector to reach INR213 billion by 2027

	2024	2025E	2027E
Domestic theatricals	114	119	129
Overseas theatricals	20	21	23
Digital/ OTT rights	31	33	36
Broadcast rights	13	14	14
In-cinema advertising	9	9	10
Total	**187**	**196**	**213**

INR billion (gross of taxes) | EY estimates

- Movies of big stars/ production houses–which were missing in 2024 except for some releases in November and December–will return in 2025, along with more mass films, providing a boost to domestic and international theatrical revenues
- Industry discussions also indicate that key stars and production houses are now taking longer to deliver their movies to ensure that they meet the audiences' expectations
- As digital platforms focus on growing subscription revenues, their demand for tentpole films, and those which are made for affluent multiplex audiences, both will remain strong, though values would be range-bound for most non-premium, mid-sized and non-concept films which could find it hard to get sold
- The TVOD opportunity is also expected to scale, given the proliferation of new platforms and digital payments
- Uncertainties due to mergers have now receded, and this should help stabilize broadcast rights volumes; however, declining viewership of premiers as well as falling movie genre viewership could keep rights values at the lower end in 2025
- Overall, we expect the base of moviegoers to increase from under 100 million to 120 million by 2027, on the back of continued growth in per capita disposable income and growth in affluent households from the current 45 to 50 million to around 55 million[12]

[8] BARC, TAM AdEx
[9] AdEx India (A Division of TAM Media Research). Hindi includes other language movies dubbed into Hindi
[10] EY estimates based on industry discussions
[11] TAM AdEx
[12] EY estimates

Fewer, quality films will be greenlit

- Given the environment of caution in 2025, we expect that fewer films will be produced on account of rising production costs, less digital and broadcast pre-funding/ pre-sales of rights, and higher dependence on theatrical revenues, especially for certain categories of small- or mid-budget films
- We expect to see longer production times, larger writers' pools and more consumer research being used to select films for production
- A lot of unsold content from 2023 and 2024 could get sold as originals on digital platforms
- Now that films are attracting audiences across language markets, we could see more investment in pan-Indian content, more intermingling of stories, cultures and themes, of production values and music, than ever before

Theatrical infrastructure will evolve

- While the largest multiplex distributor has planned to add 100 new screens in FY2026 using an asset-light model[13], we believe that low priced theaters, aided by the growth in mass-themed films, will come into being in the medium term, and this will expand the number of families and footfalls which can enjoy the theatrical experience
- We believe that very low cost theaters (with a capital investment below INR4 million each) will also come into being across approximately 88 cities with populations between 100k and 500k, and in the next 300 to 500 even smaller towns with populations below 100k. These theaters, which will thrive on mass and spectacular films, will have lower ticket and food and beverage prices, and will help in growing footfalls from under-served markets
- Portable and inflatable cinemas are also revolutionizing the way movies are screened, particularly in regions like Chhattisgarh, Odisha, Andhra Pradesh, Telangana, Madhya Pradesh, Uttar Pradesh, and Goa where traditional cinema infrastructure is limited[14,15]

TVOD will scale

- The growth of wired broadband and connected TVs is providing a fillip to TVOD revenues, and we can expect this trend to gain importance, including for India's high volume of films which do not find digital buyers
- The growth of aggregators like Play Store, Prime Video, Dor, Watch, WAVES and TataPlay Binge will increase the potential of TVOD offerings, and we could also expect online platforms like ticketing portals to enter the space of long-tail online film distribution
- To penetrate smaller markets effectively, a geo-restricted TVOD window could complement theatrical releases, either simultaneously or shortly after. This approach ensures that audiences in areas with limited theater access can still engage with the content digitally
- The large number of unsold digital films could also release in increased numbers on AVOD platforms like YouTube, on the AVOD portions of pay OTT platforms, and even on social media platforms that have large audience reach, on revenue share models

High quality and spectacular films will be made for theaters

- Given the niche segment of India's population who watch films, and the growth of larger screens at home, the type of films which will be made for theatrical releases will be of the highest quality
- Films with a large amount of VFX, high-concept films, and larger-than-life stories will be created with increasing frequency, while smaller budget films with limited special effects will find it increasingly difficult to find release windows
- At the other end of the paradigm, broadcasters will commence producing/ commissioning films in the sub INR15 million cost range, particularly for FTA and regional channels

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[13] https://www.business-standard.com/companies/news/pvr-inox-to-add-100-screens-next-year-with-investment-of-around-rs-200-cr-124112200585_1.html
[14] https://theprint.in/ground-reports/small-town-india-gets-a-new-movie-experience-inflatable-cinema-halls-with-dolby-recliners/2372385/
[15] https://www.hindustantimes.com/entertainment/big-screen-ac-surround-sound-travelling-talkies-are-a-hit-in-small-towns/story-y62CFDpy96cAjkhLJeJtjM.html?utm_source=chatgpt.com

Release window innovation will increase

- In order to manage high acquisition costs, some platforms will start creating theatrical windows for their made-for-OTT films, or even for film versions of their original episodic content. Such monetization may not impact their revenues, but can also act as marketing for the platform
- The four-week digital window will be strongly reviewed as many producers feel it impacts the theatrical window, though it is expected to remain a negotiation criterion for some time to come
- More movies will be made for release across all three screens (theater, TV and mobile) and consumption data will be used to impact story telling

Films will create derivatives: IP 360°

- Content created for the cinema screens with a large fan base will generate derivative content such as OTT series extensions, prequels and sequels, side stories, interactive games and even related events, with the original film helping to market the derivative content
- The 360-degree model of nurturing film IPs will gain traction as consumption fragments across audiences, devices and windows

Technology will bring efficiency

- Underutilization of technology leaves significant inefficiencies in the production pipeline, limits scalability in distribution, and reduces the effectiveness of marketing efforts, ultimately hindering the industry's growth and competitiveness
- We expect increased use of GenAI in content production, across background scores, backgrounds, storyline creation, translation, budgeting and other areas
- Technologies like geo-restriction will create new monetization windows for regional and other films' dubbed-language versions, enabling less affluent audience to watch content in parallel to the main theatrical release
- In marketing, personalized campaigns leveraging AI, location data and analytics could better target audiences, driving engagement and maximizing ROI

Alternate revenue opportunities

- Developing compelling characters and franchises is critical for sustaining long-term interest and creating a foundation for monetization across multiple platforms
- IP owners are currently beginning to evaluate alternate monetization opportunities in merchandise sales, experiences, fan clubs and gaming, which can significantly enhance brand value and audience engagement
- Merchandising related to entertainment characters is estimated by us to be around INR80 billion to INR100 billion annually, mostly related to foreign characters, leaving a significant opportunity to build-out domestic character licensing
- Games based on Indian film characters hold immense potential to captivate audiences by merging India's love for cinema with interactive entertainment

Trends

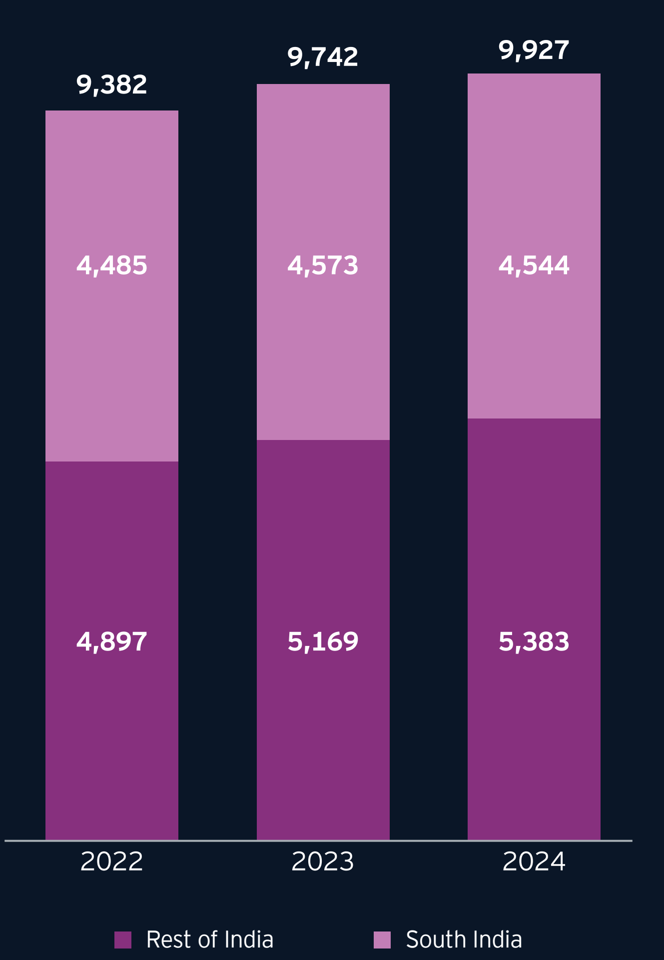
Film exhibition

Powered by

185 screens were added in 2024

South India has 46% of all screens in India

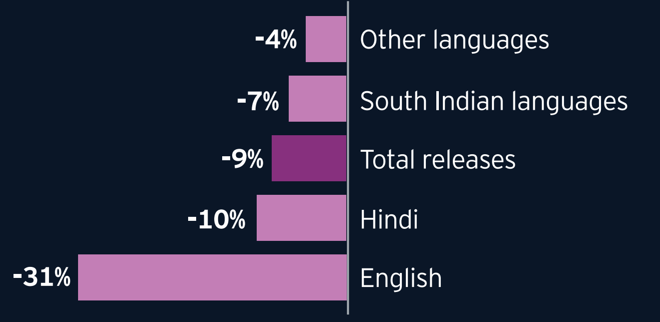
Screen count



Releases declined by **9%** in 2024

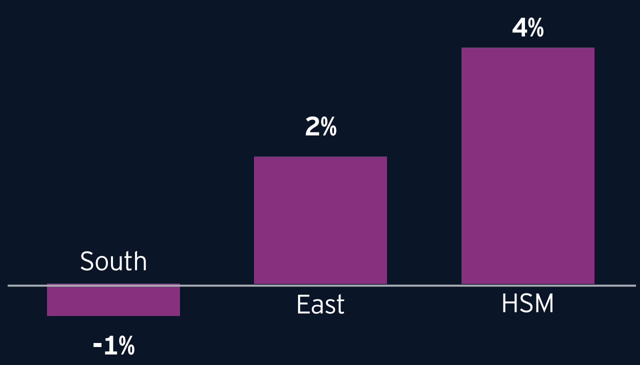
The highest impact was on Hollywood films

% change in releases by language 2024 Vs 2023



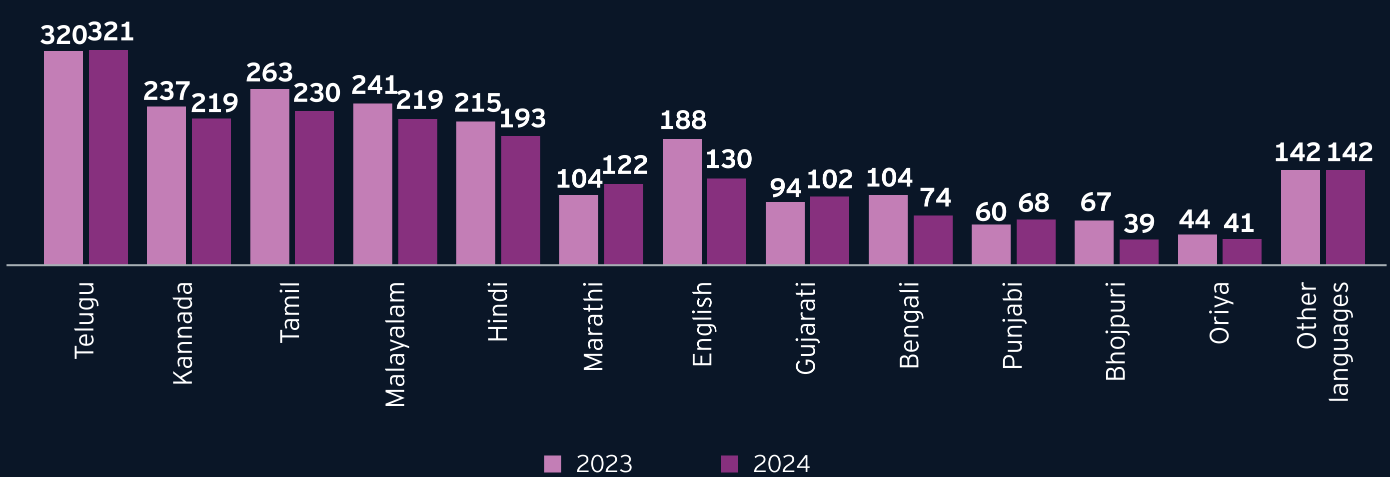
Screen count growth was driven by Hindi-speaking markets

% growth in screen count 2024 vs. 2023



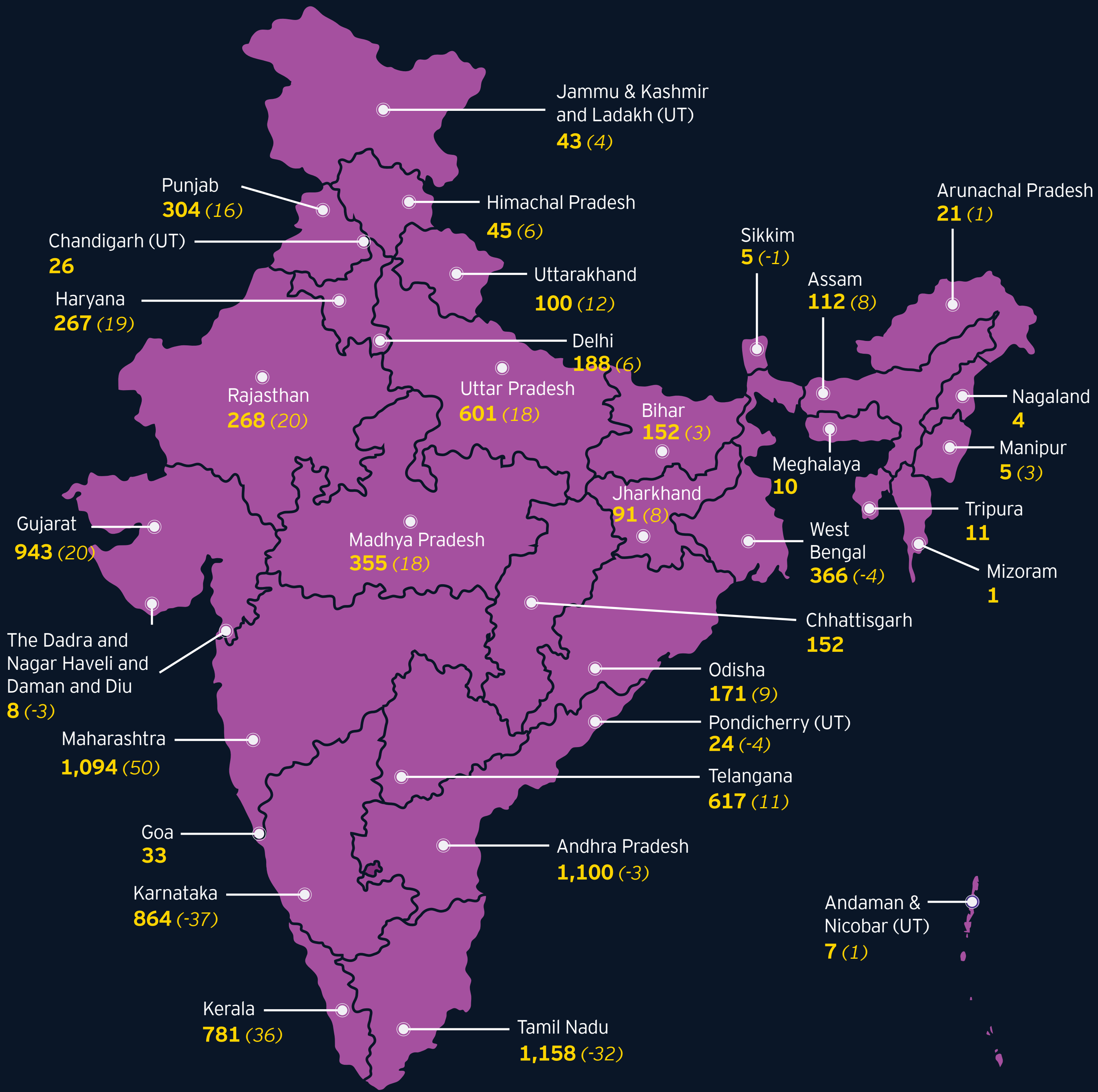
Except Marathi, Gujarati and Punjabi films, all languages saw a fall in **releases**

Number of film releases



Screen count by **state**

Numbers in brackets indicate change from 2023



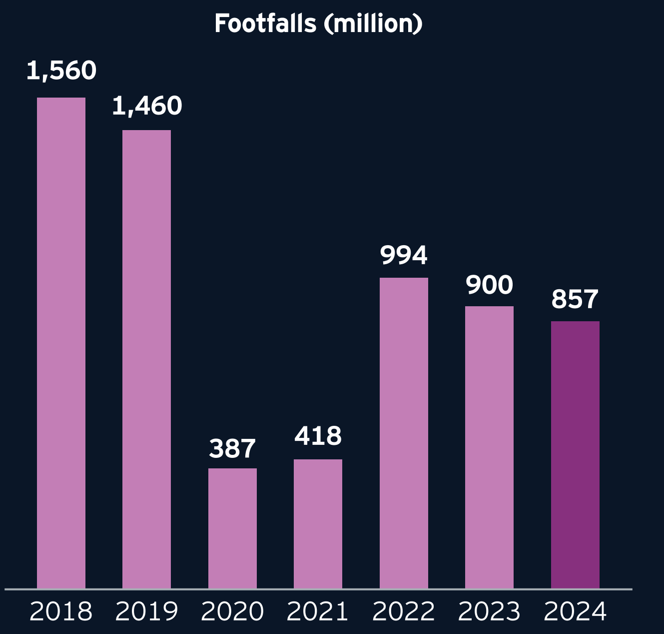
All data has been provided by UFO Moviez and has not been verified by EY. It has been provided in summary form for representation purposes only.

Trends

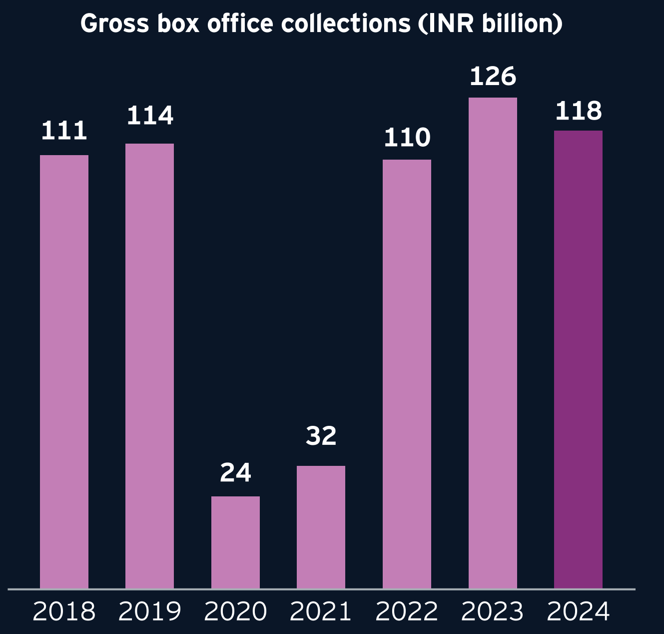
India film

Powered by comscore

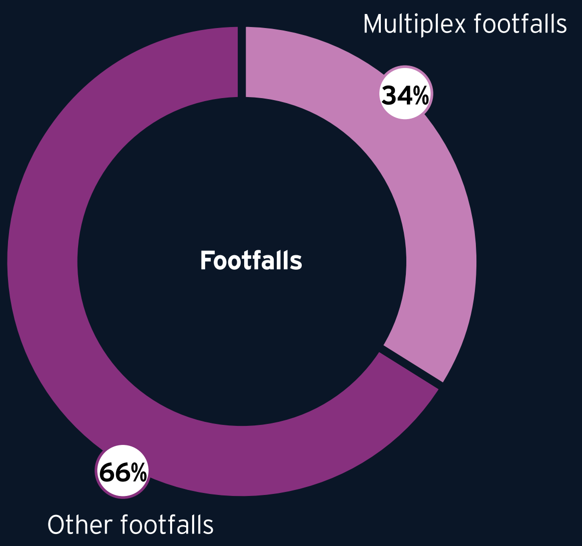
Footfalls fell 5%



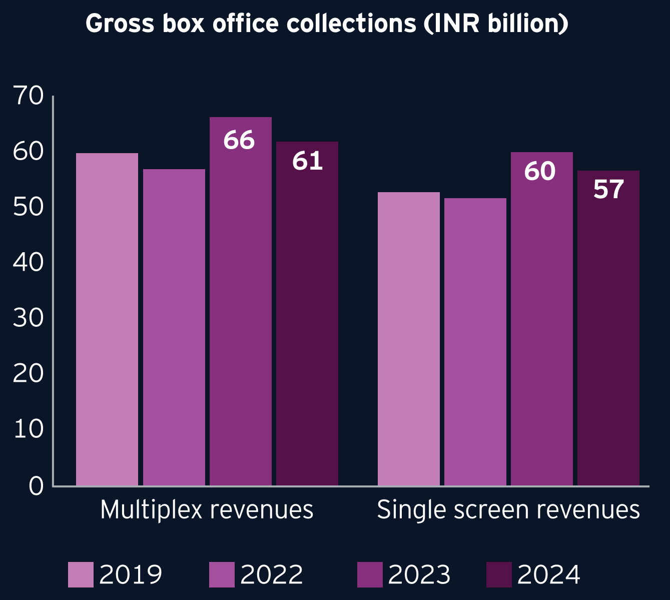
Theatrical revenues declined by 6%



Multiplexes contributed 34% of total footfalls...

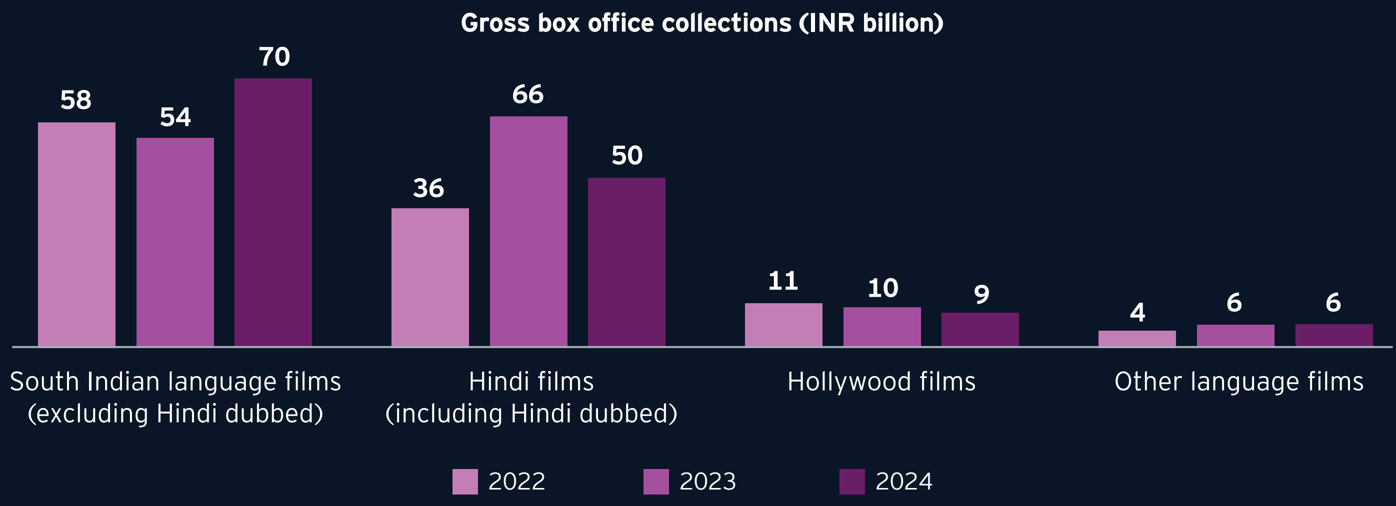


...and generated 52% of gross box office revenues

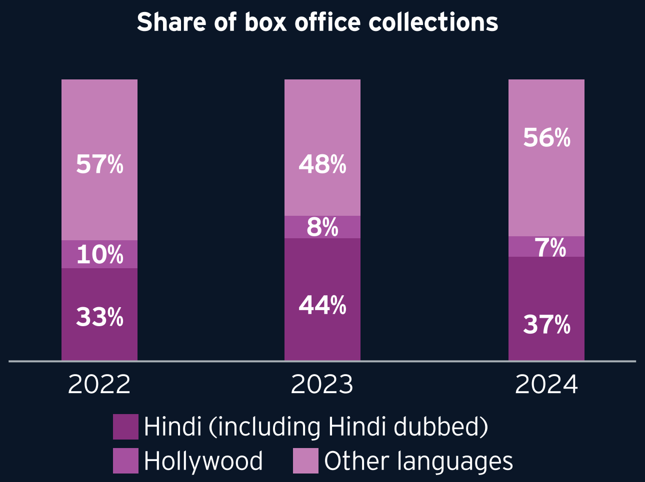


South Indian language films regained the **No.1** spot

Hindi cinema saw a steep decline in 2024

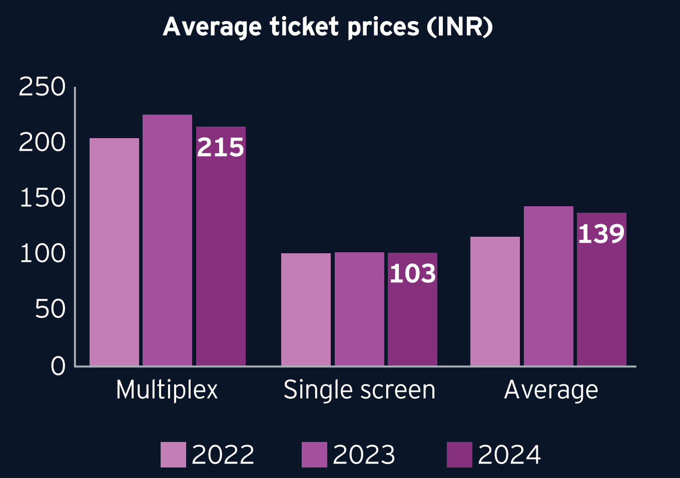


The **revenue share** of Hindi cinema dropped significantly to 37%



Average **ticket prices** fell marginally in 2024

Multiplex prices are 2x that of single screen rates on average



Overseas releases continued to grow

But still primarily serve Indian diaspora

	2022	2023	2024
Countries in which Indian films were released	33	38	38
Number of films released abroad	335	339	359
Gross box office collections including China	US$249 million	US$337 million	US$323 million

Trends

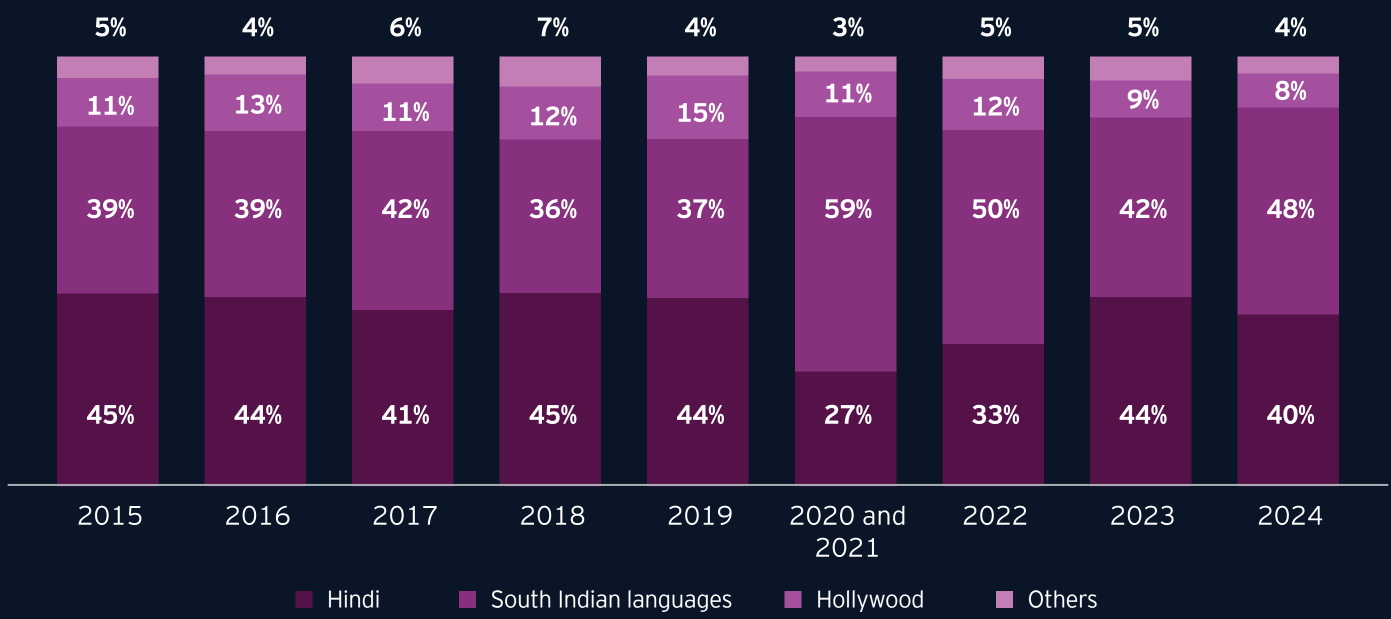
Box office

Powered by ORMAX MEDIA

South Indian films regained their leadership at the Box Office in 2024

Hindi films witnessed a de-growth of 4% share w.r.t to 2023

Box office share by language (including dubbed versions)

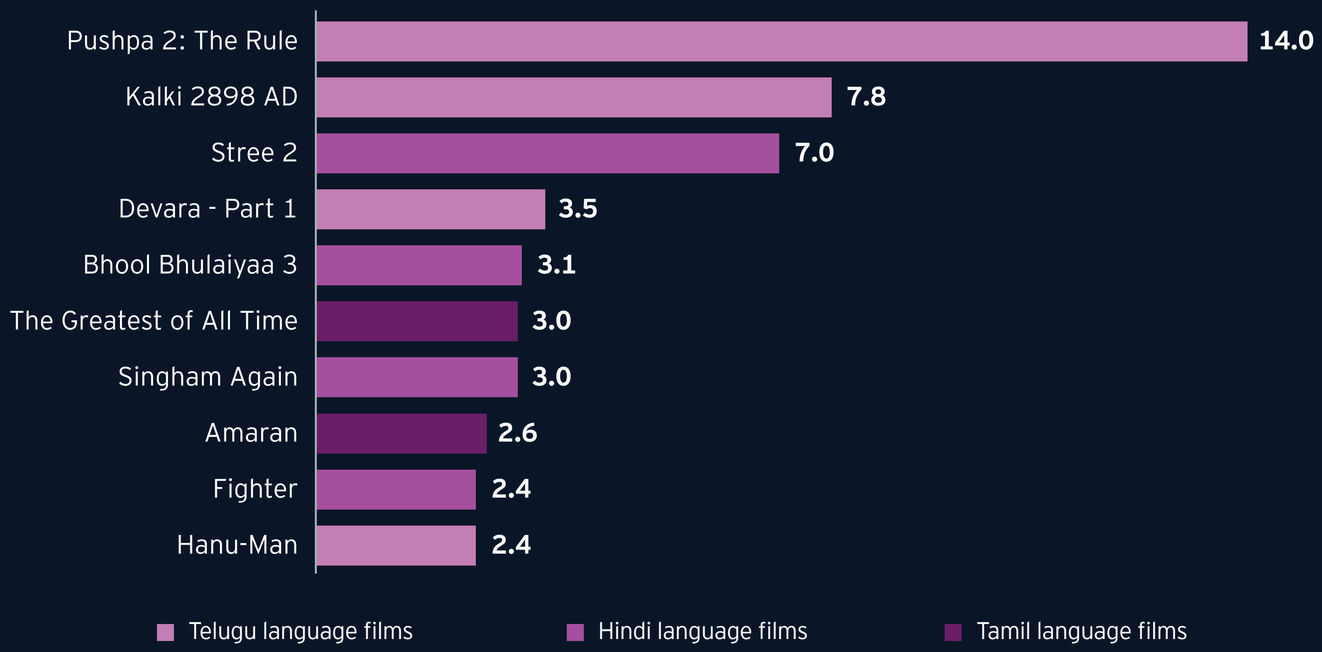


**Hollywood includes all language versions; South Indian languages include Telugu, Malayalam, Tamil and Kannada*

Four Telugu and Hindi films featured among the **top 10 grossers** of 2024

Six of the top 10 grossing films were not in Hindi; no English films made it to the list

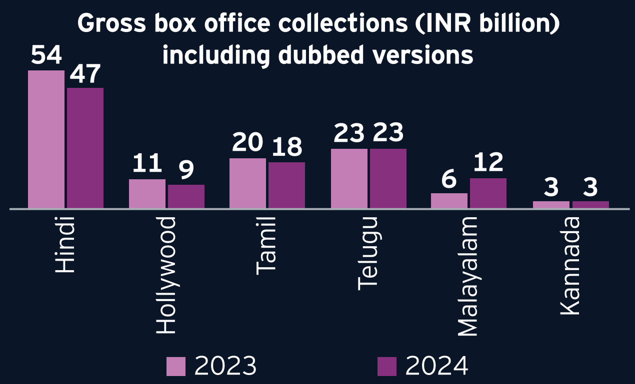
Gross box office (INR billion) of the top 10 films of 2024



Cumulative box office revenues of each film in all languages in which it was released

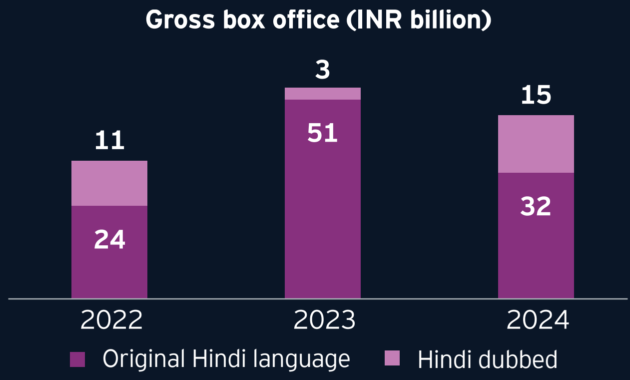
Hindi cinema saw a 13% decline in collections

Malayalam cinema doubled its gross collections

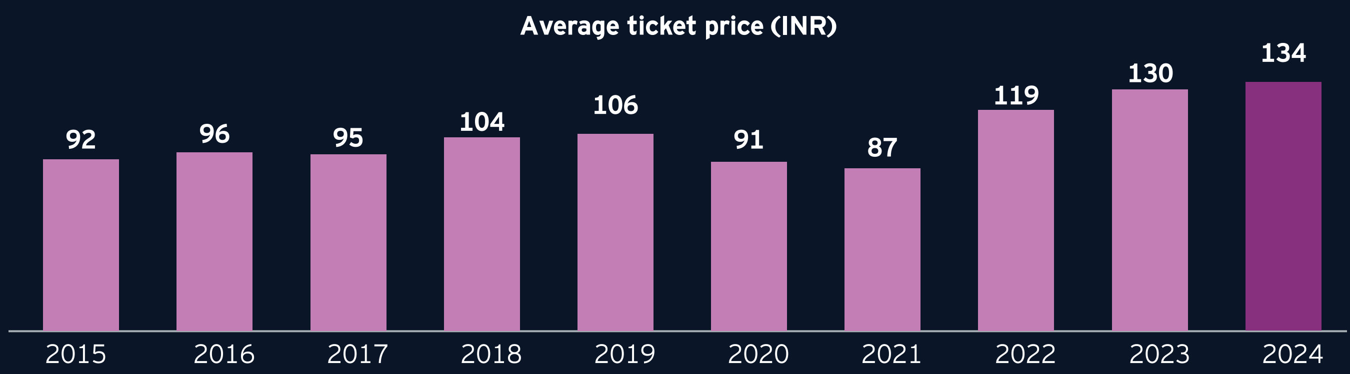


Hindi cinema's reliance on dubbed films increased

The gross box office contribution of dubbed films grew by almost 5 times

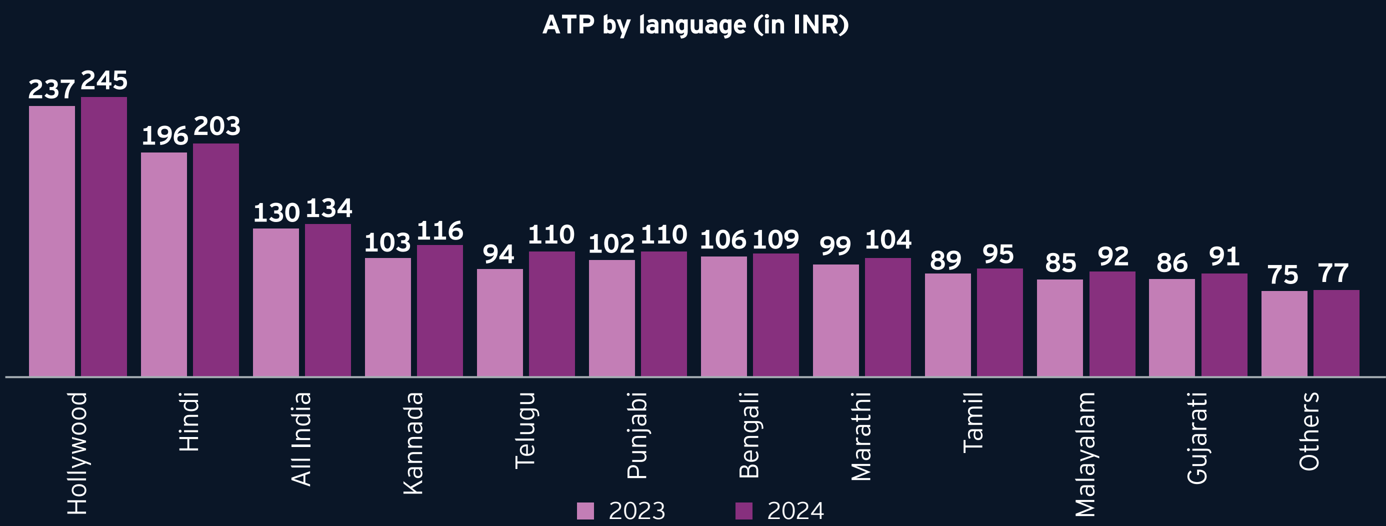


Average ticket price (ATP) grew marginally



Hollywood films command the **highest ticket** prices

Telugu & Kannada cinema witnessed a growth of over 12% in their ATP



All data has been provided by Ormax and has not been verified by EY. It has been provided in summary form for representation purposes only.

Expert speak

As producers, we must believe in delivering meaningful cinema. We must focus on compelling, content-driven stories that resonate with audiences. We must see our campaigns not just as projects but as impactful narratives that deserve to be heard and create a lasting connection.

Shiv Chanana
T-Series

The 3 language markets that operated seperately so far can now addressed through a single Pan India film and its happening more consistently. So the upside of a boxoffice success has grown multifold. As a result Cinema has reclaimed its original theatrical form as the large screen, dark room, community driven experiential medium. The right product can really drive outsized returns.

Ajit Andhare
Viacom18 Studios

Audiences have become increasingly discerning, which in turn puts the onus on us as content creators to work harder by leveraging the creative talent and technology to deliver entertainment that meets the expectations of consumers. Technology, particularly AI, will play a big role in bringing efficiencies. What form it takes and what the touch points will be are unknown, but AI will have a massive impact. Our willingness to embrace it and adapt will shape the future.

Venky Mysore
Red Chillies Entertainment

While 85% of the pre-pandemic audience has returned to the theatres, consistent flow of releases is required to increase the frequency of visits. Also, India is still a largely under penetrated market – the coverage will increase post new malls are setup where there is no multiplex within a 5 km radius.

Devang Sampat
Cinepolis India

Movie and music audiences are seeking a qualitative balance between mass appeal and new-age, independent stories and voices. The future of music lies in nurturing unique voices that resonate with the cultural nuances of India; while for films it is creating compelling stories that demand the big-screen experience and ensure that every film finds its audience, irrespective of the platform.

Umesh Bansal
Zee Studios and Zee Music Company

Beyond mainstream Bollywood, we are witnessing a diverse range of storytelling finding success. Supported by a growing audience appetite, regional cinemas are gaining unprecedented visibility and acclaim. The time to invest in the Indian Film industry is now.

Shibasish Sarkar
International Media Acquisition Corp

Movies are changing fast. Big films will still come to theaters, but many will release online. New technology makes movies look better. More people watch regional films now. Studios sell directly to viewers. Short videos are popular. Online and theater releases will continue together. The movie business is growing in new ways with global teamwork.

Vivek Kuchibhotla
Producer

The experience of seeing films on the large screen in theatres is still special for millions. The mix of regional, bollywood and global content, along with new technological improvements, is shaping a bright future for cinemas. As the industry moves forward, focusing on strong, well-told stories will be essential to keep audiences interested and ensure continued growth.

Rajesh Mishra
UFO Moviez India

2025 will be the year of successful mid-budget and sequel releases. The box-office should witness a strong revival in collections this year as the release calendar is evenly spread out and there will also be higher number of releases of Hollywood movies.

Amit Sharma
Miraj Group

AI and ML-driven workflows will reduce CGI costs, and production time while proceduralising VFX. This can empower Indian creators to think big and produce globally appealing films within viable budgets.

Shobu Yarlagadda
Arka Mediaworks

The future of cinema in India looks strong, with South Indian films leading in theatrical sustainability through fan-driven appeal, immersive experiences, and strategic pricing. Indian cinema will continue shining globally with diverse storytelling, technological innovations, and a balance between OTT and theatrical releases, ensuring long-term growth and wider audience engagement.

Suniel Narang
Asian Group

The future of cinema lies in its adaptability—embracing technology while preserving storytelling. With South Indian cinema's global rise, its business potential is immense, spanning theatrical, streaming and international markets. As the film industry becomes increasingly corporatised, there is a growing need for independent producers to uphold the passion and quality of filmmaking. Innovation and diverse narratives will drive sustained growth.

Rajeev Reddy Yeduguru
First Frame Entertainments

Future of Indian cinema predominantly lies on the varied issues and turmoil arising out of evolution of new technologies and shutting down existing revenue streams. The income from unsustainable sources evolving from new digital payouts are beneficial to only handful of film producers who have a star studded cast, while the majority have lost the race in recovering thier investment. The producer's road to recovery of basic investments are currently in crossroads with no clear solution in the near future.

Ravi Kottarakara
Film Federation of India & Ganesh Pictures

Consolidation on OTT will continue, with a focus on hyper-local stories with global appeal. Established franchises will keep getting bigger and bolder in scale. Non-live sports content will see disproportionate growth in the next few years!

Devendra Deshpande
Friday Filmworks

Cinema remains relevant because it offers more than entertainment—it's a shared experience. Like concerts and sports, people still gather for the collective thrill. Audiences may change, but powerful stories will always resonate. Filmmakers should prioritize content first, as great films find their audience, and business follows naturally.

Siva Ananth
Madras Talkies

Notwithstanding a couple of mega blockbusters, the Indian box office underwhelmed in 2024 and to add to producers' woes, there was a perceptible downturn in projects commissioned/ acquired by streamers and broadcast television. However, this was not a uniquely Indian phenomenon as markets like the US and China experienced even more pronounced declines.

Nitin Tej Ahuja
Producers Guild of India

Box office data post the pandemic has demonstrated the growing acceptance of high concept, regional films across languages amongst audiences. Having been served good quality international content on streaming platforms, audiences are now seeking well made films with original stories that have earthy characters and rooted plots. This has also resulted in discovery of great new talent whose appeal is only growing.

Naveen Chandra
91 Film Studios

Drawing audiences to cinemas requires compelling content. The industry urgently needs skilled writers who can craft stories that resonate with Bharat rather than just India. Ensuring a profitable return on investment depends on the right cost structure. In today's landscape, a film must first succeed in theatres to unlock ancillary revenue, as platforms and broadcasters are no longer making pre-commitments.

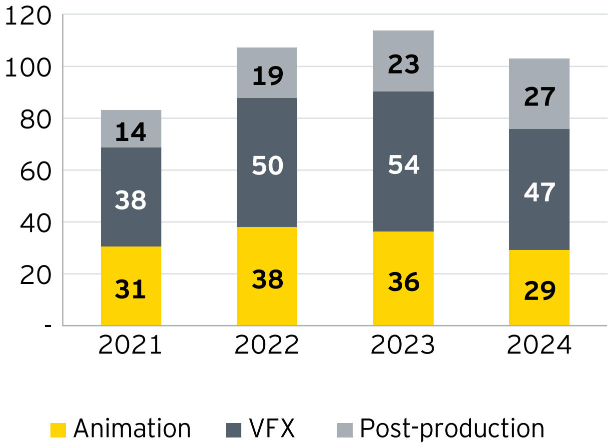
Vivek Krishnani
MovieVerse Studios (an IN10 Media Network Company)

Animation and VFX

Key trends of 2024

The segment recorded a 9% decline in 2024

Animation and VFX segment revenues



	2021	2022	2023	2024
Animation	31	38	36	29
VFX	38	50	54	47
Post-production	14	19	23	27
Total	**83**	**107**	**114**	**103**

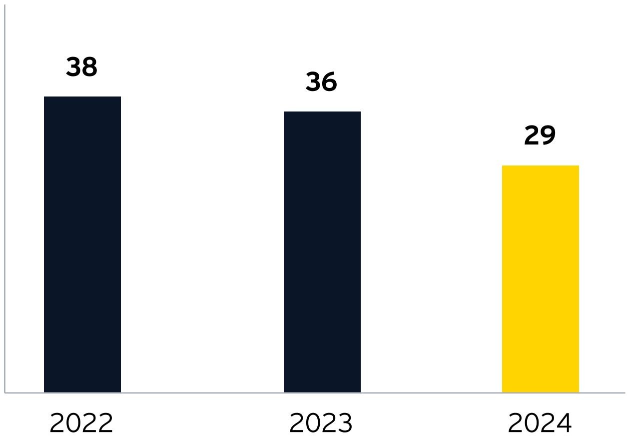
INR billion (gross of taxes) | EY estimates

- The animation, VFX and post-production segment contracted by 9%, reaching INR103 billion in 2024
- This year was heavily impacted by domestic uncertainty and global demand challenges
- However, while both animation and VFX were affected, post-production experienced continued growth

Animation

The segment witnessed a 19% decline in 2024

Animation revenue estimates



INR billion (gross of taxes) | EY estimates

The global decline in commissioning TV and OTT animation shows, coupled with cost-cutting measures and shifting priorities, disrupted the animation outsourcing pipeline to India in 2024. The industry is undergoing a reset, reevaluating its strategies and adjusting to the changing demand. Contributing factors include:

- Over the past decade, linear ratings for kids' television declined sharply, with Nickelodeon's ratings falling 86% and Disney Channel's dropping 90% by 2023[1]
- TV commissioning volumes in the US plummeted, with a 20% decrease in new releases during 2024[2]
- Networks such as TBS, FX, OWN, Freeform, Nickelodeon, Comedy Central, BET and AMC cut scripted commissions by over 50% compared to the same period in the previous year[3]
- OTT platforms reduced commissioning animated shows due to cost pressures and strategic realignments:
  - In May 2024, Pixar laid off 175 employees (14% of its workforce) to refocus on feature films[4]
  - Netflix canceled *Dogs in Space, Army of the Dead: Lost Vegas* and *Scott Pilgrim Takes Off*, citing production challenges and budget cuts

[1]https://www.yahoo.com/entertainment/kids-tv-dead-long-live-130000641.html
[2]https://www.c21media.net/news/us-scripted-downturn-could-mean-20-fewer-releases-in-2024-says-ampere/
[3]https://www.c21media.net/news/us-scripted-downturn-could-mean-20-fewer-releases-in-2024-says-ampere/
[4]https://www.theguardian.com/film/article/2024/may/21/disney-pixar-layoffs#:~:text=Pixar%20Animation%20Studios%2C%20which%20produced,source%20familiar%20with%20the%20development.

Declining linear ad revenues and a reset in the domestic TV market further reduced animation commissions

- Declining Pay TV ad revenues, mergers between large buyers, and restructuring of operations led to delays in new show commissioning, adversely affecting domestic animation production
- The restructuring at Discovery-Warner (due to their merger) and Sony prolonged the slowdown in new show production, which started in 2023 and continued into 2024
- The Disney-Reliance merger exemplified this trend, delaying new approvals as the merged entity worked towards streamlining operations, repurposing existing content, and prioritizing RoI due to the high costs and lengthy timelines associated with animation production[5]
- Broadcasters like Disney Star and Sony prioritized financial prudence, limiting investments in new animation projects[6]
- Amid this reset, broadcasters leaned on syndicated foreign content, moving away from investments in original Indian programming

Indian studios' participation in global events rose, but project financing remained limited

- In 2024, as the global animation industry recalibrated, Indian studios bolstered their presence at key events like MIPCOM and Annecy to reposition themselves for future opportunities
- The Indian pavilion at MIPCOM, organized by SEPC, the Ministry of Information & Broadcasting and the Ministry of Commerce, hosted over 235 delegates from over 70 companies and independent professionals[7]
- Despite this increased visibility, participants raised concerns about declining global investments in kids' content, highlighting a challenging environment for project financing

India's adult animation saw growth

- Indian animation moved beyond products created for children:
  - Prasar Bharati launched Season 2 of *KTB Bharat Hain Hum*, building on the success of its first season[8]
  - Disney+ Hotstar released seasons 3 to 5 of *The Legend of Hanuman*, with the fifth season amassing 9.4 million viewers[9]
  - SS Rajamouli expanded the Baahubali franchise with *Baahubali: Crown of Blood* on Disney+ Hotstar[10]
  - Amazon Prime introduced *B&B: Bujji and Bhairava*, an animated prologue to *Kalki 2898 AD*, which garnered 4.9 million views[11]

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[5]https://www.businesstoday.in/magazine/cover-story/story/reliance-disney-jv-a-media-titan-arrives-on-the-indian-scene-455691-2024-11-29?utm_source=btweb_story_share
[6]https://www.exchange4media.com/digital-news/tech-giants-in-media-space-take-the-lead-in-14-fy24-ad-rev-jump-139401.html
[7]https://www.animationxpress.com/latest-news/talented-creators-from-karnataka-present-their-projects-at-mipcom-2024/
[8]https://x.com/DDNational/status/1865622334784278563
[9]https://www.animationxpress.com/latest-news/the-legend-of-hanuman-s5-garners-9-4-million-viewers-on-disney-hotstar-report/
[10]https://www.animationxpress.com/latest-news/animated-series-baahubali-crown-of-blood-to-hit-disney-hotstar/
[11]https://www.bollywoodhungama.com/news/features/kalki-2898-ads-animation-prelude-bb-bujji-bhairava-watched-telugu-show-first-half-2024/

VFX

Animation studios explored alternate monetization models

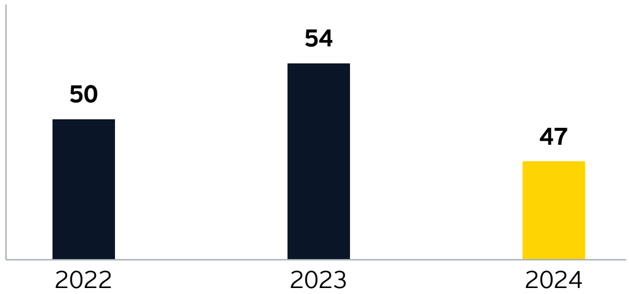
- In response to the industry reset:
  - Studios diversified revenue streams through FAST channels, short-form animations and audio platforms
  - Smaller studios turned to AI-driven short-form animations for platforms like YouTube, targeting younger audiences while optimizing production costs
  - Graphiti Multimedia extended its reach by streaming *Bharat Hain Hum* on Spotify in 10 regional languages, signaling a shift to audio-first strategies[12]

AI adoption increased efficiencies

- AI is still in its early phases of integration into the animation pipeline, especially for theatrical and long-form content
- AI tools accelerated pre-production processes like storyboarding and animatics by 30% to 60%, while enabling rapid asset creation for short-form projects in one-tenth the time[13]
- Larger studios invested in proprietary AI solutions to streamline asset creation and crowd simulations, positioning themselves for scalability and efficiency in a changing market landscape

The segment recorded a 14% decline in 2024

VFX revenues



INR billion (gross of taxes) | EY estimates

Global factors impacted demand

- The global VFX segment experienced a reset in 2024 as production volumes fell by 10% in 2024, reducing VFX demand across the Americas (24%), EMEA (7%) and APAC (15%)[14]
- The slowdown caused by the strikes and market disruptions in 2023 persisted through 2024. Greenlighting of projects and production resumed at a slower pace than anticipated, reflecting a fundamental shift in the industry's operating dynamics
- OTT platforms scaled back aggressive content spending, with annual growth slowing to just 2% compared to pre-2022 levels[15]
  - Financial constraints, such as declining profitability, rising costs and market saturation, forced platforms to adopt a more cautious approach
  - Renewals of successful franchises were prioritized over riskier new originals, with investments focusing on broad-appeal content to maximize ROI
- These factors collectively reduced the volume of international VFX projects outsourced to India

[12]https://www.linkedin.com/posts/graphiti-multimedia-pvt-ltd_bharathainhum-spotify-graphitistudios-activity-7269673637106888704-7ItF?utm_source=share&utm_medium=member_desktop
[13]Expert opinion and industry discussions
[14]https://www.broadcastprome.com/news/global-production-volumes-show-10-decline-in-september/
[15]https://www.filmtake.com/distribution/content-spending-slumps-in-the-post-peak-television-era/

Domestic VFX market grew

- While the global VFX market struggled, the domestic segment offered some resilience, keeping Indian studios active despite revenue growth remaining muted due to lower-paying domestic projects
- The Indian VFX market expanded with increasing adoption in films and episodic content:
  - *Heeramandi: The Diamond Bazaar*: 1,200 VFX shots by FutureWorks[16]
  - *Kalki 2898 AD*: 900+ shots by DNEG and ReDefine[17]
  - *Fighter*: 3,500+ VFX shots by ReDefine[18]
- Experts believe that the use of additional VFX is now systemic and will continue in 2025. High-budget domestic films currently allocate up to 30% of their budgets to VFX, while mid-budget projects spend around 15%[19]

VFX studios leveraged IPOs

- In a resetting environment, where VFX was traditionally seen as a difficult sector for private funding, IPOs emerged as the preferred route for capital infusion
- In the last two years, four VFX studios which listed through SME IPOs achieved subscription multiples exceeding 200, with FY25 H1 average revenue multiples averaging 6.26

Company	Year of listing	IPO subscription multiple[20]	FY25 H1 revenue multiple[21]
Phantom FX	2022	164.2x	5.95x
Digikore studios	2023	281.6x	6.43x
Basilic fly studios	2023	358.6x	7.62x
Picture post studios	2024	266.6x	5.07x
		Average	**6.26x**

Studios embarked on global expansion

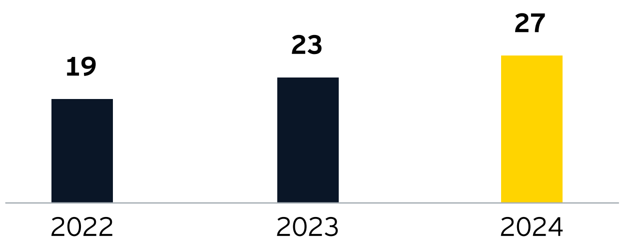
- Phantom Digital Effects Limited finalized an agreement to acquire a majority stake of 80% in America based Tippett Studio[22]
- Basilic Fly Studio obtained a 70% stake in London's VFX studio One of Us[23]
- Digikore Studios prepared to launch a cloud-based metaverse marketplace for virtual production sets, complementing its current library of 250 virtual production sets for films, TV and photography

[16]https://www.cgw.com/Press-Center/Web-Exclusives/2024/-i-Heeramandi-The-Diamond-Bazaar-i-A-visual-mast.aspx#:~:text=Vinay%20along%20with%20the%20team,of%20less%20than%20six%20months.
[17]https://www.moneycontrol.com/entertainment/nag-ashwin-praises-kalki-2898-ad-vfx-team-for-their-efforts-in-the-film-says-they-worked-tirelessly-article-12764033.html
[18]https://www.animationxpress.com/latest-news/redefine-indias-3500-vfx-shots-bring-thrilling-aerial-combat-to-life-in-siddharth-anands-fighter/#:~:text=Main%20Story%20VFX-,ReDefine%20and%20DNEG%27s%203%2C500%20VFX%20shots%20bring%20thrilling%20aerial,life%20in%20Siddharth%20Anand%27s%20%27Fighter%27
[19]Expert opinion
[20]https://www.chittorgarh.com/
[21]S&P capital IQ
[22]hhttps://www.animationxpress.com/vfx/phantomfx-secures-majority-stake-in-oscar-winning-tippett-studio/
[23]https://www.animationxpress.com/latest-news/basilic-fly-studio-acquires-70-per-cent-stake-in-londons-vfx-studio-one-of-us/

Post-production

Post-production revenue grew 16% to reach INR27 billion

Post-production revenues



INR billion (gross of taxes) | EY estimates

- Demand for localizing international content increased, as several OTT platforms saw increased consumption of international titles, which were dubbed in up to eight Indian languages[24]
- Localization remained crucial for repurposing domestic content as well, particularly tentpole content, which was released in multiple languages and films, which are now being launched in several languages across national themes
- The demand for higher quality ad films, as well as more social media and short video marketing, added to the demand for post-production services

AI revolutionized dubbing

- Despite India's pool of 50,000 voiceover artists, demand frequently outpaces capacity. AI bridges this gap by complementing human talent and streamlining repetitive tasks[25]
- AI clones actors' voices, syncs lip movements and adjusts facial expressions for seamless, multilingual dubbing in over 170 languages[26]
- By automating processes, AI reduces dubbing timelines and costs, eliminating reliance on manual voice recording sessions
- AI-powered dubbing is no longer confined to films; it has diversified into:
  - **Interactive Voice Response (IVR):** Customer service systems
  - **Audiobooks:** Narrating content in multiple voices and languages
  - **Advertising:** TV ads and social media content requiring quick and localized dubbing
  - **Conferences and presentations:** Real-time AI translation and dubbing
- YouTube introduced a feature allowing creators to dub videos in English, French, German, Hindi, Indonesian, Italian, Japanese, Portuguese and Spanish[27]

2024: A year of audio-visual upgrades

- The year 2024 firmly established itself as a milestone for re-releases in Indian cinema, with nearly 80 films re-released[28]
- Remastering of classic movies for re-release includes processes of:
  - **Audio enhancement:** Upgrades to surround sound (Dolby Atmos, DTS:X), noise reduction and dialogue clarity improvements
  - **Visual restoration:** Frame repairs, grain removal, color correction, 4K/ 8K upgrades and format compatibility for 2D, 3D, or IMAX
- The cost of remastering older films often exceeded INR20 million per project, underlining a renewed commitment to preserving and modernizing cinematic history[29]

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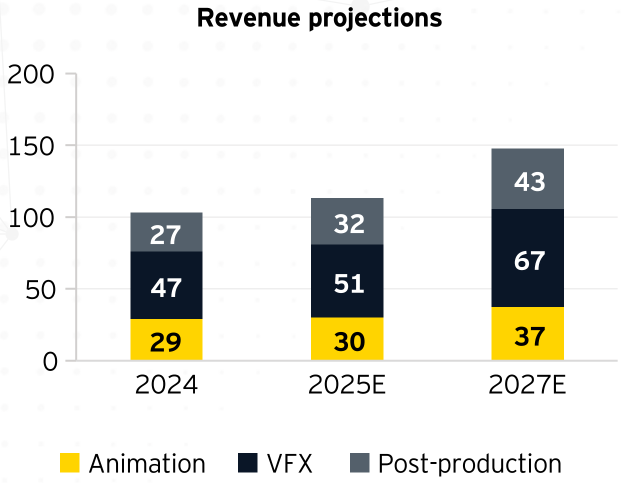
[24]Industry discussions
[25]https://timesofindia.indiatimes.com/life-style/spotlight/ai-is-a-game-changer-for-dubbing-work/articleshow/113384678.cms
[26]https://timesofindia.indiatimes.com/life-style/spotlight/ai-is-a-game-changer-for-dubbing-work/articleshow/113384678.cms
[27]YouTube's 'auto dubbing' tool now available for more creators; supports Hindi, 7 other languages | Technology News - The Indian Express
[28]https://www.financialexpress.com/business/brandwagon-re-releases-boost-box-office-collections-in-fy25-amidst-new-movie-slump-3642074/
[29]https://www.moneycontrol.com/news/trends/entertainment/ddlj-to-spadikam-the-business-of-re-releasing-films-10159201.html

Shape of the future

The segment is projected to recover at a CAGR of 13% till 2027



INR billion (gross of taxes) | EY estimates

- The segment can reach INR147 billion by 2027 as India cements its position as the content back office of the world
- The size can be higher if there is increased investment in creating tech IPs to position India as a hub of innovation
- There is imminent need for capital to build unique capabilities and achieve scale to support global studios
- We expect more outbound acquisitions by domestic studios as they team up with foreign studios to source global work, tech capabilities and IP

Global content budgets will rebound

- Global programming spend is expected to grow by 5.3% in 2025, reaching US$206 billion globally[30]. North America is expected to lead this resurgence with a 6.7% increase, signaling renewed confidence in content investment and profitability[31]
- Nearly 2,000 FAST channels operate in the United States and the opportunity is expected to reach US$9 billion by the end of 2024[32]. FAST platforms like Samsung TV Plus, Roku and Pluto TV are leveraging original and exclusive productions to tap new audiences
- The resurgence of streamers' budgets in 2025 will be propelled by Netflix, Disney+ and Prime Video:
  - Prime Video's ad tier reached 200 million users globally[33]
  - Netflix's ad tier has 70 million monthly active users, and it plans to double ad revenue in 2025[34]
  - Industry consolidation and bundling (e.g., Disney+, Max, Hulu) are reducing churn and increasing predictability, enabling greater content reinvestment
- The VFX opportunity on experiences is growing, covering areas like stage-craft, virtual events, theme parks and holo-concerts. This requires a different skill-set from what is readily available in India, but is an area which we expect will see increased growth in the years ahead
- For India to succeed in the global market, the focus on customer experience - across quality and reliability - will be crucial

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[30]https://www.communicationstoday.co.in/programming-spend-to-rebound-to-206bn-by-2025/
[31]https://www.communicationstoday.co.in/programming-spend-to-rebound-to-206bn-by-2025/
[32]https://www.matchpoint.tv/articles/global-view-fast-streaming-tv/
[33]https://www.adweek.com/convergent-tv/how-biggest-streaming-services-stack-up-heading-into-2025/#:~:text=In%20the%20U.S.%2C%20the%20proportion,the%20Netherlands%2C%20and%20New%20Zealand
[34]https://www.adweek.com/convergent-tv/how-biggest-streaming-services-stack-up-heading-into-2025/#:~:text=In%20the%20U.S.%2C%20the%20proportion,the%20Netherlands%2C%20and%20New%20Zealand

India's anime potential will unlock

- India is Crunchyroll's second-largest anime market, expected to drive 60% of global growth in coming years[35]
- 39% of Indian anime viewers are aged 18 to 24; 60% are male, with an average age of 24 years[36]
- Indian studios can unlock anime opportunities through:
  - Partnering with Japanese studios to co-produce high-quality anime content
  - Developing anime-inspired Indian IPs for global and local audiences
  - Collaborating with e-commerce and retail platforms for licensed merchandise distribution
  - Creating anime-themed mobile games and digital experiences based on Indian stories

National and state initiatives will drive growth and talent development

- The central government approved National Centre of Excellence (NCoE) will position India as a global AVGC-XR hub, attracting foreign investments[37]
- The 2024 interim budget allocates INR1 trillion for 50-year interest-free loans to foster technological research and innovation[38]
- Karnataka's newly introduced KITVEN Fund-4 offers INR200 million for AVGC startups, boosting innovation and entrepreneurial growth[39]
- Karnataka and Kerala have released their new AVGC policy. Kerala's AVGC-XR policy targets 250 companies, 50,000 jobs and 10,000 trained professionals by 2029[40]
- Telangana government will establish a skill university to empower youth with industry-relevant AVGC training[41]

AI will lead innovation in animation and VFX

- Industry discussions indicate that AI will significantly automate manual processes like rotoscopy and compositing within one to two years
- In three to five years, AI could generate significant portions of full-length films, including effects, backgrounds and character animations
- A legal framework for AI adoption is expected, enabling studios to confidently integrate AI into content production workflows
- While AI will replace traditional roles, it will create opportunities for new positions like prompt engineers and AI tool specialists
- Companies that are now adopting AI for efficiency improvement (time savings) will integrate AI into quality enhancement and production within a year
- Adoption of AI in areas such as cleaning, coloring, compositing and other currently manual areas can have a significant impact on outsourcing to India, which could impact jobs

In this ever-evolving landscape, the ability to innovate consumer facing revenue streams and build AI IP that positions India as the go-to destination for content services will be the cornerstone for success, ensuring survival and prosperity of the segment in a competitive, technology-driven future.

[35]https://www.livemint.com/industry/media/india-2nd-largest-anime-market-for-crunchyroll-11689961738171.html
[36]https://www.coolest-gadgets.com/anime-statistics
[37]https://www.animationxpress.com/animation/indian-government-approves-establishment-of-national-centre-of-excellence-for-avgc-xr-industry/
[38]https://www.animationxpress.com/latest-news/heres-what-some-of-the-avgc-industry-leaders-have-to-say-about-interim-union-budget-2024/
[39]https://www.animationxpress.com/animation/karnataka-government-launches-rs-20-cr-venture-capital-fund-for-avgc-sector/
[40]https://www.animationxpress.com/latest-news/kerala-cabinet-approves-avgc-xr-policy/
[41]https://www.animationxpress.com/latest-news/telangana-avgc-association-partners-with-state-government-to-establish-skill-university/

Trends

Animation and VFX

Powered by AnimationXpress.com

2024 witnessed increased use of VFX capabilities

1,200
FutureWorks
(Heeramandi: The Diamond Bazaar)

900+
DNEG and ReDefine
(Kalki 2898 AD)

3,500+
ReDefine
(Fighter)

6,000+
Redchillies.vfx
(Bhool Bhulaiyaa 3, Chandu Champion, Yodha, etc.)

2,200+
philmCGI
(Jigra, CTRL, etc.)

7,000+
PhantomFX
(Pushpa2, Indian2, etc.)

Number of VFX shots in select movies

Studios expanded nationally and internationally

- Digitoonz Media & Entertainment opened an office in Madrid, Spain
- Saffronic inaugurated a new purpose-built studio inside Tech Mahindra's Chennai Campus
- Kerala's Eunoians Studio opened a new office in Ernakulam
- Sajid Nadiadwala is constructing a VFX studio in Mumbai
- 88 Pictures launched gaming division 88Games and worked on box office hits through its division 88VFX

Key partnerships

International collaborations and deals

- Toonz Media Group partnered with Greyscale Animation, London-based Giffi, USA-based Angel Studios, Driver Studios and others for various animated projects
- TV Asahi and Sony Pictures Networks India (SPNI) premiered Obocchama-kun in India. The series is animated by Green Gold Animation
- Tech Mahindra will assist Fuji TV in localizing its content for the Indian audience through dubbing, subtitling and animation services, and support it in licensing its content to OTT and Pay TV platforms in India and Japan
- UAE's United Al Saqer Group invested US$200 million in DNEG Group, supporting activation of a new technology division, Brahma and opening of a studio in Abu Dhabi
- Basilic Fly Studio acquired a 70% stake in London's VFX studio, One of Us
- Phantom Digital Effects finalized an agreement to acquire an 80% stake in Tippett Studio
- NY VFXWAALA announced a strategic partnership with Swedish studio, Goodbye Kansas Studio through one of its subsidiaries Funtastik Studios
- Assemblage Entertainment partnered with Canada's Guru Studio and UK's Moonbug for various projects

National collaborations

Created and produced by Ele Animations in collaboration with Toonz Media Group, and Warner Bros. Discovery as broadcasting partner, *Jay Jagannath* premiered on Pogo

Studio Eeksaurus brought animated musical short *Croak Show*, which is their first-ever co- production with Toonz Media Group

Zebu Animation Studios partnered with Tinkle to create the animated versions of the evergreen comic book character, Suppandi and the Indian female superhero, Wingstar

IPL team Mumbai Indians partnered with Burman Sports and animation media partner Kid Sports Media and Squeezy Sports and launched an animated mini-series, *The Mighty Indians*

Animation forayed to Indian mainstream cinema

Kalki 2898 AD had an animated prelude *B&B: Bujji* and *Bhairava*, and showcased a title sequence of 2D animation

Imtiaz Ali's latest movie, *Chamkila*, featured a 2D animated segment by philmCGI

Malayalam horror film *Bramayugam* included an animated flashback sequence *"Gift of Varahi"* created by Kerala's Eunoians Studio

Graphic India and Arka Mediaworks released an animated spinoff series *Baahubali: Crown of Blood* on Disney+ Hotstar

Return of the Jungle from Vaibhav Studios was screened at the Marches du Cannes - Cannes' film market

The third, fourth and fifth seasons of *The Legend of Hanuman* released on JioStar. The fifth season garnered a total of 9.4 million viewers

Animation content was made available on FAST channels and OTT platforms

QYOU Media India and Toonz Media have launched a FAST animation channel Q Toonz, that will bring the latter's animated content to audiences

Samsung TV Plus India has partnered with Powerkids Entertainment to launch two FAST channels, PowerKids Kartoon Channel and a dedicated Jungle Book channel on Samsung's live TV service

Powerkids Entertainment animated content is now available on OTT aggregator platform OTTplay, under the SVOD service - Powerkids Plus Kartoon

Government focus on the AVGC-XR segment increased

- Union Cabinet chaired by PM Narendra Modi approved establishment of National Centre of Excellence in Mumbai
- In an edition of 'Mann Ki Baat', PM Modi asserted: "we must resolve to make India a global animation powerhouse"
- Karnataka's venture capital fund KITVEN (Karnataka Information Technology Venture Capital Fund) launched a dedicated VC fund of INR200 million for the AVGC sector
- The Telangana VFX, Animation and Gaming Association partnered with the state government to establish Telangana Skill University - School of Animation, Visual Effects, Gaming, and Comics

Anime grew significantly in India

- TataPlay's platform service added Anime Local
- Crunchyroll held the Indian anime festival Mela! Mela! Anime Japan
- Prime Video launched Crunchyroll's anime offerings
- Anime Times teamed up with Nagpur's largest anime fan event, CosCon
- Bharti Airtel joined forces with SPNI to introduce Anime Booth
- Anime films came to Indian theaters*

* Demon Slayer: Kimetsu no Yaiba - To The Hashira Training, Spy x Family Code: White and Solo Leveling - ReAwakening

All data has been provided by AnimationXpress, a brand of IndianTelevision.com, and has not been verified by EY.

Expert speak

The national and state AVGC-XR policies, with targeted incentives and funding, are pivotal in enhancing India's AVGC-XR ecosystem, attracting global collaborations, co- productions, fostering local IP creation, setting up of AVGC-XR parks, National Center of Excellence for AVGC-XR and positioning India as a global content production powerhouse.

Ashish SK
Punnaryug Artvision

Advancements in AI, ML and real-time rendering are not only enhancing creativity and artistic expression but are also revolutionizing workflows, improving efficiencies and unlocking global collaborations. Indian industry must harness cutting-edge technologies to redefine the benchmarks for quality and creativity in storytelling. By integrating strategic investments with world-class artistic talent, we can enable stories that transcend boundaries.

Namit Malhotra
DNEG/ Prime Focus

As we look to the future, AI will enable creative studios to craft immersive experiences with unprecedented speed and precision. We must embrace this evolution, leveraging AI to push the boundaries of creativity while staying true to our storytelling roots.

Rajiv Chilaka
Green Gold Animation

India's AVGC-XR ecosystem holds immense potential to transform into a global growth powerhouse by fostering innovation, skill development, and collaborative policies. Embracing emerging technologies and strategic investments will drive this sector to unprecedented success and global leadership.

P. Jayakumar
Toonz Media Group

The Indian animation industry is at a crossroads, with vast potential for original, culturally rich narratives that reflect modern values. With the right policy support and creative education, Indian animation has the potential to emerge as a global powerhouse.

Veerendra Kumar Patil
Zebu Animation Studios

I believe that studios and media companies will have to work on a more collaborative business model to secure and fuel revenue growth. Media franchises will have to work harder to build loyal fanbase across the wide spectrum of Films, OTT, broadcast, games and social media platforms. The next five years will reshape the entire media business at uncomfortably blazing speed, and this will present massive opportunities.

Munjal Shroff
AVGC Forum/ Graphiti Studios

The AVGC-XR industry is at the cusp of amazing transformation, driven by AI, real-time production, and immersive technologies. This emerging 'technology stack' shall unlock new creative dimensions and create significant operational efficiencies. The Prime Minister's clarion call to make this industry a vehicle for the globalization of Indian content through the 'Create in India' campaign adds a tremendous fillip to the industry.

Biren Ghose
Technicolor Group

2024 has been a challenging year - we have seen a small number of films bring in substantial returns at the box office, while many other films did not succeed. By continuing to invest in people, training artists in the latest tools and techniques, and ensuring that production teams and executives have the most current information at their fingertips, I have no doubt that the industry will continue to see value and seek out our talent in the coming years.

Kiran Prasad
Industrial Light & Magic

As technology democratizes high-quality visual effects, creators are empowered to push creative boundaries and streamline production timelines. However, responsible and ethical use of tools like AI is important. While AI can enhance efficiency, it cannot replace creative intelligence or the irreplaceable human touch and emotion that form the cornerstone of genuine connection and artistry.

Tejonidhi Bhandare
Reliance Animation

The animation, VFX, and post-production industry is evolving with advancements in AI, real-time rendering, and virtual production. Growing demand from streaming platforms, gaming, and immersive content ensures a dynamic outlook, emphasizing creativity, efficiency, and global collaboration for future growth.

Abhishek More
Digikore Studios

AVGC-XR as an industry stands at a pivotal juncture, where evolving consumption patterns demand a reinvention of storytelling. With AI becoming integral, studios must adapt by embracing new workflows and pipelines in Animation and VFX production to stay ahead of the curve.

Anand Bhanushali
Philm CGI

The AVGC industry globally is experiencing a massive transformation that is offering a level playing field and a master reset. With its remarkable creative and technical talent pool and a growing local consumption ecosystem, India is well positioned to capitalize on this enormous opportunity.

Arjun Madhavan
Assemblage Entertainment

In the fast-changing era of AI, visual effects workflows, tools, and skill mix will change, but the craft will remain strong. AI will undoubtedly play a stronger best supporting actor role, but the lead actors will continue to be the artists. AI will expand the possibilities of the craft.

Hitesh Shah
BOT VFX

Last year was specifically challenging for the overall Animation and VFX industry with the Hollywood strike impact. This clubbed with rapid advancement in the AI and ML sectors is changing the way content is going to be created. Agility, adaptability and technical prowess are going to be key words for next year.

Milind D Shinde
88 Pictures

To ensure a sustainable animation industry, studios must prioritize creating original IPs over service work. The future lies in Indian-made content. Government support is crucial to recognize animation as an industry and empower local creativity.

Mayank Patel
Paperboat Design Studios

There's a growing demand for diverse voices, including regional accents, to cater to global audiences. The dubbing industry is shifting towards high-quality localization, with advancements in AI enhancing voice matching and lip-syncing, yet the demand for artists and studios that are skilled in traditional dubbing will remain.

Rajashrie Sharma
AudioMagick

The Indian animation and VFX sectors went through a course correction last year. However, with associations coming up in every state, and government incentives and support being thrown in at the states' and central level, it is headed for a great growth phase going forward.

Anil Wanvari
AnimationXpress.com

As technology propels us forward, it's the artistic spirit that fuels the soul of innovation. By embracing advancements in AI, real-time rendering, and immersive virtual production, artists can unlock new dimensions of storytelling, crafting immersive, sustainable, and diverse experiences that not only captivate audiences but also redefine the boundaries of imagination.

Bejoy Arputharaj
Phantom FX

Once AI models are production ready for commercialization, they will have a direct impact on production budgets, post production and scale. Technology will help post production companies to widen their offerings to platforms across the board and augment their services suite for content creators and distributors.

Mandar Natekar
NeuralGarage

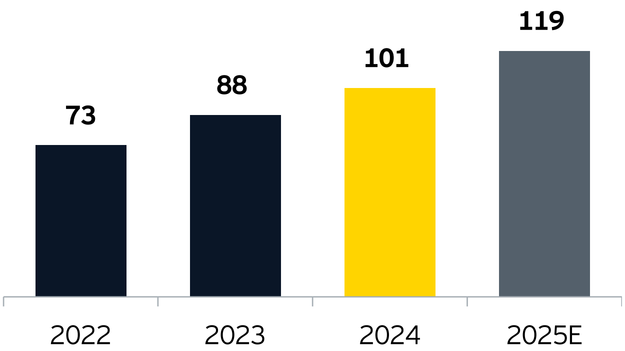
Live events

Key trends of 2024

This section is based on the findings of primary research conducted across over 250 Indian event companies, over 100 marketers and industry discussions.

The segment grew 15% in 2024 crossing the INR100 billion mark

Organized live events segment revenues

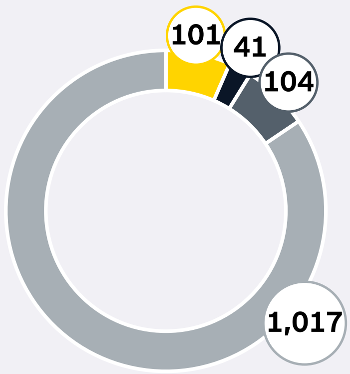


INR billion (gross of taxes) | EY estimates

- The organized live events segment grew 15% in 2024, on the back of significant growth in ticketed events, government spending, B2B events and weddings
- The key change noted in 2024 was the growth of ticketed events, as sponsorship revenues remained stressed due to overall caution in ad spending
- The music concert space saw significant growth, and we estimate an all-time high of 70 to 80 concert days with audiences of 10,000 or more in 2024
- The growing interest in events led to other segments of the M&E sector increasing their focus on it, and as can be seen from the pie-chart alongside, their billings from events have grown significantly
- Industry discussions indicate that government spending on business, welfare and cultural events has been the highest ever, and the 2024 general elections gave it a further boost

Note on sizing

Addressable and unaddressable events
(INR billion, gross of taxes)



- Organized events revenue earned by pure event companies, per this report
- Events done by media companies *(included under revenues of other segments in this report)*
- In-house corporate events
- Unaddressable events market *(weddings, religious, political, personal, etc.)*

- The live events segment revenue represents the revenue of organized and addressable events and activation agencies and does not include unaddressable event revenues viz., events revenues we are unable to accurately size such as (1) revenues of the multitude of "unorganized" event companies spread across the country, (2) personal events which are paid for in cash, (3) in-house managed corporate events, and (4) religious and political events, as it is not possible for us to size them
- We have provided broad estimations for the above unaddressable events portion to provide context, and these may be inaccurate
- In addition, events revenues earned by other segments of the M&E sector like print, radio and television are included in the revenues of the respective sectors in this report
- The organized events segment size estimate also does not include:
  - The value of media spends on and telecast rights of events (unless event IP was owned by an events and activation management company)
  - The value of meetings, incentives, conferencing, and exhibitions (MICE) conducted by pure travel companies
  - Monetization of IPs not owned by event companies e.g., sports media rights

More focus on creating IP and content

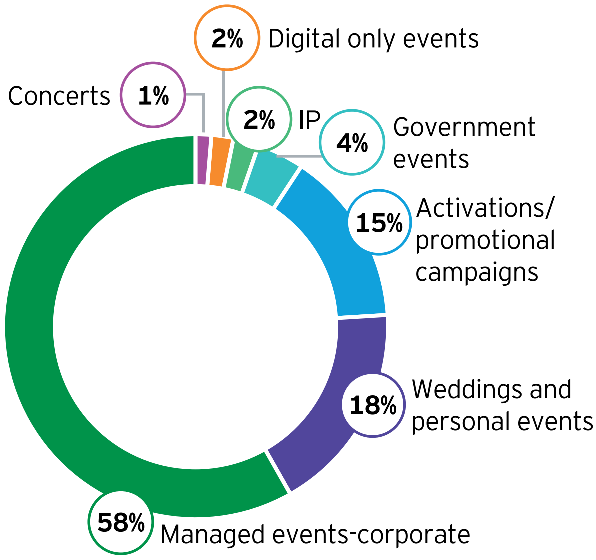
- The number of event companies which invested in building intellectual property increased to 25% of our survey respondents, the highest ever since we launched our survey eight years ago
- 24% of respondents were also providing content production services, also the highest ever since we started conducting our survey
- The COVID-19 led expansion in "digital only" events abated further during 2024, with only 12% of survey respondents providing the same, down from 88% of respondents in 2021

Ticketed events gained traction

- Our respondents between them conducted over 250 music concerts in 2024, while industry estimates indicate that over 30,000 live events were conducted in India in 2024 across over 300 cities[1]
- Most concerts generated a mix of sponsorship and ticketing revenues; however, the share of ticketing and D2C revenues increased significantly over previous years
- The ratio of ticketing and D2C revenues, as per industry discussions, has increased to 60% to 75% of total revenues in most cases, compared to less than 40% of total revenues before 2020

Event companies diversified

Number of projects conducted by respondents in Jan-Dec 2024



EEMA-EY survey of event management companies 2024

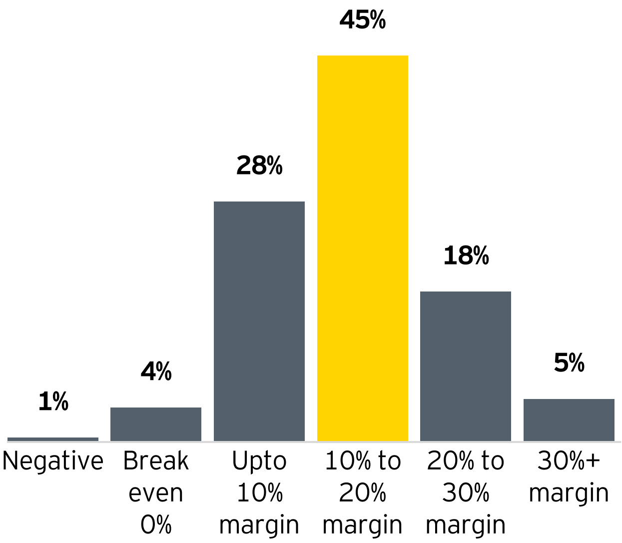
- "Bread and butter" corporate events comprised 58% of all events conducted by survey respondents, an all-time low since we began surveying event companies in 2015
- Corporates increasingly demanded RoI on their event spends, many moving their spends to more addressable MICE initiatives
- The continued growth in premium and organized retail venues led to increased use of activations by brands, moving to a multi-city format
- Further, specialist events like concerts, sporting meets, activations and government events comprised 22% of all events conducted. This marks a growth over previous surveys, highlighting the diversification the events segment has undergone since being impacted by the COVID-19 pandemic
- Less than 2% of events were "digital only" events

[1]BookMyShow Throwback

Shape of the future

Margins remained stable

Margin analysis: what is the approximate margin (before taxes) which you earned in 2024?

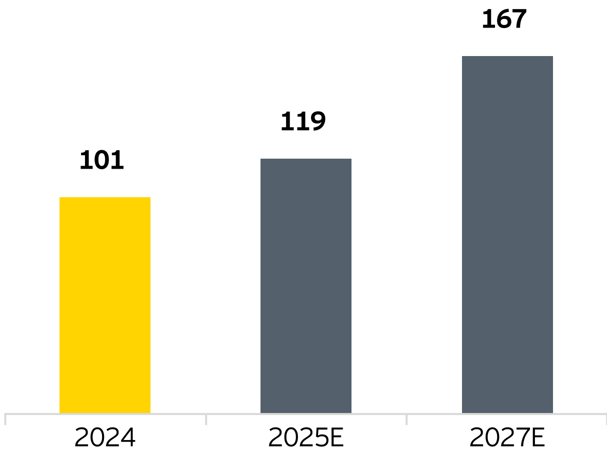


EEMA-EY survey of event management companies 2024

- Almost all respondents were profitable, with majority earning a net margin (before taxes) in the range of 10% to 20%
- Average margins were approximately 14% across all respondents

The segment is expected to grow at 18% CAGR

Organized live events segment revenues



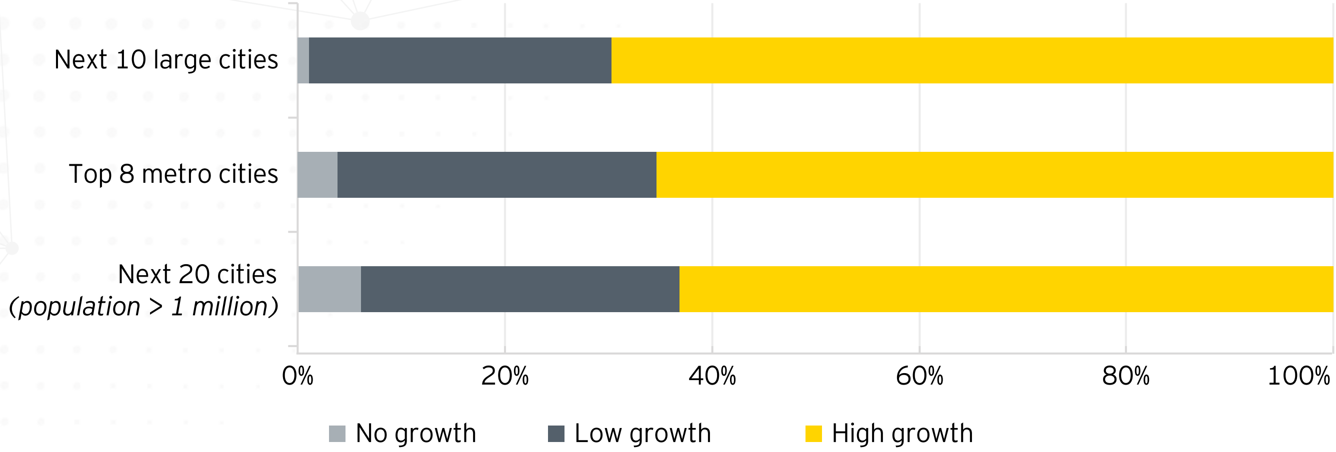
INR billion (gross of taxes) | EY estimates

- The segment is expected to grow at a CAGR of 18% to reach INR167 billion by 2027
- Growth will be driven by all event types, particularly personal events and concerts (as the base of affluent Indians continues to grow), and managed events – both government and corporate – as market share becomes more important for brands[2]
- 67% of marketers we surveyed in 2024 expected to increase their events and activations spends in 2025 and 2026[3]
- Spending on brand activations across non-metro markets is also expected to grow, in order to tap into increasing non-metro spending, and widening urban geography

[2]EMA-EY survey of event management companies 2024
[3]EY's survey of over 140 marketers, Nov-Dec 2024

Growth will be led by the "next 10" large cities

What kind of growth would you expect to see across geographies over the next 2-3 years?

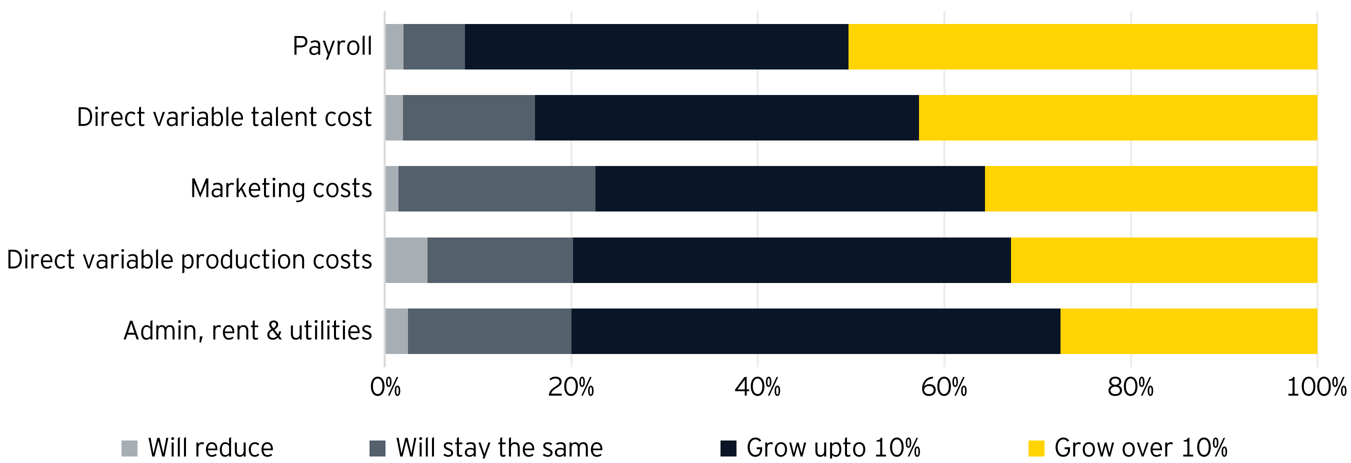


EEMA-EY survey of event management companies 2024

- While metros will remain important to tap the large number of affluent families, survey respondents felt that the highest growth potential lay with the next 10 markets
- They also felt that the potential for growth was high across India's top 40 cities (each with a population of over one million) as consumption growth was faster in those markets, and brands needed to increase their share of voice to gain traction there, an area currently dominated by print and radio

Talent costs are expected to increase the most

Expected change in key event management costs

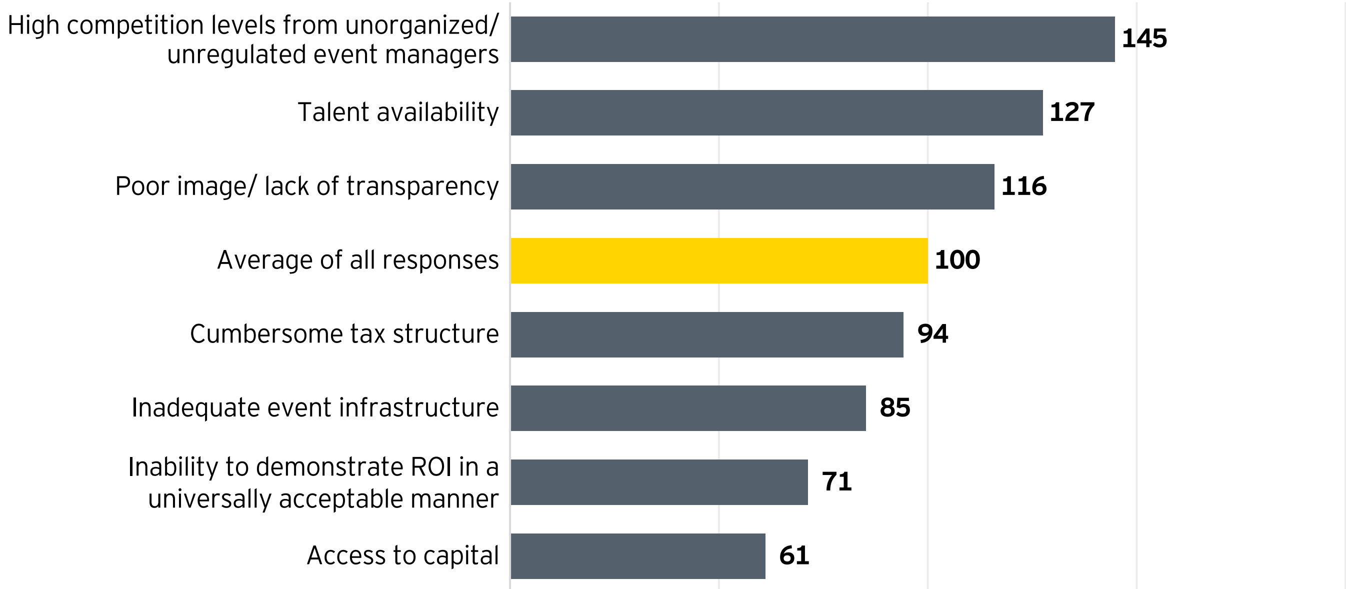


EEMA-EY survey of event management companies 2024

- Around 80% of survey respondents believed that costs would increase across the board
- Payroll and talent costs are expected to increase the most in 2025, led by a shortage in performing and event execution talent

Unregulated competition, lack of talent and transparency need to be managed

Key challenges faced by event companies
(Indexed score)



EEMA-EY survey of event management companies 2024

- Survey respondents believed that the key challenge faced by the events segment was competition from unorganized and unregulated event management companies, which did not always follow leading practices, policies and procedures
- The shortage of talent described above would also lead to an escalation in costs. The segment is looking to build specialist and technical talent in the medium term
- Respondents also felt that the segment was impacted by its poor image and perceived lack of transparency. These issues are driving the need for the segment to develop certification for event management companies and talent, as well as define generally acceptable ways of working with clients. However, concrete steps in this direction are still at a nascent stage
- The massive growth potential will also lead to IPOs, strategic investments from companies in other M&E segments, as well as consolidation to provide national, scaled events and activation businesses which manage risk better

Expert speak

Growing affluence has driven the need and aspiration for high-value unique experiences. Events are pervading all aspects of our lives - government, society, entertainment, sports, business and culture - and we expect to see strong industry growth over the next three years. The Experience Economy has only just arrived; "Concertnomics" and "Wednomics" along with event technology are going to drive growth.

Sabbas Joseph
Wizcraft

As creators and enablers, we hold the power to shape narratives, influence cultures, and deliver transformative experiences that connect people beyond boundaries. India's creative sector, now recognised and celebrated globally, must harness this momentum to lead the way forward.

Samit Garg
E-Factor Experiences

We're on the brink of unlocking a gold mine in live entertainment, but it needs firm government support and strong infrastructure. Let's not kill the golden goose before it even lays its first egg.

Roshan Abbas
VMLYR Encompass

India's live entertainment industry is evolving into a global powerhouse, driven by music tourism, premium experiences and rising fandom. With International and Indian artists, and brands investing big, the future is limitless.

Anil Makhija
BookMyShow

M&E in the events and experiential space is the obvious way forward even as Creative Economy continues to expand exponentially and will need both investment and consolidation to realise its full potential. In turn it would need companies to shore up balance sheets, be transparent and pivot towards good practices and incorporate tech and AI in their creative process.

Sanjoy Roy
Teamwork Arts

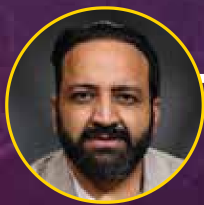
It is clear that we are at a pivotal moment—one that presents both tremendous opportunity and significant responsibility. The demand for immersive experiences is skyrocketing. However, this surge necessitates a robust infrastructure and an efficient supply chain to meet expectations while ensuring safety and sustainability.

Mandeep Singh
CPM India

Tech fuels efficiency, but relationships inspire loyalty. The future is a stunning fusion of AI, hyper-personalization, and high-impact experiences—making every exhibition unmissable and keeping customers coming back for more.

Yogesh Mudras
Informa Markets in India

The live entertainment industry in India has seen remarkable growth over the past decade, expanding at a steady 30-35% year-on-year. This isn't just a phase but a strong indication of the sector's long-term potential. The growing influx of international artists, coupled with the rise of unique homegrown IPs, has positioned India as a global destination for live experiences.



Deepak Choudhary
EVA Live

The future of entertainment will be shaped by AI, technology, and creativity. From storytelling to production, innovation will break barriers, creating immersive experiences and redefining how audiences engage.

Mohomed Morani
Cineyug Group of Companies

These are super exciting times for 'Experience Creation'. With so much in a state of flux around us, there are opportunities galore to break new ground, and for value creation. In the inevitable pursuit for scale, the industry and its players would do well to focus on building a strong foundation of integrity, depth and long-term stability.

Atul Nath
Candid Marketing

We live in a culturally rich and diverse country where 50% of the population is under the age of 25. We need to make live events a part of our cultural currency by focusing on collaborating with all stakeholders, upskilling our workforce and standardising business processes across all industry verticals.

Brian Tellis
Radioactive Ventures

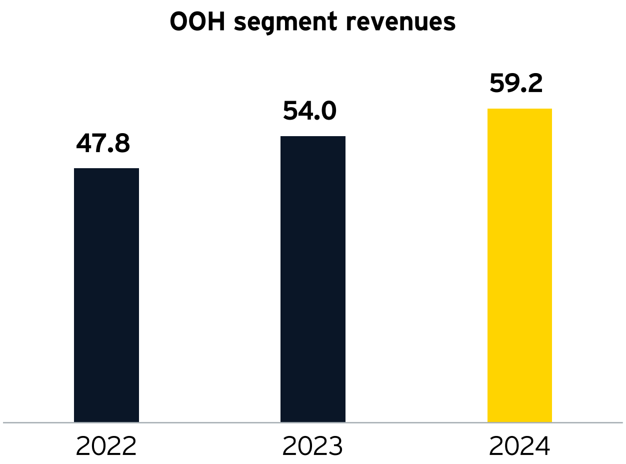
The next frontier is about creating hyper-personalized, sustainable, and boundaryless experiences that transcend physical and digital realms. The industry's ability to adapt, reimagine, and push creative boundaries will define its impact in the years to come.

Deepak Pawar
Midas Next Media

Out-of-home (OOH) media

Key trends of 2024

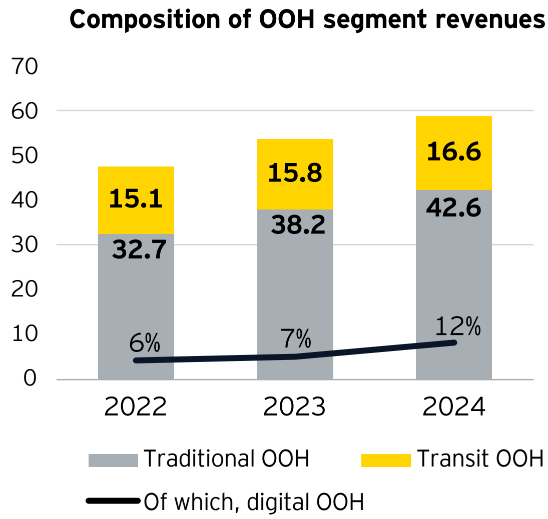
OOH grew 10% in 2024



INR billion (gross of taxes) | EY estimates[1]

- India's OOH segment grew 10% in 2024 to reach an all-time high of INR59.2 billion, which includes traditional, transit and digital media, but excludes untracked unorganized OOH media such as wall paintings, billboards, ambient media, storefronts, and proxy advertising
- Growth was driven by its ability to provide affluent audiences to advertisers, increasing urbanization, growth in transit media and premium digital ad inventory
- Election advertising, real estate and other premium categories continued to spend on OOH

Traditional media grew 12%

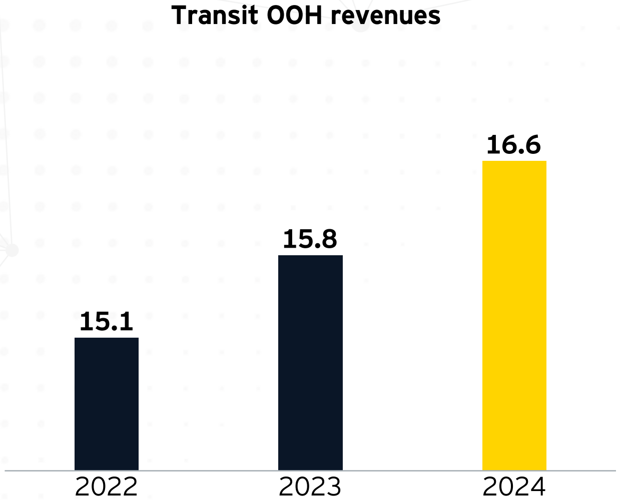


INR billion (gross of taxes) | EY estimates

- Traditional media (billboards, gantries, etc.) grew 12% over 2023 on the back of significant election spending - both central and state, as well as a growth in digital media assets
- Key categories like real estate, education, organized retail, consumer services, FMCG and other premium categories continued their spending on OOH assets
- Campaigns on special and sporting events, festive season, and cultural celebrations witnessed heightened consumer activity, and advertisers capitalized on OOH campaigns to promote seasonal products, special offers to enhance brand awareness
- Despite the rise of digital media, traditional OOH formats such as billboards and gantries remain popular due to their tactile nature. Large-format displays in high-traffic areas capture attention, providing a high level of visibility and permanence

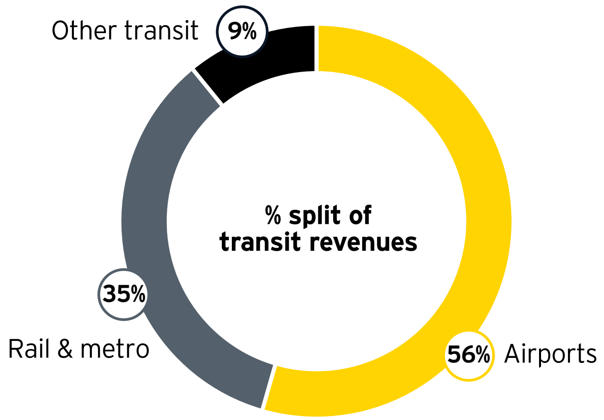
[1]2022 and 2023 revenue estimates have been restated due to a change in sizing methodology

Transit media continued its strong growth



INR billion (gross of taxes) | EY estimates

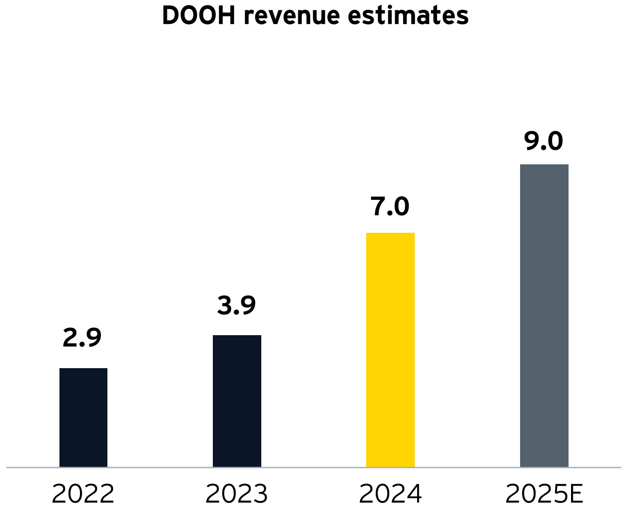
- Transit media grew as India invested in more airports, railway stations, metro lines and bus stands. Station naming rights were also popular and provided assured long-term cash flows to licensors
- Transit media now comprises 28% of total OOH segment revenues



EY estimates

- Airports remain the dominant segment, commanding over 50% of all transit revenues, though rail and metro have shown growth on the back of launch of new rail and metro routes and numerous upmarket Vande Bharat trains

Digital out-of-home (DOOH) grew to INR7 billion



INR billion (gross of taxes) | EY estimates

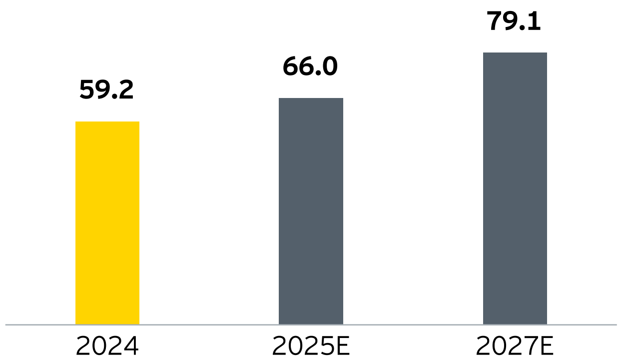
- DOOH assets, across both traditional and transit media, grew significantly and now contribute around 12% of total OOH revenues
- It is estimated that there are 185,000 active DOOH screens across around 50 cities in India today, of which around 15% are of the large-format premium variety[2]
- While screens are currently concentrated across larger metros, we see investment over the next few years to be more broad-based which will result in creation of a powerful national network of assets that national brands can leverage efficiently and with confidence
- With tech-enabled solutions on DOOH, data is now available by the hour and minute to understand audience profiles, allowing for dynamic micro-targeting of audiences

[2]Lemma Technologies estimates

Shape of the future

The segment is expected to reach INR79 billion by 2027

OOH segment revenue estimates

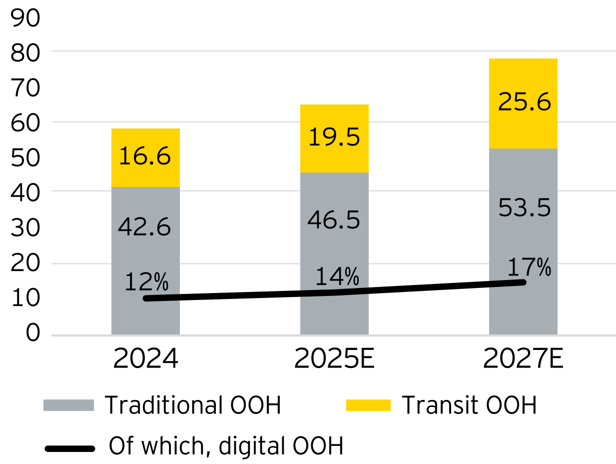


INR billion (gross of taxes) | EY estimates

- We expect demand for OOH to remain strong, as it provides an effective medium for luxury and premium products to reach affluent audiences who avoid advertising on digital and electronic media
- Increased urbanization will lead to a wider spread of OOH campaigns, as will growth in premium transit options
- Investments planned in growing and upgrading airport infrastructure (particularly new airports at Mumbai, Noida and Bengaluru), launch of more Vande Bharat Express trains, and continuous development of road infrastructure under the current government, will provide impetus to transit OOH
- Implementation of a standard measurement metric can also increase confidence in the OOH segment

Growth will be driven by digital and premium assets

OOH segment revenue projections



INR billion (gross of taxes) | EY estimates

- Driven by premiumization of inventory, the share of DOOH will increase to 17% of total OOH segment revenues by 2027, at a CAGR of 24%
- Transit OOH, on the back of growth in airports, premium trains, metros and premium busses, will grow at 16% till 2027
- Comparatively, traditional OOH will grow at 8%, primarily driven by geographic diversification to keep pace with increased urbanization and rising consumption outside of metros and the top 10 cities

[DOOH + social media] can grow the base of advertisers

- We expect that DOOH spends will increasingly be sourced from digital ad spends rather than OOH budgets
- Enabling technology which permits SME and other smaller advertisers to buy DOOH inventory along with search and social inventory, can enable significant growth for the OOH segment

Solution and concept selling will emerge

- Most selling of inventory is commoditized, and reflects artwork or campaigns that were designed for other media
- As OOH continues to grow, we believe more creative agencies will create OOH-first campaigns to truly use the power of the medium, with built-for-purpose creatives that integrate OOH space with other physical and digital elements

Roadstar needs to gain acceptance

- The IOAA has launched the Roadstar platform to measure viewership of OOH assets
- The system uses satellite and other mobile data to project traffic at various OOH sites
- Powered by four databases, it provides insights for OOH planning. This includes 150 million anonymized mobility data points, the Census reports for demographic targeting, GADM maps for geographical boundaries, and over four million points of interest through Google Maps. Together, these capabilities enable tracking of movements, demographics, and locations across 900 markets for optimized campaign strategies[3]
- The platform generates reports on unique reach, cumulative impressions, frequency, and site-wise metrics (opportunity to see), along with weekday/ weekend, daypart, and hourly reach. It also identifies high-density audience locations for optimized OOH campaign strategies
- The platform has been launched but it is yet to gain acceptance from all major OOH companies and advertisers as of December 2024

OOH agencies will broad-base to experiences

- We expect OOH marketing to evolve beyond traditional billboard ads to provide immersive experiences
- OOH plans will now evolve to include activations viz., interactive kiosks, AR/ VR technology, and gamification, which are anticipated to become widespread in public spaces, as brands will aim to engage consumers through touchpoints that allow for participation, such as virtual try-ons, live polls, and QR codes leading to personalized offers
- These innovations will blur the boundaries between physical and digital advertising, fostering memorable and interactive brand experiences and resulting in an increasingly seamless integration of the physical and digital worlds

The focus on sustainability will increase

- As sustainability gains focus across the M&E segment, OOH advertising in India will need to embrace eco-friendly practices as well
- Digital screens will become energy efficient, and renewable sources like solar energy will power outdoor displays
- Brands will also adopt recyclable and biodegradable materials for signage, though this can increase costs
- The collapse of the 40x40 foot billboard in Mumbai will result in higher safety standards being demanded by municipalities, and increased compliance to rules

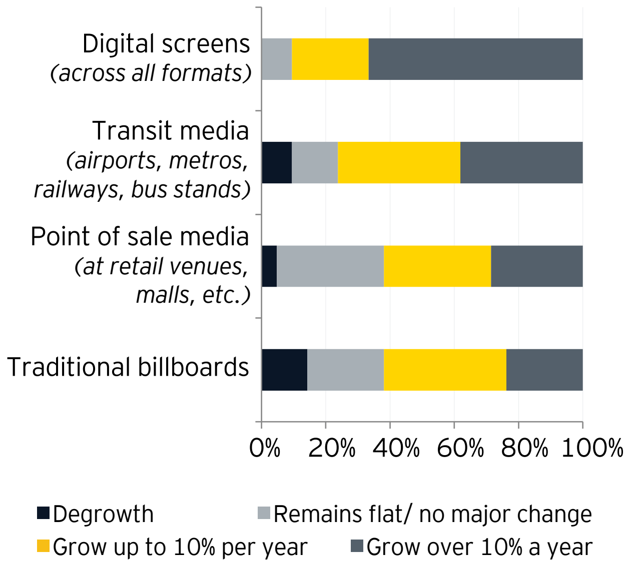
OOH will have its e-commerce moment

- The emphasis on performance advertising will not pass by OOH; we expect use of PII compliant geo-location data to be used for offers and targeting e.g.,
  - people entering a car dealership may get offers from other car brands
  - people who visit malls may get offers to watch the movies playing in it
  - people entering department stores may get instant discount coupons for products available in those stores

[3] *Roadstar* related data provided by IOAA

However, certain issues need to be addressed

How would you expect to see the growth of different types of OOH assets over the next 3 years? (%age of respondents)



IOAA-EY survey of OOH companies, November-December 2024

- 60% to 90% of our survey respondents expected that all OOH sub-segments would grow, led by digital screens and transit media
- However, some respondents expressed concerns that traditional billboards could see some decline due to a slowdown in consumer spending, and felt that fiscal policies of the government, government OOH spending and metro consumer spending would be critical parameters

We summarize their comments for the OOH segment to achieve its potential:

- **Inconsistent municipal regulations** and various non-standard government permissions exist today, resulting in complex operations and inability to manage large-scale campaigns

  There is a need for policies and processes to be aligned across regions, and this should pave the way for a one-nation one-OOH policy.

- **Asset ownership is fragmented** across key markets, which results in small and unorganized OOH companies who do not always comply with leading practices, safety norms, etc. as well as results in undercutting of rates, as it becomes difficult to provide advertisers with scaled, national OOH offerings

  A policy for sales, billings, collections and operations needs to be implemented across the country and monitored to ensure compliance. Standardization of operations can lead to enablement of national OOH offerings.

- **The quality of talent** used by the OOH segment remains largely poor, which results in a lack of innovation and ineffective sales techniques

  The quality of talent being used to deliver, manage and sell OOH assets needs to be improved through investments in training and repositioning the sector.

Trends

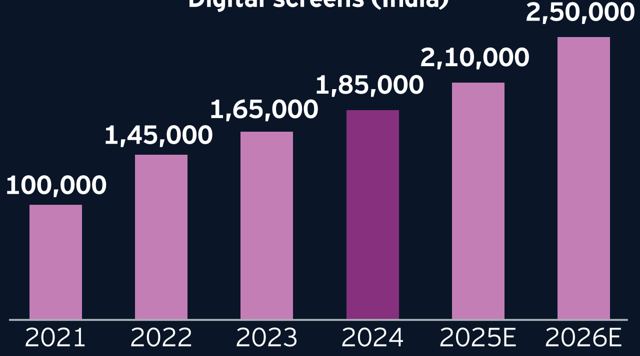
Digital OOH

Powered by Lemma Technologies

India has **185,000 digital screens**

Screen count increased 12% over 2023

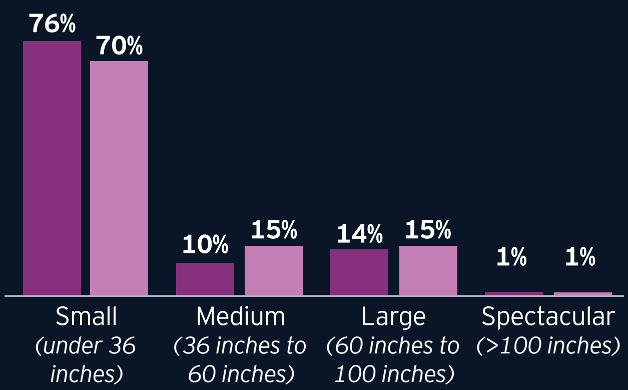
Digital screens (India)



Average screen size is expected to increase in 2025

30%+ of screens will be larger than 36 inches in size

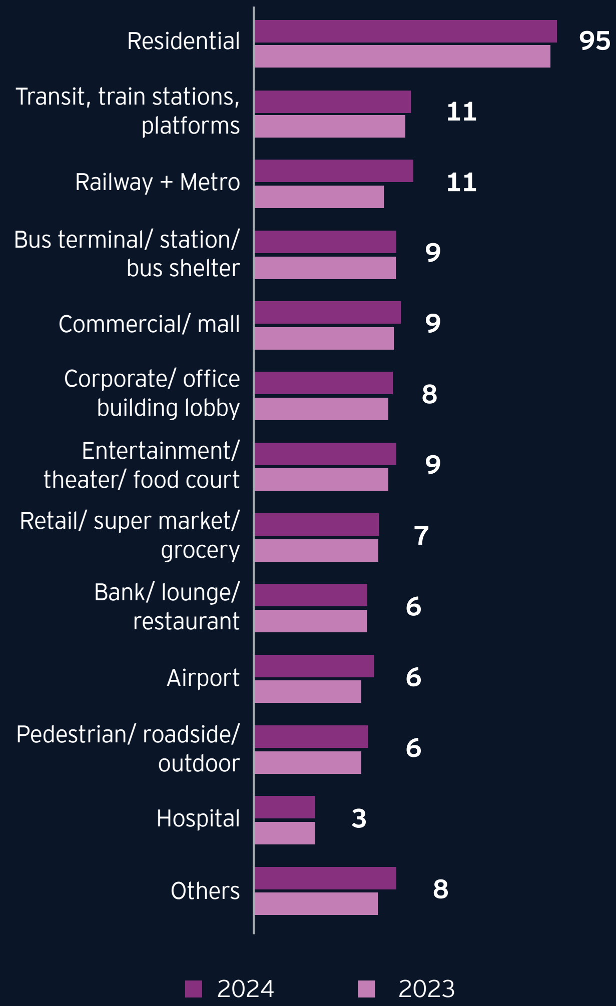
Screens by size



70% of screens were **transit** and **residential**

75% of digital screens are present in the top 12 metro cities

Screen count (000s) by location



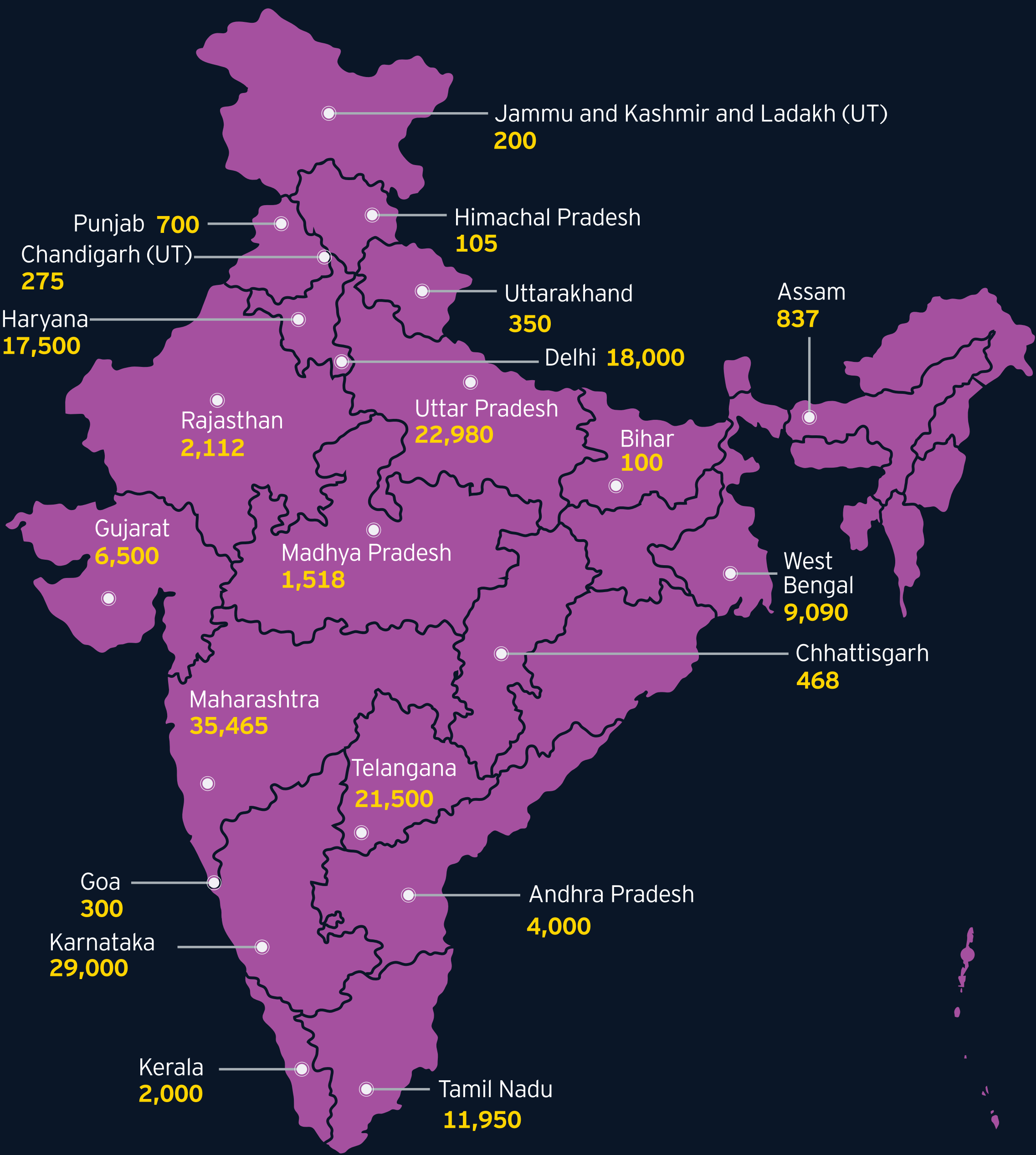
85%
Share of direct deals in 2024

15%
Share of programmatic deals

6
Average advertisers per screen

16
Average operating hours per day

Digital screens by **state**



Pricing varies by location

Average price per month per ad slot (average 200 ad plays per day) for six advertisers per day

INR3,500-9,000
Small screen (<36 inches)

INR15,000-30,000
Medium screen (36-60 inches)

INR100,000-600,000
Large screen (60 to 100 inches)

INR1.5 to INR5.5 million
Spectacular (>100 inches)

All data has been provided by Lemma to EY and has not been independently verified by EY. It has been presented in summarized form for presentation purposes only.

Expert speak

Roadstar, a common, industry endorsed OOH measurement matrix, has been adopted by most leading OOH media agencies. This will lead to a data driven approach to OOH media planning and evaluation. This paradigm shift along with rapid proliferation of DOOH is likely to substantially increase spends in the medium.

Pawan Bansal
Jagran Engage

India's OOH industry is poised for transformative growth, driven by digital integration, data-led targeting, and smart infrastructure. With urban expansion and DOOH advancements, the sector will redefine audience engagement, delivering impactful, measurable, and innovative advertising solutions.

N Shekhar
Times OOH

OOH could soon become the most sought-after media by CFOs and procurement teams. With a robust audience metric showing the real number of people that go past each billboard, our biggest problem of lack of measurement could soon become our biggest strength.

Jahan Mehta
Selvel

AI-powered, data-driven DOOH is projected to capture over 35% of OOH spending across 50+ cities and Transit media is set to witness its highest growth in three years. AI-driven planning will replace intuition and enhance transparency, making it more measurable.

Shripad Ashtekar
Signpost India

Digital will continue to increase its share in total OOH revenue in 2025. Premium inventory remains in high demand, but the industry needs to expand by growing revenues outside the top 8 cities of India. That will drive more balanced growth.

Sunil Vasudeva
Pioneer Publicity

If we look at media consumption habit of today's youth then OOH is finding itself in a unique position. We are seeing brands invest more share of wallet on OOH because of higher mobility of millennials and gen z as well as reducing ROI from other traditional mediums. DOOH is transforming the landscape and is able to attract many unconventional brands specially on transit and billboards.

Alok Jalan
Laqshya Media Group

The industry is forging the future of connected experiences. Strategic integration of OOH is becoming pivotal, acting as a crucial node in the audience journey. This interconnected ecosystem moves beyond mere impressions, fostering tangible business growth and brand loyalty.

Gulab Patil
Lemma Technologies

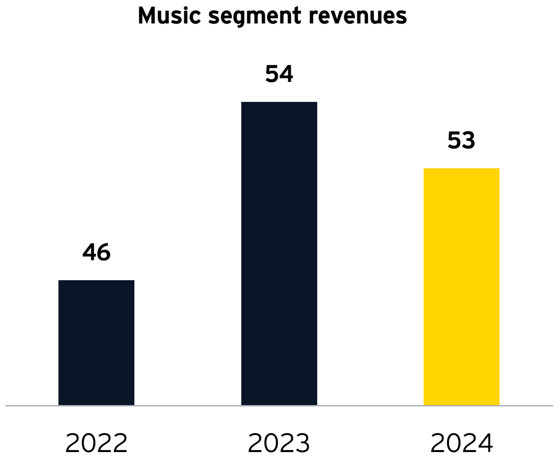
There is a trend of global marketing decisions being made in central hubs as media planning, buying, and measurement get increasingly automated. This aligns perfectly with the growth of DOOH inventory in not just traditional settings but also across retail environments, linking campaigns to various outcome metrics.

Srikanth Ramachandran
Moving Walls

Music

Key trends of 2024

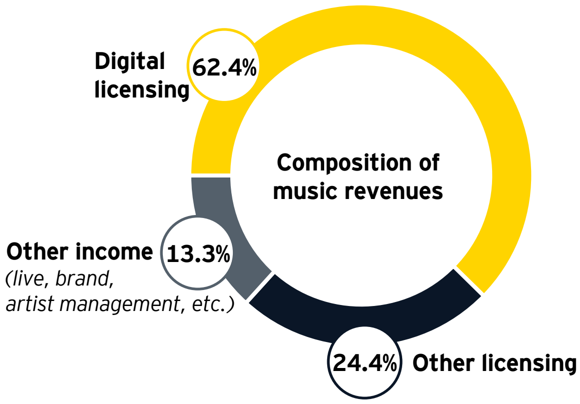
Music segment declined 2% in 2024[1]



INR billion (gross of taxes) | EY estimates | The revenue sizing methodology has been changed from final customer monetization basis to music label revenue basis to improve accuracy. Prior year numbers have been restated accordingly.

- The Indian music segment declined by 2% to reach INR53 billion in 2024 due to the shutdown of some streaming platforms, reduced streaming rates and a push to convert free consumers to paid consumers on digital platforms
- However, performance rights, publishing revenues and other music revenues like live events, artist and management grew in 2024
- Export revenues, included in the total revenues above, aggregated INR6 billion

62% of total revenues came from digital licensing

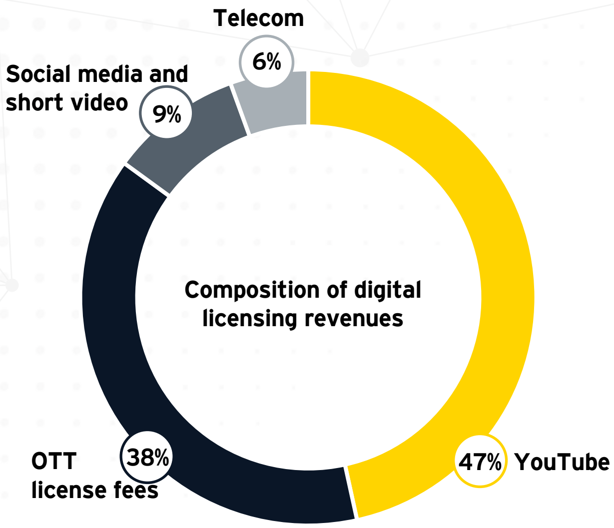


EY estimates

- Digital licensing garnered 62% of music segment revenues, comprising revenues earned from music streaming platforms, YouTube, social media platforms and from telecom operators
- Digital revenues fell 11% from 68% of total revenues in 2023 as some streaming platforms shut down, per-stream rates earned in 2024 by some labels reduced, and the push to convert free to paid subscribers impacted growth in music monetization
- Other licensing revenues, which include music labels' share of performance and publishing rights, sync, physical sales, etc. were largely flat at 24% of total revenues in 2024
- Sync revenues were just 3% of total revenues, due to relatively stagnant radio and TV segments
- Other income grew to 13% of total revenues as live events, artist management and brand revenues grew

[1]EY estimate based on industry discussions and IMI

Digital revenues declined by 11%



EY estimates

- Digital licensing revenues decreased by 11% in 2024 as streaming platforms continued to push towards paid models:
  - Spotify introduced further restrictions to free users like placing their lyrics feature behind a paywall[2]
  - Gaana and Hungama turned completely pay
- Further, some streaming platforms shut down their operations:
  - Bharti Airtel shut down Wynk Music and partnered with Apple to provide Apple Music at discounted rates[3]
  - Resso shut down post its announcements to shift to SVOD exclusively last year[4]
- Music streaming apps had a total base of approximately 175 million active users[5], a slight fall from 2023
- Of the above, the paid subscriber base grew from 8 million in 2023 to approximately 10 to 11 million[6] in 2024, and the average monthly streams per paid streamer were over 1,000 for the second year in a row[7]
- Paid digital streams (excluding YouTube ad supported) stood at approximately 13 billion per month[8]

Live events and concerts rocked!

- Publishing and performance rights grew 17% in 2024
- Live events continued their double-digit growth trajectory since the post-COVID-19 recovery which began in 2021, with bookmyshow.com data estimating that over 30,000 live events were conducted in India in 2024 across over 300 cities[9]
- There was an impressive line-up of concerts by both Indian and international artists in 2024:
  - A significant event was the *Dil-Luminati Tour by Diljit Dosanjh*, which sold over 250,000 tickets[10], with the Mumbai event getting sold out in under a minute[11]
  - International artists who made India part of their world tours were welcomed with packed venues - Maroon 5, Ed Sheeran, Dua Lipa, Bryan Adams, Boney M., and more
  - Other than these, experiential events such as the *Candlelight Concerts*, which has performed in over 100 cities globally, also debuted in India across over 13 cities[12]
- IPRS revenues continued to grow, reaching INR6.5 billion in 2024, on the back of increased compliance by large music users, though compliance across publishing and performance revenues remains low

Rights values continued to increase

- The value of music rights from films continued to increase across Hindi and other languages, which added significant pressure on margins of music labels
- Industry discussions indicated that as the global majors entered the country, the values of rights increased as market share considerations gained importance
- Value of regional language rights grew significantly on the back of growth in language consumption on digital platforms and the growth of the pan India film; around 30% of total streams are now in languages other than Hindi[13]

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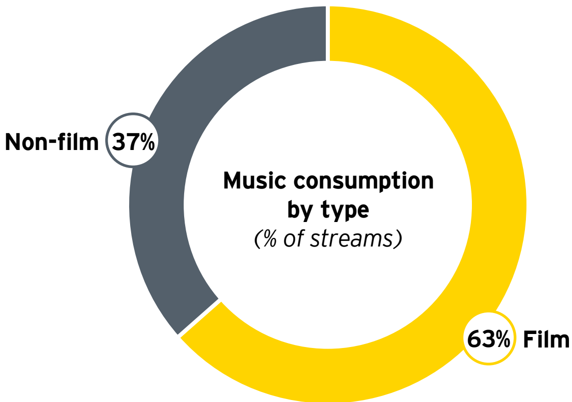
[2]https://www.indiatvnews.com/technology/news/spotify-now-puts-this-free-feature-behind-paywall-details-here-2024-05-03-929359
[3]https://www.moneycontrol.com/news/business/airtel-shuts-down-streaming-service-wynk-music-to-absorb-all-employees-12808172.html
[4]https://www.livemint.com/industry/media/bytedance-to-shut-down-music-streaming-app-resso-in-india-report-11704980880623.html
[5]Comscore
[6]Industry discussions, EY analysis
[7]IPRS estimates
[8]EY analysis, using IPRS data
[9]BookMyShow Throwback
[10]https://www.samiltonhotel.com/blog/dil-luminati-tour/#:~:text=With%20over%20250%2C000%20tickets%20sold,India's%20highest%2Dgrossing%20concert%20tour!
[11]https://www.hindustantimes.com/entertainment/music/diljit-dosanjh-india-concert-tickets-dil-luminati-tour-sold-out-twitter-reacts-insane-craze-101726136852718.html
[12]https://www.vogue.in/content/candlelight-concerts-classical-music-coldplay-tributes-thousands-of-candles-india
[13]IPRS estimates

Consumption evolved

I. Over 60% of consumption was in Hindi and related to film music



IPRS estimates

- While 63% of all music consumed was film music, this has reduced from approximately 80% four years ago, as a more artist driven industry emerged[14]
- This year independent artists collaborated with the film business as well, for example:
  - *Diljit Dosanjh* for *Bhool Bhulaiyaa 3* (feat. Pitbull), *Crew, Kalki 2898 AD, Baby John*
  - Karan Aujla collaborated with Salman Khan and Sanjay Dutt on *Old Money*
- 64% of music consumed on digital media was in Hindi, while south Indian languages aggregated 18% of streams and other languages the balance 18%, led by Punjabi music (7%) and Bhojpuri music (3%)[15]

II. YouTube remained the platform of choice for music consumption

Rank	Subscribers		Video views	
	Label	Millions	Label	Billions
1	T-Series	281	T-Series	277
2	Zee Music	112	Zee Music	72
3	T-Series Bhakti Sagar	72	YRF	45
4	Tips Official	71	Wave Music	44
5	Shemaroo Filmi Gaane	70	Tips	43

Social Blade, as on 16 December 2024

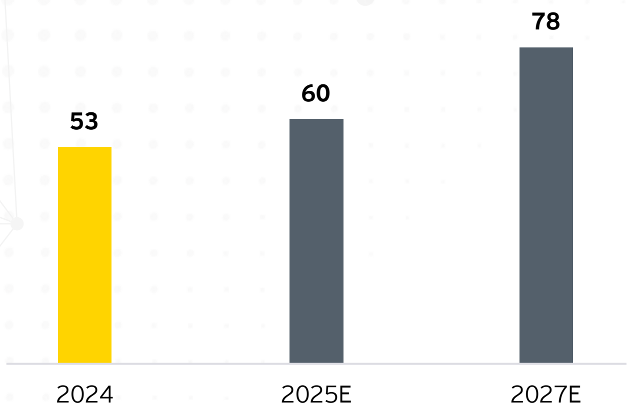
- As the top ad-based platform, YouTube continued as the preferred platform for music consumption. It is estimated that in 2024, around 4.6 trillion streams of music were consumed on it[16]
- 4 of the top 10 most subscribed YouTube channels in India are music channels[17]

[14] Industry discussions
[15] IPRS estimates, based on their internal language classification algorithms
[16] IPRS estimate
[17] Social Blade as on December 2024

Shape of the future

We expect the music segment to reach INR78 billion by 2027

Music segment revenue projections



INR billion (gross of taxes) | EY estimates

- We expect the segment to grow at a 13% CAGR over the next three years to reach INR78 billion
- Growth will be driven by:
  - Expansion of the smartphone base as the next 100 million users get access
  - Growth in the SVOD base due to industry initiatives
  - Higher publishing and performance revenues as compliance levels increase
  - Increased reach of social media and the growth of YouTube
  - Increased export revenues as Indian music gets access to international reach via global streaming platforms
- As Indian music gains fans globally on streaming platforms, increased international consumption of Indian music can generate INR9 billion by 2027 (included in the above estimates)

Paid subscriber base could reach 20 to 21 million by 2027

- While subscriptions are not so much the present, they are the future. The market has potential to double the number of paid subscriptions from the current 11 million to 20 to 21 million within three years, or more, if ARPUs reduce to around INR1 to INR1.5 per day
- However, subscription would still be sub-scale at these levels. We believe that for the subscription model to achieve its potential in India, platforms will need to work towards making prices more attractive and comparable with other competing products, embrace extensive bundling and provide exclusive content around artists to engage with their fan base

Innovation will abound

- To improve monetization and reach, we expect pricing and bundling innovations to increase across areas such as:
  - Creating more sachet pricing models, language/regional packs and multi-user packs to encourage SVOD trials
  - Bundling with other digital media products to reach their incumbent audiences and build the ad-free music streaming habit
  - Syndication of music to other platforms with large audiences such as e-commerce, banking, gaming, video, social apps can help to grow reach and trial
  - Increased use of creator-based exclusive programming such as podcasts, artist news and audio books
  - Definition of the monetization model across social and short video, which currently lags other digital media
- To increase engagement, innovation will take place across:
  - Improved recommendation algorithms
  - Interactivity and quizzes relating to popular artists to attract their fan base
  - Personalized music jockeys who could provide a mix of current affairs, artist news, trivia, etc. to package core music with
  - Ability to create custom tracks, so that music can be re-created across styles and genres, even artists
  - Extensive collaborations between artists to cross-pollinate fan bases

Artist-led music and other income streams will drive growth

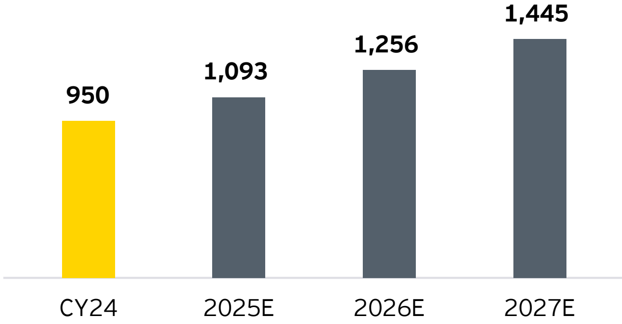
- As music consumption grows towards artist-led music as compared to film-driven music, we believe success will be dependent not just on the breadth of audience reach but rather its depth
- Artist-driven engagement will be the next big monetization opportunity across concerts, merchandise, fan clubs, artist management, branded content, physical and digital events
- South Indian and regional markets will create their own indie brands, spearheading the growth of non-film music
- From 37% today, we estimate that artist-led music can reach more than 40% within three years, as more films collaborate with artists on their soundtracks and the concert business continues to grow

International revenues will grow

- Indian music is extremely popular in markets such as Nepal, Bangladesh, Pakistan, the UAE, Sri Lanka and others where Indian films are exported
- These countries are currently beginning to experience their digital transformations, with the growth of streaming
- Consequently, we expect digital consumption of Indian music to increase, leading to a growth in international revenues from such countries, across licensing and publishing, in excess of the INR9 billion we have estimated by 2027

Performance and publishing will grow as compliance increases

Performance and publishing revenues



INR billion (gross of taxes) | EY estimates | Includes amounts paid to labels, collection bodies, artists, authors, etc.

- Both publishing and performance rights have grown during the last few years, and we expect that this trend will continue to grow in the next three years
- This can increase further if compliance levels are increased, which are presently low across weddings, restaurants, event venues, bars and pubs etc. and need large sales teams, customer education, and simple technology to identify and sell licenses
- Launch of digital radio and television can increase the number of stations/ channels, and consequently increase the revenues from use of music on air

The traditional value chain will transform

- Platformization of the music value chain, covering discovery, creation, marketing, publishing, and distribution is expected to scale
- Label-led and start-up platforms now offer basic and curated services to artists, helping them collaborate, create and publish/ monetize through industry partnerships
- This has the potential to transform artist discovery and marketing in India

Trends

Music streaming

Powered by IPRS

Over 200 million music subscribers in 2024

192 million
Free streamers

+

12 million
Paid streamers

=

204 million
Total music streamers

Consumption exceeded 4.5 trillion music streams in 2024

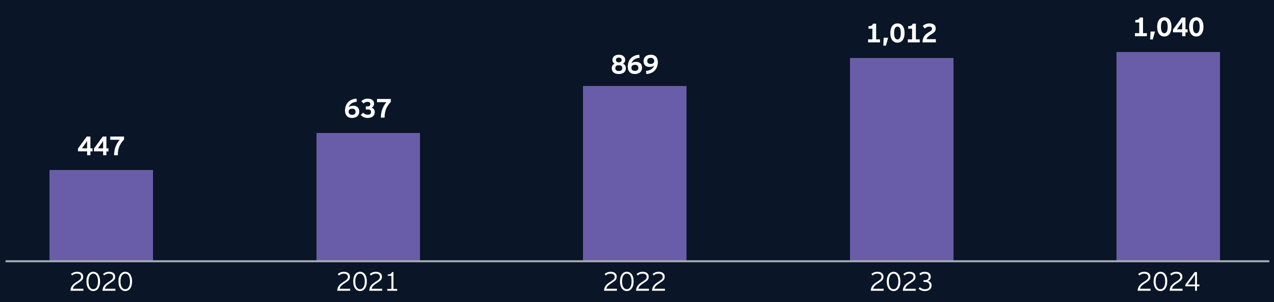
4,643 billion
Free streams in 2024

154 billion
Paid streams in 2024

12.8 billion
Average paid music streams per month

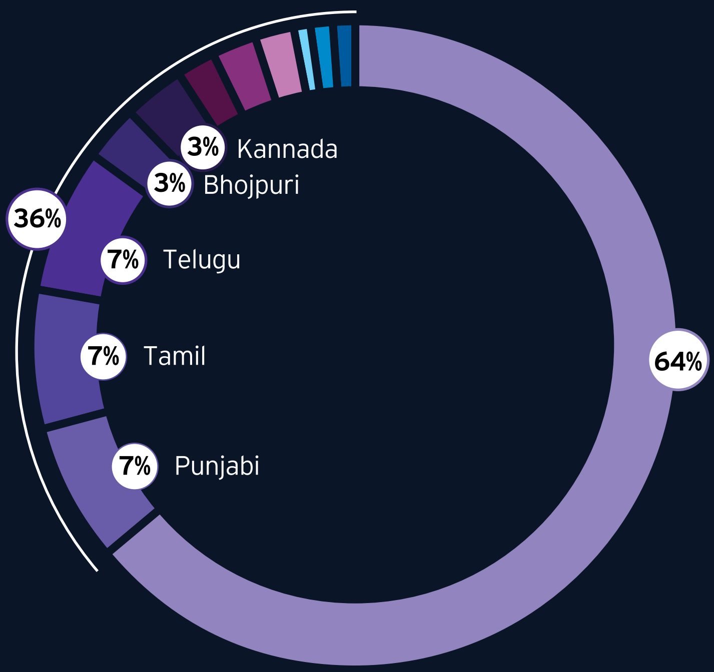
Average streams per paid streamer continued to grow

Average monthly streams per paid streamer



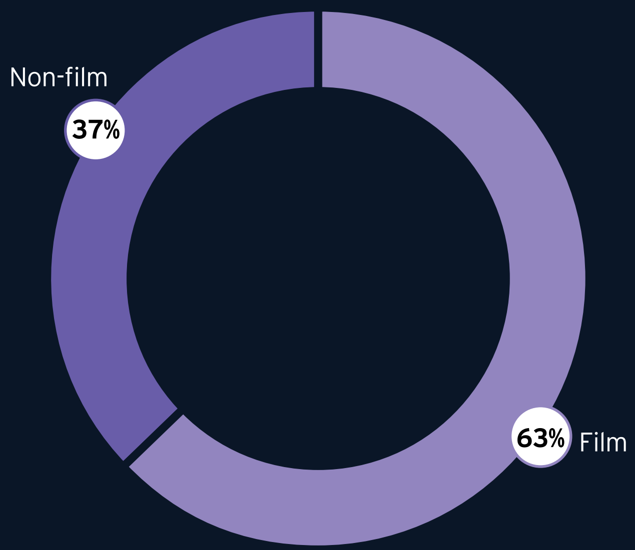
64% of music was consumed in Hindi

Music consumption by language *(%age of streams)*



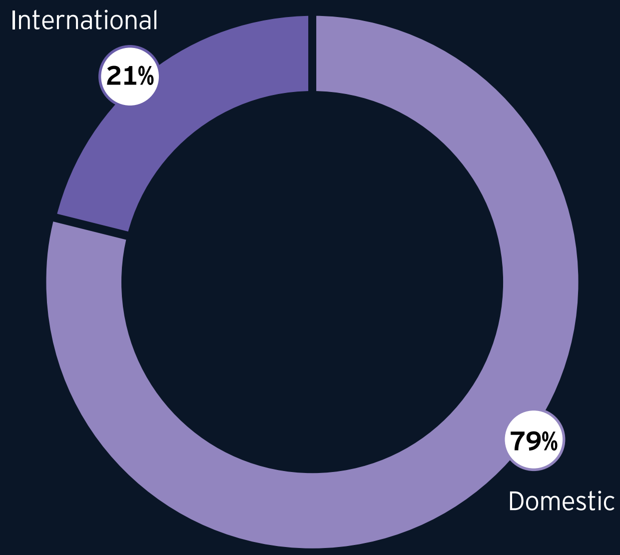
63% of all music was film-based (down from 65% in 2023)

Music consumption by type (% of streams)



79% of Indian music on four international platforms was consumed domestically

Music consumption by geography (% of streams)



All data has been provided by IPRS and has not been independently verified by EY. Streamer counts and genre analysis are as of September 2024. Stream counts have been extrapolated for Q4 of CY2024. IPRS relies on stream data provided by various platforms to it. Language classification is on a best effort basis.

Trends

Spotify India

Consumption trends - domestic

70% +
Music streams on Spotify India come from local music

90% +
Of tracks featured on Spotify India's daily top 50 playlist in 2024 were by local artists

87%
Y-o-Y growth in Punjabi music listeners in 2023. Karan Aujla, Diljit Dosanjh and Badshah amongst the top 25 artists in India in 2024

Malayalam and Haryanvi are amongst the languages that have seen the most growth in hip hop on Spotify in India in 2023-24

The rise of I-Pop
With songs such as Mahiye Jinna Sonha by Darshan Raval, Husn by Anuv Jain, and Heeriye (feat. Arijit Singh) by Jasleen Royal, among others, making their way to the top

Playback to playfront
With 46% of the top 50 most streamed songs on Spotify coming from beyond films

With 5300% growth from 2019 to 2023, **Malayalam** was the fastest growing Indian language for music consumption worldwide, followed by Telugu, Tamil, Punjabi, and Hindi

Consumption trends - international

In 2024 alone, artists from India were discovered over 11.2 billion times by first-time listeners, 13% growth over 2023

Since 2019, consumption of music from Indian artists skyrocketed by over 20x in international markets

In 2023 alone, the global consumption of music from India grew by 85% year-over-year

Close to 50% of all royalties generated in 2024 by artists from India on Spotify, were from listeners outside of the market (40% in 2023)

Top-five exported artists:
Arijit Singh
Pritam
Anirudh Ravichander
Karan Aujla
Shreya Ghoshal

Artist royalties

39%

Y-o-Y increase in royalties generated globally by Telugu music (more than double since 2021)

2/3rd

Of the royalties generated in India in 2024 came from Indian artists

INR5 million +

The number of Indian artists generating INR5 million in royalties from Spotify alone has more than doubled since 2022

Spotify 2024 India charts

Top artists		Top songs			Top albums		
1	Arijit Singh	1	Vishal Mishra, Ram Sampath	Pehle bhi main	1	Manan Bhardwaj, Vishal Mishra, Jaani	Animal
2	Pritam	2	Anuv Jain	Husn	2	Sachet - Parampara, Vishal Mishra, Mithoon	Kabir Singh
3	A.R. Rehman	3	Arijit Singh, Shreyas Puranik, Siddharth - Garima	Satranga	3	Mithoon	Ashiqui 2
4	Shreya Ghoshal	4	Ram Sampath, Arijit Singh, Prashant Pandey	Sajni	4	Karan Aujla	Making Memories
5	Anirudh Ravichander	5	Mitraz	Ankhiyaan Gulaab	5	Pritam	Rocky Aur Rani Kii Prem Kahaani
6	Sachin - Jigar	6	Pritam, Arijit Singh, Irshad Kamil	O Maahi	6	Pritam	Love Aaj Kal
7	Alka Yagnik	7	Anirudh, Arijit Singh, Shilpa Rao, Ravichander Kumaar	Chaleya	7	Shubh	Still Rollin
8	Udit Narayan	8	AUR	Tu Hai Kahan	8	Badshah	Ek Tha Raja
9	Amitabh Bhattacharya	9	Sachin - Jigar, Arijit Singh	Apna Bana Le	9	Sidhu Moose Wala	Moosetape
10	Vishal - Shekhar	10	Shubh	One Love	10	Pritam	Yeh Jawaani Hai Deewani

Note: All data has been provided by Spotify India and is based on their research. It has not been validated by EY, and presented in summary form for representation purposes only.

Expert speak

As the Indian music ecosystem navigates the intersection of artistry, technology, and consumer demand, it must remain committed to promote emerging talent, preserve traditional genres, and propel India's growth onto the global stage while celebrating India's diverse musical heritage.

Neeraj Kalyan
T-Series

The time of consolidation is here, with the Indian music industry becoming a strong 2,3 player reality while local players are shutting down or pivoting their business to paid. The run to slow down ad funded services is very real now & the joint effort of music streaming going premium between the government, platforms & music ecosystem, creator & companies alike has begun. While live, ticketing and merchandising are all growing, the only true marker for growth is paid subscription & that is our singular focus as an industry.

Devraj Sanyal
Universal Music Group

As streaming services mature into paid subscriptions, business models are evolving and a bear market correction phase of "digital revenue detox" has begun. This will auto correct over the next 2-3 years; medium to longer term growth prospects remain heavily bullish as non-streaming business models of music companies evolve significantly.

Mandar Thakur
Times Music

Movement from free to paid streaming and sharing of ad revenues by short-format platforms is key to the sustainability of music industry: artistes, platforms and music companies.

Vikram Mehra
Saregama

Streaming platforms are consolidating, and how free listening works is evolving. We are, thus, witnessing a maturation of the digital music ecosystem, where the value proposition of premium content is becoming increasingly clear. The stage is set for a substantial shift, driven by a consumer base now primed to embrace paid models, ensuring sustainable growth for the industry.

Vinit Thakkar
Sony Music Entertainment

Transitioning from a free, ad-supported market, the music segment has begun moving towards a paid model. While this shift will take time, it is expected to significantly influence music industry revenues in the short to mid-term. India is gradually creating more opportunities for independent artists, even within the predominantly OST-driven market.

Vivek Raina
Believe

In the golden era for Indian music cultural depth meets digital scalability. Artists, through their music and live experiences, are shaping culture and resonating with audiences worldwide. Some of the biggest live tours have positively impacted not only the music ecosystem but multiple other sectors including hospitality, tourism and employment.

Jay Mehta
Warner Music

The music industry in India has never been so representative of the local culture. Since Spotify's launch in 2019, we've seen a diversity of languages, genres, and artists connecting with existing and new fans on the platform.

Amarjit Batra
Spotify

Music streaming's future is in subscriptions. With flexible plans and fan-driven experiences, we can build a thriving ecosystem where artists, labels, publishers, and listeners all benefit—creating deeper connections and a more sustainable future for everyone in music.

Yatish Mehrishi
Gaana

The Indian Music Industry is at an inflection point as the streaming platforms push for subscription based paid plans. There will be a significant shift from ad-supported streamers to paid subscribers over next 2-3 years which will significantly widen the size of the industry.

Aditya Gupta
Aditya Music

As music consumption in the country continues to grow, compliance for taking licenses for exploitation of music India has a huge headroom for improvement. I am sure that soon all Indian Broadcasters (OTT, television and radio) and event organizers will avail official licenses for commercial usage of music, further growing the music segment.

Rakesh Nigam
IPRS

The full potential of on-ground licensing remains unrealized due to widespread underpayment, despite copyrighted music driving users' revenues. Ensuring compliant environment is crucial for industry sustainability and resolving ongoing broadcasting disputes.

GB Aayeer
Phonographic Performance Limited

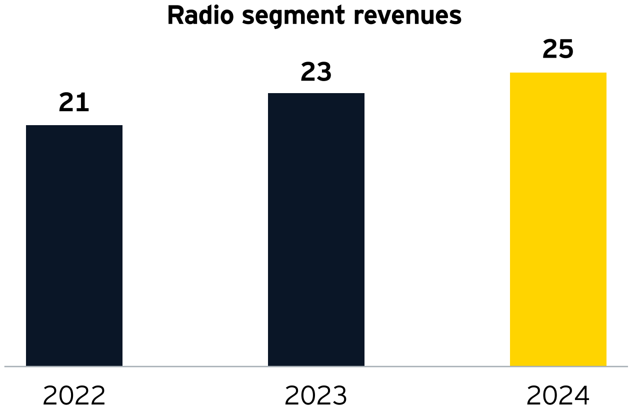
The sliver lining is the movement towards a paid ecosystem in our segment of the market . DSPs have taken the first step towards charging the consumer and that's a giant leap . There will be short term challenges but as we have seen in most markets when the consumer begins to pay for content it's a hockey stick growth curve.

Blaise Fernandes
Indian Music Industry

Radio

Key trends of 2024

Radio segment revenues grew 9% in 2024



INR billion (gross of tax) | EY estimates

- Radio segment revenues grew 9% in 2024 to INR25 billion, reaching 81% of 2019 revenues; radio is the only segment which still lags its pre-COVID-19 revenue levels
- India had 1,478 operational radio stations, an increase of 165 stations over previous year, including 388 private FM stations and 499 community radio stations[1]
- All India Radio generates programming in 23 languages and 179 dialects across 591 radio stations, covering 98% of India's population[2]

Non-FCT revenues increased in importance

- Ad volumes increased marginally by 3% in 2024 as compared to the previous year[3], while ad rates remained stressed
- Quarter 1 of CY2024 saw a growth of 29% on the back of government advertising (at higher DAVP ad rates) and political campaigns leading up to the India general elections
- Five years of sluggish ad growth has resulted in a loss of talent for most radio companies, which is hurting the revival of the segment; most creative talent is moving to digital media
- Non-FCT revenues contributed an average of 20% of total revenues earned by radio companies – their highest levels since we started tracking the sector in 2017 – and went up to over 30% for some companies[4]
- Creating event IPs, brand activation, building communities, international music streaming, content production, digital marketing and influencer marketing were the top contributors to such revenues for radio companies we surveyed
- Lack of independent third-party monitoring and a unified industry voice continue to be industry issues that need to be addressed

Radio faces an existential threat

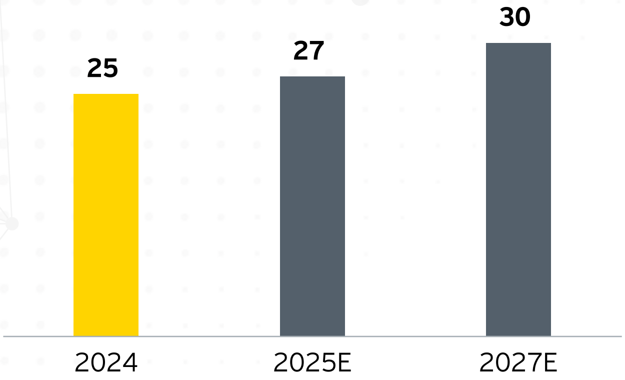
- Our analysis of smartphones sold in India in 2024 indicated that four of the top ten popular models did not have FM receivers[5]
- In addition, in many cars the physical radio station buttons are being replaced by touch-screen based buttons
- These factors can result in radio not being available to listeners when they are outside the home, a key area where radio is consumed

[1] TRAI Performance Indicators Report June 2024
[2] Prasar Bharti website accessed Dec 22, 2024
[3] TAM AdEx
[4] Industry discussions
[5] Popular models identified as per: https://www.moglix.com/articles/top-10-smart-mobile-phone-brands-in-india?srsltid=AfmBOoqCWMDmnRdtqTXNb1voTXjFVx-WHRNzb6FDQeEdNNRHtlm5zrsLE

Shape of the future

FCT revenue will remain soft, and at risk

Radio segment growth projections

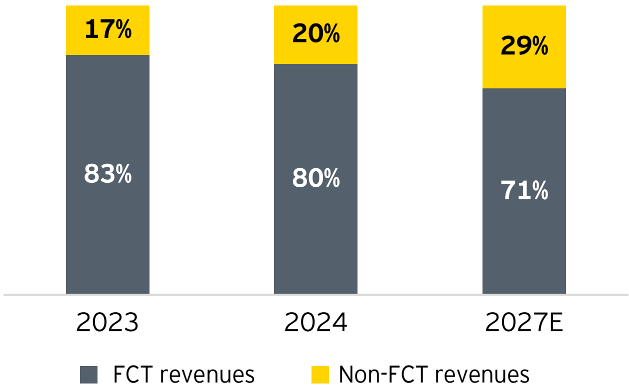


INR billion (gross of tax) | EY estimates

- We expect segment revenues to recover to INR30 billion by 2027, driven by (a) non-FCT revenues and (b) marginal FCT growth led by urbanization and increased uptake of cars in non-metro markets
- However, FCT growth – already at its peak in terms of volumes – could taper-off unless ad rates are increased and reach issues are corrected
- It will be critical for the radio segment to ensure that smart phones continue to carry FM receivers, and the industry needs to work towards ensuring handset, OEM and operating system companies provide for FM receivers
- Radio companies will increase their focus on non-metros, where the presence of less expensive smartphone which have FM receivers is relatively higher, and feature phones still exist in large numbers

Non-FCT revenues will grow

Revenue mix of radio segment



EY estimates

- The importance of non-FCT revenues will continue to grow – we expect them to contribute around 29% of total revenues by 2027, growing at a CAGR of 20%, from the 20% of revenues they contributed in 2024
- More and more radio stations will utilize their on-ground sales assets to drive multi-media sales for other media like TV, print and OOH

Proposed FM radio auctions will help bridge gaps

- The government is rolling out 730 new FM channels across 234 cities as part of the Phase III FM Radio Policy. This expansion supports the "vocal for local" initiative and focuses on enhancing local content, particularly in smaller tier-II and III cities
- Given the current state of the private FM segment, we expect most companies to participate only in order to fill in gaps in their station bouquets, and expect that some stations may not find buyers since existing stations (which are larger) are still not profitable
- The proposed 4% license fee for new stations could help the auctions, but there is a need to understand the overall state of the FM radio segment, and build proactive regulation to assist its survival

The launch of digital radio can have implications

- The government has been considering the launch of digital terrestrial audio and video in certain cities, which does not consume data
- In the event this initiative comes to light, it could increase the number of frequencies available to radio stations, and lead to more variety in content
- However, new receivers would be needed in phones and cars, which could take some years to gain scale, and issues in moving from analogue to digital radio would need to be carefully addressed
- We believe that digital radio could help more than double radio segment revenues within four years of its launch

The brand solutions company will emerge

- As ad inventory levels max out, radio companies are increasingly turning to become brand solutions providers, particularly to advertisers who are not served by large ad agencies viz., mid-size firms and larger SMEs who currently focus more on digital or regional media
- Their core asset of feet-on-the-street sales teams will upgrade to concept and solution sales specialists, creating higher-quality brand and performance marketing campaigns

FM radio stations could be accessed via OTT

- Given the push for paid subscribers, streaming platforms will need to differentiate their products
- We expect that FM radio stations, whose music curation capabilities and stationality are second to none, will provide their linear feeds (or curated versions of the feeds) on paid streaming platforms, creating a win-win situation for both radio broadcasters and audio OTT platforms

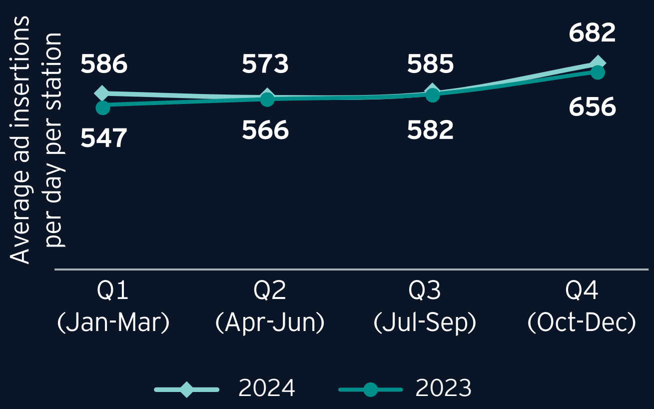
Trends

India Radio Advertising

Powered by TAM AdEx (A division of TAM Media Research) in association with RCS India

Radio **ad insertions grew 3%** over 2023

On an average, 606 ads per day per station were registered in 2024



Services, auto and retail contributed to **50% of ad volumes**

Rank	Top five sectors	Share 2023	Share 2024
1	Services	31%	30%
2	Auto	10%	11%
3	Retail	10%	9%
4	Banking/ finance/ investment	8%	9%
5	Personal accessories	6%	8%

Maruti Suzuki became the **largest advertiser on Radio** in 2024

Rank	Top five advertisers	Share
1	Maruti Suzuki India	3%
2	LIC of India	2%
3	LIC Housing Finance	1%
4	SBS Biotech	1%
5	Vishnu Packaging	1%

Over **12,800 brands** advertised on radio in 2024

Down by 6% from 2023

	2021	2022	2023	2024
Categories	414	419	426	404
Advertisers	8,357	10,190	10,441	9,906
Brands	10,515	13,017	13,615	12,854

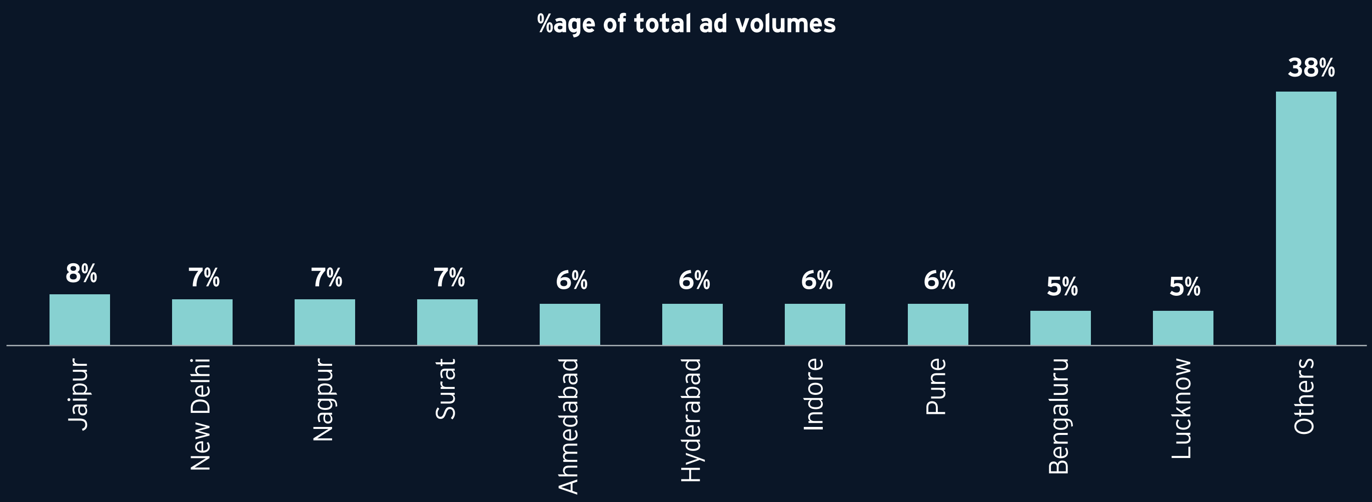
Cars moved to the **2nd position** from 4th position in 2023

Top five sectors	Rank 2023	Rank 2024
Properties/ real estate	1	1
Cars	4	2
Retail outlets - jewellers	3	3
Hospital/ clinics	2	4
Retail outlets - clothing/ textiles/ fashion	5	5

Local advertisers grew ad insertions by 2% while insertions from national advertisers remained flat compared to 2023

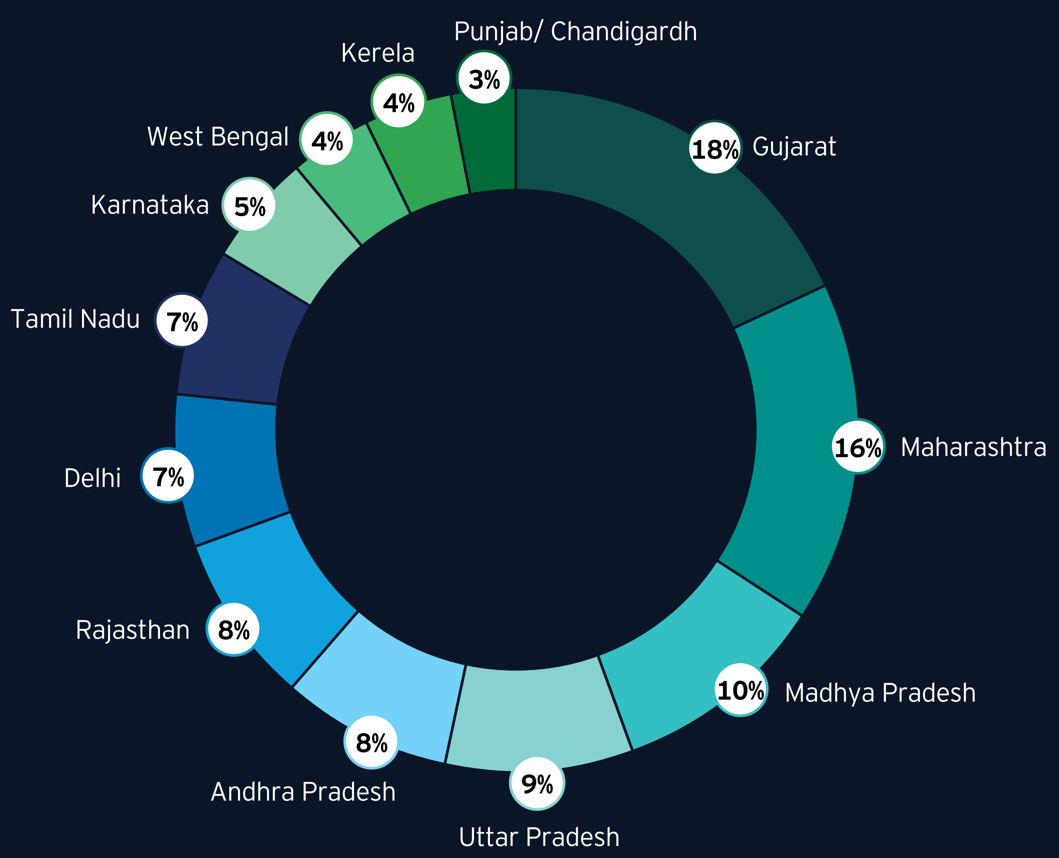
62% of advertising volumes were in the top 10 cities

Down by 7% from 2023



Gujarat, Maharashtra and Madhya Pradesh had the **highest ad volumes**

Top 5 states contributed 62% of ad volumes



Source: TAM Media research. TAM AdEx's data pertaining to 120+ radio stations for Jan to Nov 2024. Data for Dec 2024 is extrapolated in certain cases. The data has been provided by TAM Media Research to EY and has not been independently verified by EY.

Expert speak

TRAI's latest recommendations will streamline regulations, foster digital transformation, and enable a more competitive landscape. This paves the way for greater flexibility, transparency and sustainable growth. The long-overdue transition from the Indian Telegraph Act 1885, to The Telecommunications Act 2023 is an update that aligns with the evolving needs of the industry and sets the stage for future innovation.

Nisha Narayanan
Red FM & Magic FM

As audiences evolve, radio is transforming—blending audio, digital, and experiential engagement. Growth will be driven by solutions-led sales, innovative content, and government policy support, ensuring radio's relevance and impact in a dynamic media landscape.

Yatish Mehrishi
Mirchi

As major advertisers increasingly shift their budgets to digital, a significant opportunity emerges for radio among mid-sized clients. Radio is uniquely positioned to address the marketing challenges of these brands, particularly in precision micro-geographies where they seek to connect with their target audiences.

Abe Thomas
Big FM

Local resonance fuels our growth. In tier II & III, where every second person tunes in, private FM is a vital connection, not just audio. Satisfied national and regional brands testify to radio's impact. We see digital integration, hyper-local content, and ground events creating immersive experiences, driving future engagement and expansion.

Rahul Namjoshi
My FM

The future of media lies at the intersection of technology and consumer behaviour—where innovation fuels engagement, and content shapes culture. In a world driven by digital evolution, the radio industry is no exception. Those who adapt faster, embrace technology, and reinvent their offerings will unlock a whole new market, filled with opportunities for growth and engagement.

Ashit Kukian
Radio City

Sports

Revenue data partner: GroupM ESP

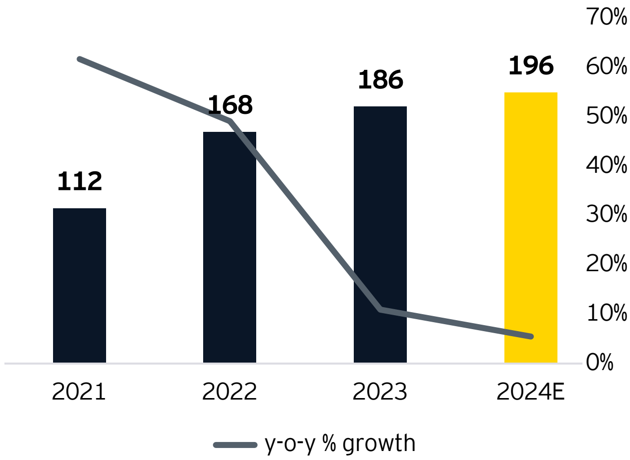
Key trends of 2024

Sports consumption in India reached unprecedented levels, driven by digital advancements, increased accessibility, and a growing sports culture. The rise of streaming platforms like JioCinema, Hotstar, and SonyLIV revolutionized how fans engage with sports, bringing live matches and highlights to their fingertips. Cricket remains the dominant force, with events like the IPL and the ICC Cricket World Cup breaking global viewership records. However, other sports such as football, kabaddi and tennis are also witnessing a surge in popularity, thanks to leagues like the Indian Super League (ISL) and the Pro Kabaddi League (PKL). The launch of the Women's Premier League (WPL) has further diversified the audience, attracting millions of new viewers. Additionally, fantasy sports platforms, social media, and regional-language broadcasting have fueled deeper fan engagement. With increased investment from both the government and private sector, India's sports industry is set to expand even further, making it a global powerhouse in sports consumption.

Revenues

I. Sports revenues increased 5% in 2024

Sports segment revenues and growth (INR billion)



	2021	2022	2023	2024
Media spends	71.0	89.1	88.4	94.3
Sponsorships	34.1	69.7	86.7	87.6
Endorsement	7.4	8.9	10.9	14.4
Total	**112.4**	**167.7**	**186.0**	**196.3**

INR billion (gross of taxes) | GroupM ESP

- The total sports segment grew 5% from INR186 billion in 2023 to an all-time high of INR196 billion in 2024
- However, the year saw higher ICC and BCCI cricket rights fees than before, leading to a net loss for sports rights licensees
- Media spends grew 7% while endorsements increased over 30% in 2024
- Cricket contributed to 85% of total sports revenues, down from a high of 88% in 2021

II. Media spends grew 7% in 2024

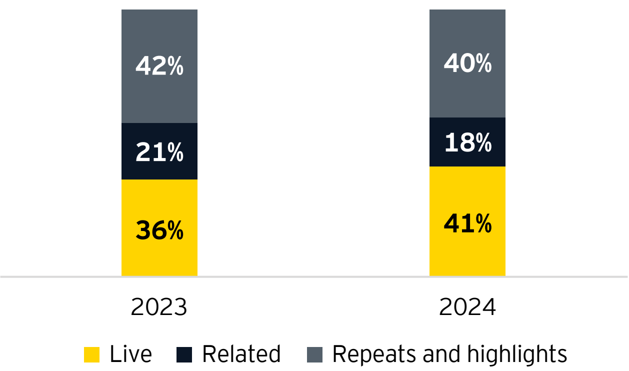
Gross	2021	2022	2023	2024	Growth
TV	59.6	65.0	54.5	51.9	(-)5%
Digital	11.4	24.1	33.9	42.3	25%
Print	0.0	0.0	0.0	0.1	31%
Total	71.0	89.1	88.4	94.3	7%

INR billion (gross of taxes) | GroupM ESP

- Media spends grew 7% in 2024, driven by increased adoption of digital platforms and growth in regional language broadcasts
- TV continues to command the largest share of media spends, but fell 5% due to the noticeable shift of audiences towards digital platforms, which witnessed a 25% growth in 2024
- The 2024 Paris Olympics attracted over 170 million viewers and generated ad revenues of INR1billion, marking a significant increase from previous editions[1]

III. Live sports claimed a 41% share of TV ad volumes

Ad volumes

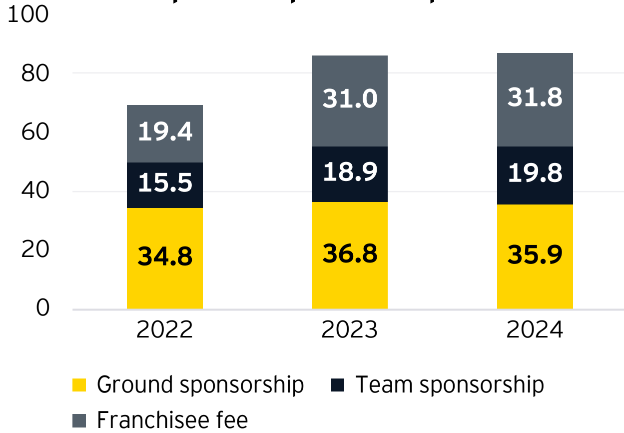


TAM AdEx | 2024 hours extrapolated from Wk 49 to Wk 52

- Total ad volumes on television fell 12%
- Live sports claimed a 41% share of ad volumes in 2024 on the back of increased live programming; total live sports ad volumes were 1% higher than in 2023 as many new sports leagues were broadcast on TV

IV. Sponsorships were stagnant

Sponsorship revenue split

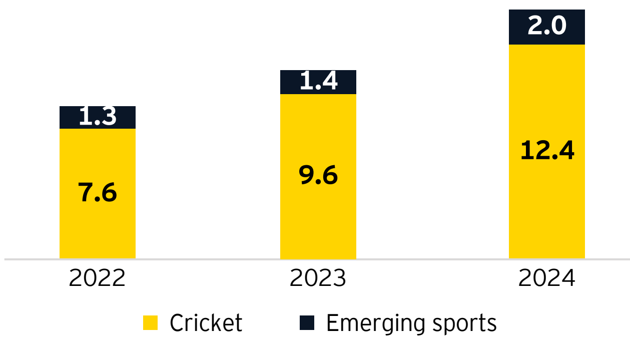


INR billion (gross of taxes) | GroupM ESP

- Sponsorships had surged in 2023 but slowed to just 1% growth in 2024 due to market saturation in major leagues and a cautious approach by brands focusing on ROI
- Ground sponsorship plateaued, which suggests that brands are focusing more on digital-first advertising. However, this would lead to increased focus on virtual branding and AR overlays in live telecasts

V. Endorsements grew by 32% in 2024

Endorsement revenues



INR billion (gross of taxes) | GroupM ESP

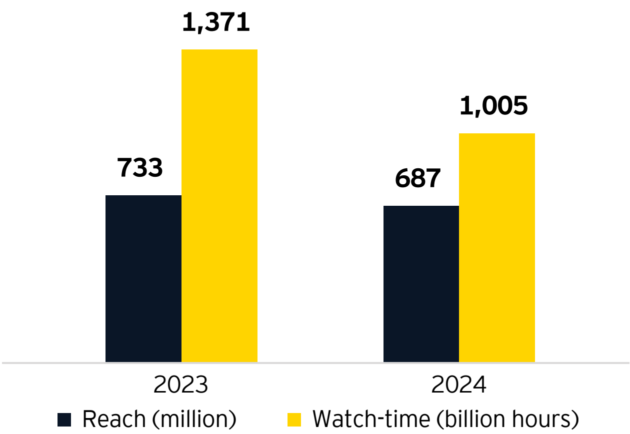
- Cricket endorsements grew 32% due to the rise of digital-first campaigns and sportspersons being used as social media influencers
- Brands aligned with individual athletes across a wider spectrum of sports, driven by strong performances at global events such as the Olympics, Commonwealth Games, and chess and esports tournaments. This led to a 45% growth in non-cricket endorsement values in 2024

[1]https://economictimes.indiatimes.com/industry/media/entertainment/media/paris-olympics-2024-attracted-17-crore-viewers-on-jiocinema-sports18/articleshow/112733819.cms

Sports consumption[2]

I. 687 million people watched sports on TV in 2024

Sports reach and watch-time on linear TV



BARC | MF2+, Ind U+R

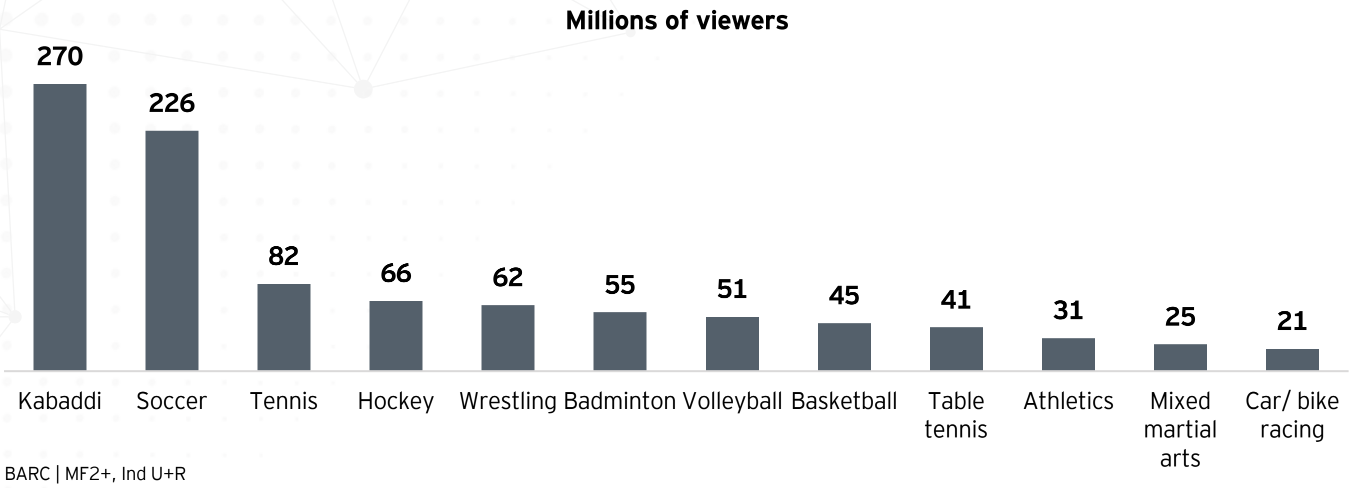
- 687 million viewers watched sports content on TV in 2024, consuming 1,005 billion minutes. This is 6% lower reach than 2023, which saw a record high due to the ODI World Cup
- The fall in watch-time of 27% is largely due to the ICC Cricket World Cup 2023 which did not take place in 2024
- Out of 687 million sports viewers on linear TV, 12% came from Metros, 36% came from Tier 1 Tier 2 cities, whereas 53% came from rural markets
- 329 million women viewers watched sports on linear TV in 2024, contributing to 41% of total consumption

II. Cricket remained the most important sport[3]

- The ICC Men's Cricket World Cup 2023 set several benchmarks:
  - more than 518 million people tuned in to watch the matches on linear TV
  - the highest watch time on television, which reached 422 billion minutes
  - the highest peak concurrency of 131 million viewers (BARC) during India vs. Australia finals, which also drew 300 million viewers, making it the most watched cricket match on television
  - Pakistan games were the most watched after India games during the tournament
- On TV, 110 million viewers watched IPL 24 in regional languages, which contributed 27% of the total watch-time
  - Telugu was the most viewed regional language during IPL 24 (57 million) followed by Tamil (50 million) and Kannada (43 million)
- However, cricket was not only about international tournaments and the IPL. Several cricket leagues are now in operation, and 100 million viewers cumulatively watched regional cricket leagues on linear television in 2024. These include leagues such as Maharashtra T20, TNPL, UP T20, and Delhi T20
  - Regional audiences had a higher affinity with state cricket leagues than with the IPL, with state leagues of Karnataka, Tamil Nadu and Gujarat having two to five times more affinity within those states

[2]All data provided by JioStar, unless otherwise attributed. The data has not been independently verified by EY.
[3]BARC, MF2+, Ind U+R

III. However, 2024 was not just about cricket

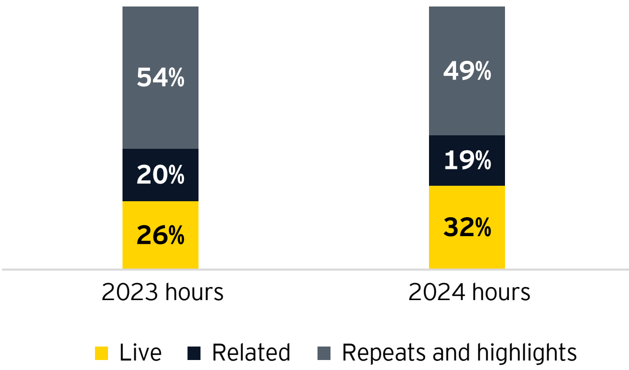


BARC | MF2+, Ind U+R

- In 2024, 457 million viewers watched sports beyond cricket on linear TV as interest in emerging sports continue to grow over the years
- The Paris Olympics helped grow the interest in other sports:
  - With over 170 million viewers across TV and digital, it amassed 15 billion minutes of watch time, making it one of the most-watched Olympics in India
  - On an average, an Indian watched 4.5 and 3 sports on digital and TV, respectively
  - Apart from hockey, badminton and athletics, there were seven sports which were watched by more than 10 million viewers, 15 sports which were watched by more than 5 million viewers, 32 sports which were watched by more than one million viewers
  - Over 6 million viewers watched weightlifting and basketball each, i.e., more than the population of New Zealand, Norway and Oman
  - Over 3 million viewers watched sports like water polo and handball, which is more than the population of Qatar, Iceland and Jamaica

IV. Live programming hours increased

Programming type



TAM AdEx | 2024 hours extrapolated from Wk 49 to Wk 52

- Total sports programming hours on television fell 4% in 2024 compared to 2023, aggregating around 121,000 hours
- While cricket hours fell 15%, non-cricket programming increased by 12% as a wider palette of sports was invested in by broadcasters, sports leagues, news media houses and event companies
- The share of live sports programming increased from 26% in 2023 to 32% in 2024, marking an 18% rise in live programming hours

V. Digital programming provided additional features to fans[4]

- Unlike traditional TV broadcasts, digital streaming offers on-demand viewing, multi-angle replays, and interactive features that enhance the fan experience and convert it from a lean-back to a lean-in engagement
    - Digital viewership for Neeraj Chopra's Javelin throw during the Paris Olympics at midnight on 8 August 2024 was four times higher than the corresponding TV viewership with a reach of 10 million viewers tuning in to watch him live, while an additional 4.5 million caught up on highlights/ VOD clips the next day
    - JioCinema introduced 'Hype Feed' during the IPL, which was watched by 123 million viewers who sent 22 million reactions and watched 22 million key moments
    - Over 4 million fans were on watch parties with their friends, collectively spending over 22 million minutes
    - The Jeeto Dhan Dhan Dhan predictive game was played by 50 million viewers who participated 1.2 billion times during the IPL 2024
- JioCinema offered commentary in 12 language feeds - beyond the regular Hindi, English and south Indian languages, it even streamed the matches in Bhojpuri, Haryanvi, Punjabi, Gujarati, Bangla, Marathi and Odia
    - Tamil and Kannada feed saw a 100% spike in viewership for CSK and RCB matches, Bangla saw a 70% spike for KKR matches, and Marathi saw a 57% spike for MI matches

[4] JioHotstar; Data provided by Star India from various internal and external sources, which has not been independently verified by EY

Shape of the future

Sports stands at the forefront of innovation in the M&E sector and uses its unmatched reach, loyalty and impact to deliver significant value to advertisers, audiences and platforms. Some innovations we expect to see over the next few years include:

Platform and content innovation

- **More sports, more fans**
  - As the width of interest increases, we expect to see more sports gaining scale and distribution, particularly on free TV and OTT platforms
  - A set of 8 to 10 "niche" sports will see the build-up of communities with relatively small, but very loyal, fans
  - Sports community management will be one of the more important skills over the next three to five years, with linkages to news, commerce, social activities, merchandising and brands
- **Shoulder content will increase**
  - More and more sports "heroes" are being created, whose social media posts are avidly followed by their fans
  - The time for content related to the sportsperson is here, and we will see more of such shoulder content being created across platforms and media, including film, episodic and short video
- **Interactivity will expand to non-cricket sports**
  - While cricket has been the key driver for interactivity and gamification, stable audience bases for kabaddi, wrestling, football, tennis, etc could lead to the next wave in gamification around these sports
- **CTV will drive consumption changes**
  - As CTV consumption continues to grow, the additional features and viewing options that the medium provides will result in a very high degree of experimentation
  - We can expect to see more live interactions, camera angles, expert opinion feeds, language feeds and watch and play together features as CTV viewership takes centre stage
  - CTV features could also drive TVOD or premium subscription packages

Monetization innovation

- **Sports will drive subscriptions**
  - The national-event nature of sports will be a key driver of subscription growth, and we could expect to see more sports content being placed behind paywalls, in order to fund the high sports rights values
  - Innovations in pricing, such as sports packs, season packs or even game packs, will be the focus of innovation in the near future
- **Fractional ownership of teams will commence**
  - All teams acquire loyal fan bases; we can expect to see teams being owned, over time, by their fans
  - Fan ownership of teams can cement loyalty, and build community and commerce, which enables extremely high levels of monetization
- **Addressable advertising will scale**
  - Given the rates that leading sports properties command, we expect that allowing brands to deliver hyper-targeted ads using 1P data will be key to grow ad revenues
  - In addition, hyper-targeting can open up opportunities for the million SME advertisers to participate in sports content, and create offers for fans of local and national tournaments
- **Media rights could mellow**
  - Mergers have reduced the number of potential sport bidders, while a focus on profitability has resulted in a more cautious investment climate in the digital segment
  - Unless new bidders come in – particularly in the digital media space – we expect that sports rights will rationalize in their subsequent cycles in certain cases; paid subscription growth will be a key determinant of rights values
- **Growth of illegal betting apps**
  - We expect fantasy sports and esports to continue growing strongly, expanding both in depth and reach across more sports, as fan bases fuel the gaming ecosystem and vice versa
  - However, the proliferation of offshore illegal betting platforms remains a key security and financial concern, as well as reduces the tax collections for the government

Talent innovation

- India's Olympic bid will bring focus
  - India's preparations for a future Olympic bid underscore its commitment to sports development, with a focus on institutional capacity building, sports science, nutrition, medicine, psychology, and rehabilitation
  - While cricket remains dominant, other sports—football, kabaddi, badminton, wrestling, and table tennis—continue to gain traction
  - Olympic success is also expected to accelerate interest in athletics and many individual sports, further diversifying India's sporting ecosystem
- Demand for skilled sports professionals will rise
  - Growing demand for skilled sports professionals is driving the establishment of specialized sports universities at both state and central levels such as Jio, Symbiosis and IISM
  - These institutions are expanding career opportunities beyond athletes to include sports management, science, medicine, and psychology

Expert speak

Sport in India is poised for a massive leap with socio-economic, demographic, institutional and cultural forces propelling it. However, stakeholders in the ecosystem have to be key enablers. From how we serve fans to how we monetise fandom, from elevating the spectacle of 'sport' to harnessing the infinite possibilities of technology - the foundational framework must be re-imagined for long-term sustainable growth.

Sanjog Gupta
JioStar

The consolidation in the broadcast space will enable us to continue to provide top quality action to the fans through much required correction in rights fees for sports properties.

Rajesh Kaul
Culver Max Entertainment

AI driven innovation will revolutionize sports viewing. Through enhanced storytelling and personalized experiences, fans will connect with live sports in ways never possible before, elevating the entire experience of consuming sports.

Yannick Colaco
FanCode

India's sporting revolution will be driven by non-cricketing sports, unlocking new opportunities, global accolades, and a broader sporting culture. As investments and talent pour into diverse disciplines, the next few decades will redefine India as a true multi-sport powerhouse.

Jalaj Dani
Dani Foundation

The Indian sportscape is inexorably evolving to an exciting new era where the success or failure of all emerging sports properties will be defined by the primary priority to create world-class aggregated experiences for consumer communities, in-stadia and on-screen and emerging media.

Anupam Goswami
Pro Kabaddi League

Sports media in 2024 is on the verge of hitting $1B, with digital ad spends surging 25% YoY. Cricket remains dominant at 94% of total media spends but saw modest 6% growth due to fewer matches and evolving IPL & ICC sponsor structures. With JioStar merger signaling a transformative future, evolving tech and content strategies, 2025 promises stronger fan connections and overall momentum.

Vinit Karnik
GroupM ESP

Indian content landscape

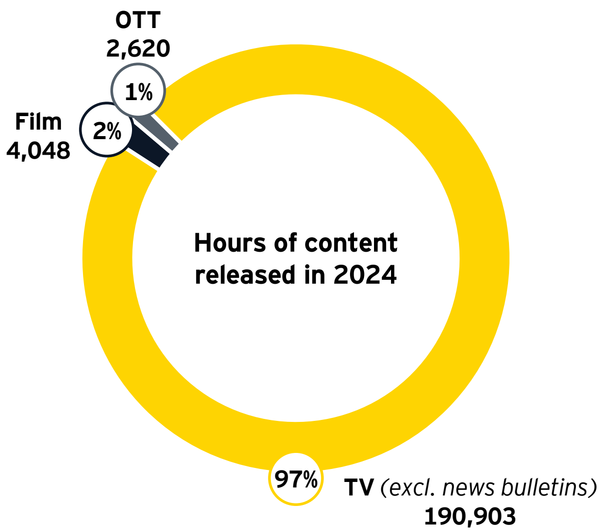
Compiled by the EY Content Production Services practice

In a year of discontent, quality content made an impact

This section is based on estimates from our Content Production Services practice as well as a survey of production house CEOs conducted with the support of The Producers' Guild of India, in which 27 independent production houses responded. While complete and accurate content data is not readily available, trends can be viewed directionally.

Overall

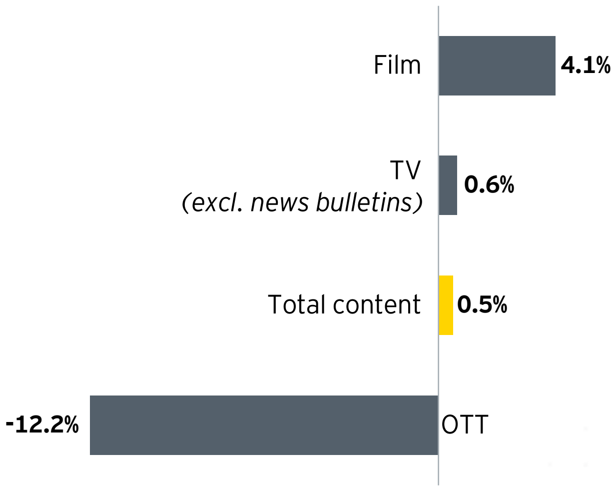
I. India produced almost 200,000 hours of original content in 2024



EY estimates | Includes content that was broadcast on TV, released in theaters or on OTT platforms. Excludes unorganized creator economy, news bulletins, social and short-form content and imported content

II. High cost content rationalized in 2024

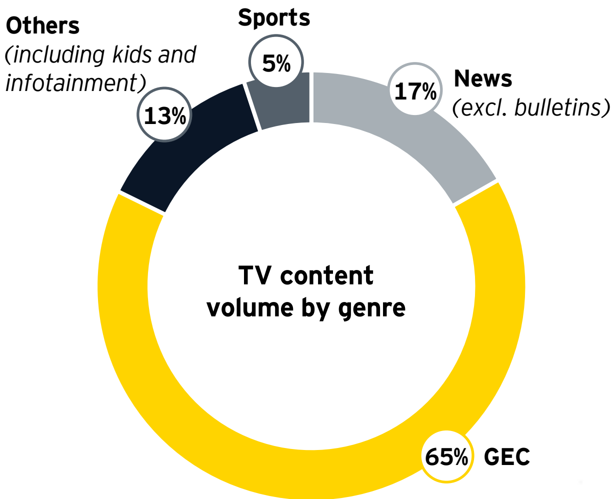
Change in volume of content 2024 vs. 2023



EY estimates | Includes content that was broadcast on TV, released in theaters or on OTT platforms. Excludes dubbed, unorganized creator economy, social and short-form content

TV

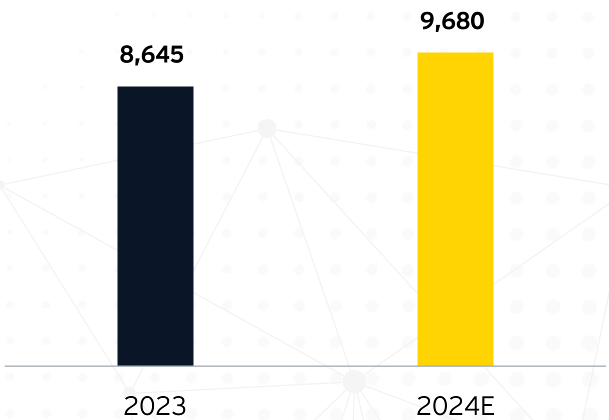
I. GEC contributed 65% of total hours on TV (excl. news bulletins) in 2024



EY estimates | Excludes news bulletins, satellite films, etc., not produced for TV and includes dubbed content

II. Original live sports volumes increased 12% as several new sports leagues launched, and the Olympics was broadcast

Original live sports hours

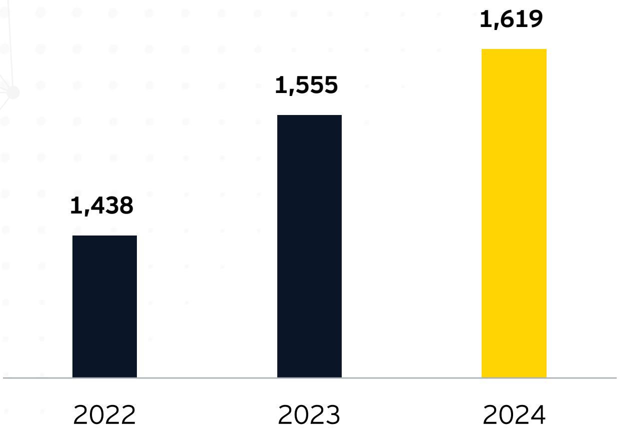


BARC | Week 48 data extrapolated for 2024

Films

I. 64 more films were released in 2024 as compared to 2023

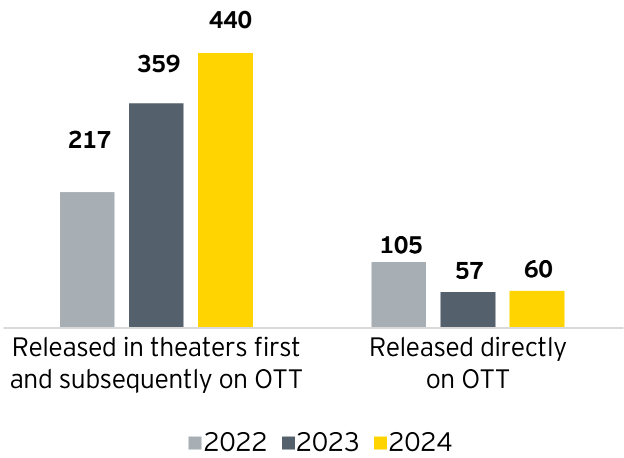
Number of films released in India



Comscore (excludes dubbed versions)

II. Direct-to-digital releases remained subdued

Films released on OTT platforms

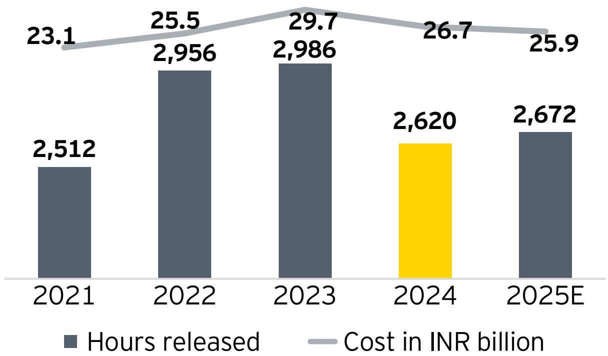


Estimates by EY's content services practice | Excludes dubbed versions

OTT

I. OTT content volume fell 12% in 2024 due to profitability pressures, but is expected to grow 2% in 2025

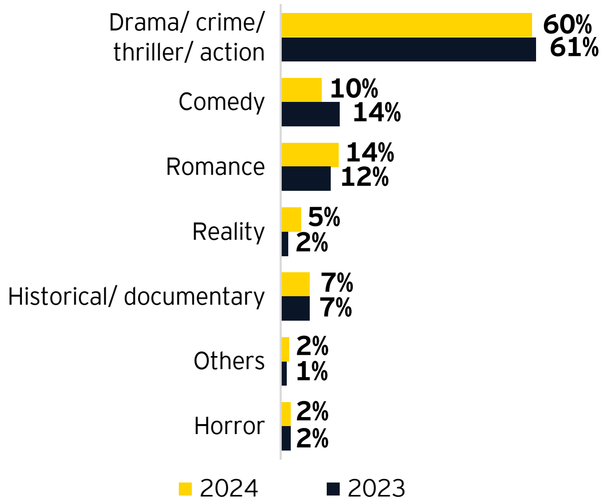
OTT content production estimates



EY estimates | Costs are based on averages across genres and languages

II. Genre mix remained largely similar to 2023

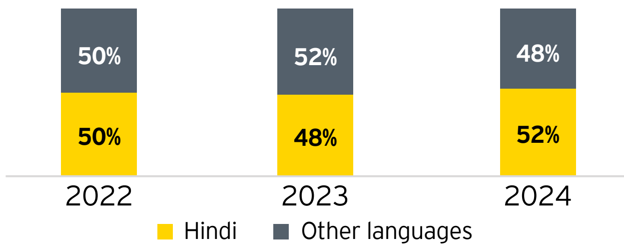
Genre-wise content releases on OTT



Estimates by EY's content services practice | Excludes imported content

III. Regional OTT content volumes reduced to manage profitability

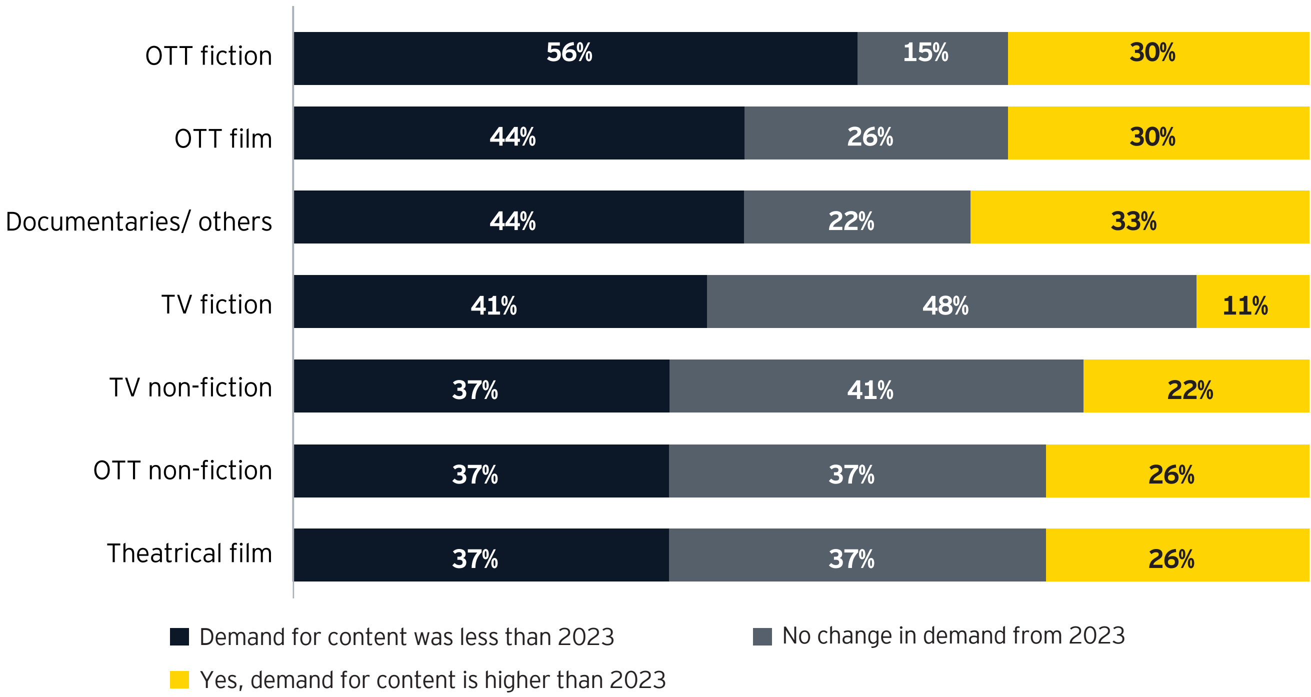
Titles produced by language



Estimates by EY's content services practice | Excludes imported content

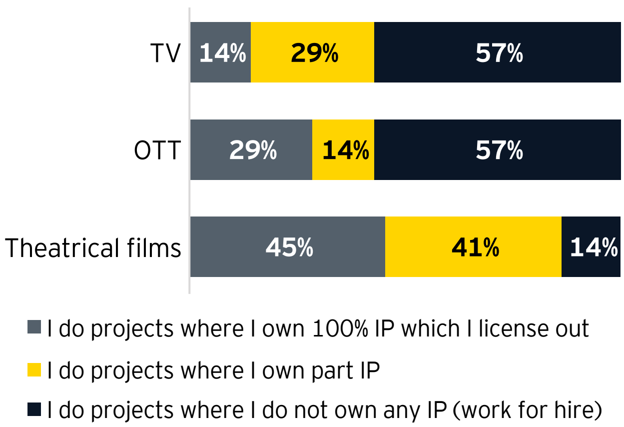
Content output reduced in 2024, led by weak OTT demand

Do you believe that demand for content production increased in 2024?



There was a marked increase in IP ownership by production houses

Do you own the IP for content that you produce?



As compared to the last three years, the (in full or in part) IP ownership for content produced by production houses for TV has increased from 15% to 43%, and for OTT from 21% to 43%.

Top producer pain points

Does the industry have any pain point/ unmet need that needs to be resolved?

#1

Need for transparent and single window clearance for shooting across India

#2

Need for good writers who can write mass cinema

#3

Need for improved theater density

#4

Need for better funding options and incentive schemes

#5

Need for reduced ticket prices and F&B cost at cinemas to aid footfalls

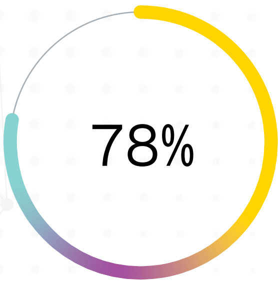
#6

Need for industry unity to manage core issues

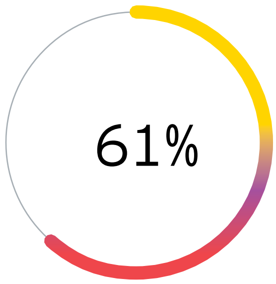
Shape of the future

The business of content production is changing

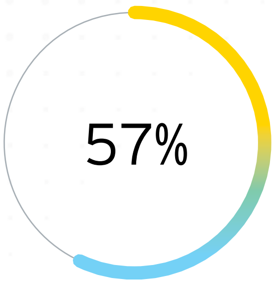
To what extent do you agree to the following statements? Percentages indicate the aggregates of Agree + Strongly agree, or Disagree + Strongly disagree



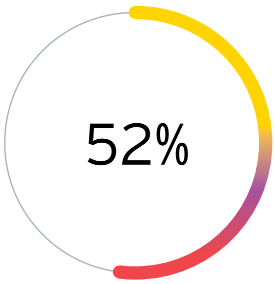
Respondents agreed that the biggest concern that needs to be addressed is the shortage of **quality writers/ stories**



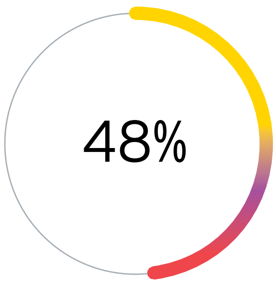
Respondents agreed that **sustainable production practices** will help reduce production costs



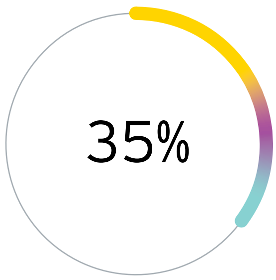
Respondents agreed that the demand for higher **production values and quality** is increasing



Respondents agreed that the time has come for Indian **animated content**



Respondents agreed that top talent will agree to performance-linked **remuneration models,** while 35% disagreed



Respondents agreed that the **ease of shooting** across India (permissions, etc.) is increasing, though 26% disagreed and the rest were neutral

Production houses will focus on quality

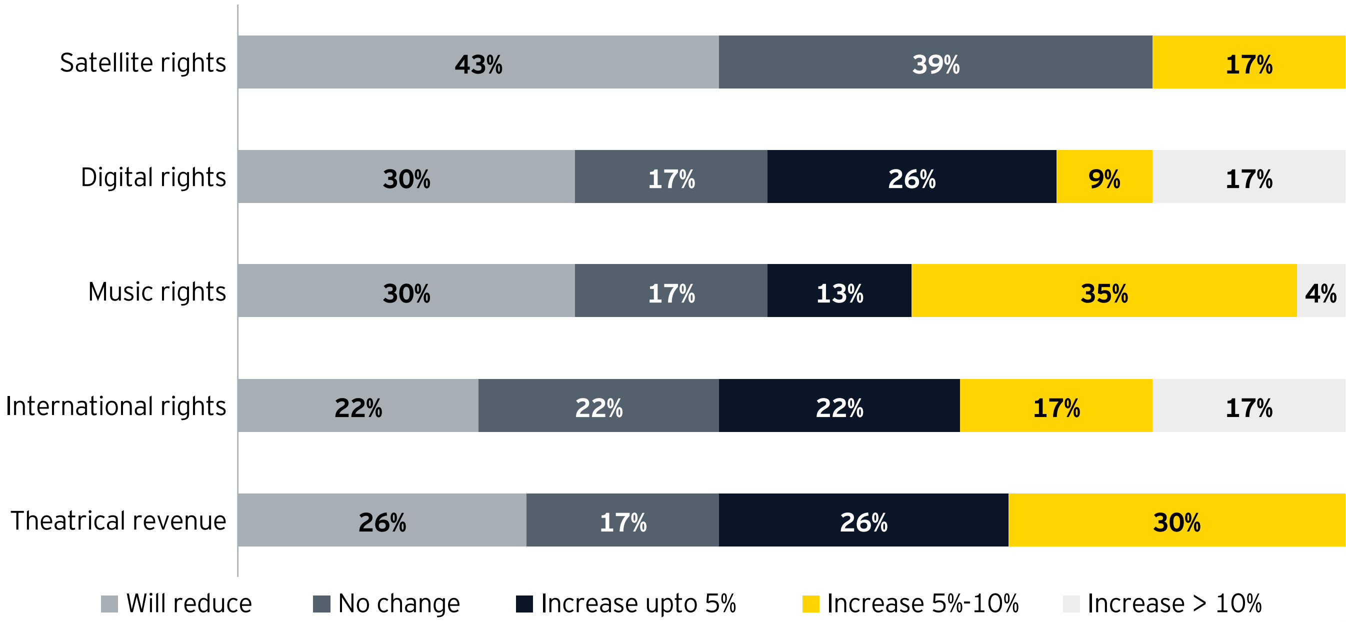
Discussions with production house CEOs indicated the following key themes:

- The demand for higher quality content is increasing in order to break through the clutter
- The sector's disproportionate investment in sports rights has put pressure on entertainment content spends, but that needs to change
- Different content may not be needed for different NCCS audiences
- Providing content for free does not mean that people will consume it; now that consumers have gained wider exposure to international content, what matters is quality

Respondents expect monetization challenges in 2025

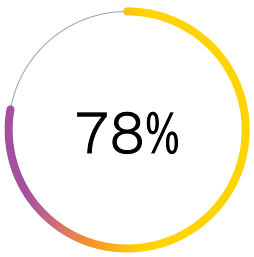
This year's responses have the highest percentage of respondents projecting a fall or stagnation in monetization

How do you expect content monetization to change in 2025?

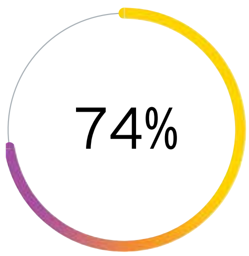


Hence, revenue models could change in 2025

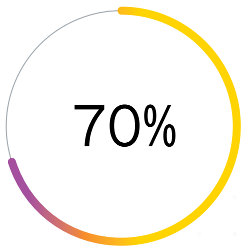
How do you expect content monetization to change in 2025?



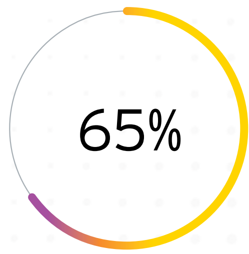
Respondents agreed that there is a need for more **low-cost theaters** to grow theatrical revenues



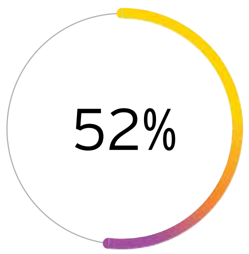
Respondents agreed that the **average per-episode cost** of content on OTT platforms will come down in 2025



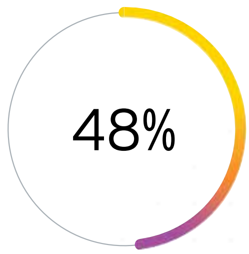
Respondents agreed that the **TV++ cost model** (for a large number of episodes) will emerge as a viable alternate content model for OTT



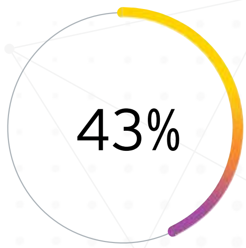
Respondents agreed that the **four-week digital release window** negatively impacts theatrical performance



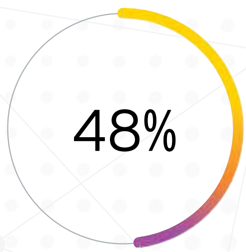
Respondents agreed that fewer buyers will lead to a reduction in the overall **demand for content** in 2025



Respondents agreed that the number of **films released directly on digital platforms** will decrease in 2025



Respondents agreed that the demand for **reality shows** will grow in 2025



Respondents agreed that the volume of **tentpole properties** on OTT will reduce in 2025, while an equal number felt the volume would increase

Trends

Prime Video India

Viewership and engagement

Front runner
India remains a front runner across international locales in new customer adoption and Prime member engagement

99%
of India's pin codes generate viewership for Prime Video

Vision for the Indian creative economy

70
series and movies announced across languages and genres for the next two years

75%
of originals in development and production have female HODs, with 60% featuring women in the writers' rooms

50%+
of originals in development/ production feature new talent in front of or behind the camera

Expanding the content slate

1,400+
original and licensed Indian and international titles added in 2024 on the service for Prime members in India

Franchise expansion
with *Mirzapur S3, Panchayat S3, Bandish Bandits S2, The Boys S4,* and many more

Citadel
universe expanded with an Indian Original series *Citadel: Honey Bunny,* and *an Italian Original series Citadel: Diana*

New seasons
of successful franchises coming up: *Mirzapur S4, Panchayat S4, Call Me Bae S2, Citadel S2, Fallout S2, The Boys S5*

Multi-pronged film strategy
Post-theatrical premieres, direct-to-service films, original movies, co-productions that premiered first in theaters

More than just SVOD, an entertainment hub

25+
add-on subscription partners; 6 new partners added in 2024

75,000+
hours of additional content selection across genres and languages

70%
new release Hollywood blockbusters available to customers within 42 to 45 days of their theatrical release

8,500+
titles offered in the biggest movie rental catalogue in the country

60%
of the catalogue is rented at least once a month. Rental transactions from 95% of India's pin codes

Indian content breaking barriers

25%+

of the audience of Indian titles comes from outside India

Mirzapur S3

became the most-watched show ever on Prime Video in India on its launch weekend, watched by viewers in over 180 countries

Citadel: Honey Bunny

was the most watched series on Prime Video worldwide in its launch weekend, streamed in 200 countries worldwide

Global trending

In 2024, Indian content trended in the Top 10 on Prime Video worldwide every single week of the year

~60%

of the customers on Prime Video India stream content in four or more Indian languages

Amazon MX Player

The service provides premium, free and ad-supported entertainment at scale

250 million

unique monthly users across India

1.4 billion

downloads on Google Play Store

80+ minutes

average daily watch time on large screens and 40+ minutes on mobile

3.4X

growth in overall watch time for the service in 2024

50%

viewers are NCCS A as per Kantar TGI 2024

100+

new shows to be released in 2025

In 2024, MX Player and Amazon miniTV merged into one service—Amazon MX Player

All data has been provided by Prime Video and Amazon MX Player. It has not been validated by EY and presented in summary form for representation purposes only.

Trends

Netflix India

Netflix continued to invest in local content production

167
Netflix films and series launched in India since 2018

26
Netflix films and series launched in India in 2024 span 17 genres

240
Awards won by Netflix India films and series in 2024

Indian stories featured in Netflix's Global Top 10 for non-English films and TV lists

8 out of 10
Netflix series from India featured in the Global Top 10 for non-English TV

40+ countries
in which *Indian titles Heeramandi: The Diamond Bazaar, IC 814: The Kandahar Hijack* and *Crew* featured among the Global Top 10 series and film lists

10 out of 12
Netflix films from India featured in the Global Top 10 for non-English films

100%
An Indian title was on the Top 10 Global list for every week of 2024 *(up from 9.5 out of 10 weeks in 2023)*

The above top 10 Lists are derived from weekly data reports.

India continued to be one of the largest markets by engagement for Netflix

(For all viewing between 1 January 2024 and 30 June 2024)

#2
India was second in place in terms of paid net ads in Q2 2024

#3
India was third in place in terms of revenue percentage growth in Q2 2024

#6
India was the sixth largest contributor to Netflix's global views

Heeramandi
The first-ever Indian TV title to feature amongst the 100 most viewed shows globally

13
Indian films featured amongst the 500 most viewed films globally

6
TV titles featured amongst the 500 most viewed shows globally

Indian content featured on the Netflix Global Top 10 non-English list

(Heeramandi: The Diamond Bazaar: S1, IC 814: The Kandahar Hijack: Limited series, both reached #2 on the Global Top 10 non-English TV list and became the first and second Indian series to do so)

#1

Kalki 2898 AD
(Hindi)

#2

Maharaj
Sector 36
Do Patti
Heeramandi: The Diamond Bazaar: S1
IC 814: The Kandahar Hijack

#3

The Great Indian Kapil Show S1 became the first Indian non-fiction title to hit #3 spot in the Global Top 10 non-English TV list

Indians consumed a wide variety of international content

Queen of Tears

Avatar The Last Airbender: S1

Love Next Door

Titles that featured on Netflix India Top 10 for the maximum number of weeks

Korean, Japanese, Spanish

Most watched non-Indian languages on Netflix after English

All data has been provided by Netflix India and has not been independently verified by EY.

Expert speak

The M&E industry stands at the cusp of a transformative era, driven by advancements in technology, and the global reach of digital platforms. As content becomes increasingly immersive, the industry's growth will hinge on fostering innovation, embracing sustainability, and building robust collaborations across borders.

Siddharth Roy Kapur
Roy Kapur Films

Clutter-breaking stories, compelling characters and intriguing worlds that become franchises driving popular culture, language or platform agnostically, the use of GenAI to meaningfully contribute to the creative process and inorganic content sector consolidation seems imperative to drive scale and growth in the highly fragmented Indian content industry.

Jyoti Deshpande
Jio Studios

Innovation remains key in how we create, monetise and distribute content given that the consumers' exposure and expectation is evolving.

Aradhana Bhola
Fremantle India Television Productions

The future of content in India isn't just about scale—it's about smart storytelling, immersive experiences, and audience-first thinking. With viewership spanning multiple screens and languages, the real game-changer will be how we blend creativity with data-driven intuition.

Deepak Dhar
Banijay Asia & Endemol Shine India

UGC and sports programming continue to erode traditional entertainment's market share. However, the industry will continue adapting, with major players investing in premium content and localized storytelling to sustain growth. As the industry evolves, hybrid distribution models and AI-powered innovation will be key drivers of future growth.

Madhu Bhojwani
Emmay Entertainment and Motion Pictures

TV content is now global and evolving. With the emergence of Smart TVs, people watch OTT, YouTube, and TV shows together. To stay relevant across all platforms, television shows need engaging content, innovative storylines with pure emotions.

Asit Kumarr Modi
Neela Film Productions

The world is awash with new connected tech, declining legacy media, free social media and a value-conscious consumer spoilt for choice. It is imperative for platforms and creators to create new, distinctive content brands to standout amidst the clutter. Indian TV created some great brands like KBC, Big Boss and IPL, and iconic scripted soaps and series. Streaming has made an incredible content splash and now needs to double down on continuing to build its own legacy beyond sport, movies and TV, across genres & geographies.

Sameer Nair
Applause Entertainment

The Indian M&E industry stands at an inflection point—where technology, storytelling, and global ambition converge. To stay ahead, we must embrace tech-driven, immersive content, and audience-first innovation.

Apoorva Mehta
Dharma Productions

Storytelling is entering its most transformative era, where technology is not just a tool but a gateway to immersive experiences. AI, virtual worlds, and interactive narratives are redefining how we connect with stories—not just as spectators, but as participants. The future belongs to those who blend timeless human emotions with limitless digital possibilities.

Siddharth Kumar Tewary
Swastik Productions

It is a transformative time for the industry. Growth in content production is likely to be on the back of OTT platforms which have a wide reach across consumer demographics. Easy access to internet on mobile devices is supporting consumers' appetite for media consumption, which bodes well for players in this space.

Sanjay Dwivedi
Balaji Telefilms

The content creation side of the M&E industry is seeing a shift in its battle for eyeballs, as attention spans are diminishing. Short format content such as reels, and long format content creation is becoming increasingly challenging, when it comes to moving the content needle towards higher levels of engagement.

Mautik Tolia
Bodhitree Multimedia

With fast evolving audience preferences, it is crucial for the industry to concentrate on creativity and entrepreneurship at a foundation level. Storytelling has always been a rewarding industry, our audience is unlimited and language is no barrier. Having actionable government policies in place and efficient production systems can strengthen the Industry.

Supriya Yarlagadda
Annapurna Studios

Advertising in India

Key trends of 2024

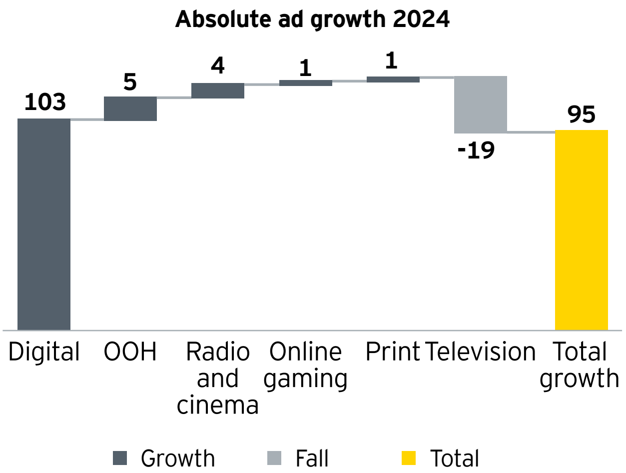
Indian advertising reached INR1.28 trillion

Segment	2019	2020	2021	2022	2023	2024	2025E
Television	321	264	329	334	312	294	298
Print	206	122	151	170	178	179	182
Radio	31	14	16	21	23	25	27
Cinema	8	2	1	5	8	9	9
OOH	51	20	26	48	54	59	66
Total traditional	**617**	**422**	**522**	**578**	**575**	**566**	**583**
Digital	279	282	383	499	597	700	784
Online gaming	6	7	8	11	13	14	15
Total digital	**285**	**289**	**391**	**510**	**609**	**714**	**799**
Total advertising	**902**	**711**	**914**	**1,088**	**1,184**	**1,279**	**1,382**

INR billion (gross of taxes), includes SME and long-tail advertisers | EY estimates

- Indian advertising grew 8.1% in 2024, corresponding to an 8.7% nominal GDP per-capita growth in FY2025[1]
- The digital media accounted for 56% of total advertising, overtaking traditional media advertising (44%) for the second year in a row
- Advertising comprises 51% of the total M&E sector in 2024, and 0.38% of India's GDP
- We estimate advertising to grow a further 8% in 2025

The growth skewed towards digital media



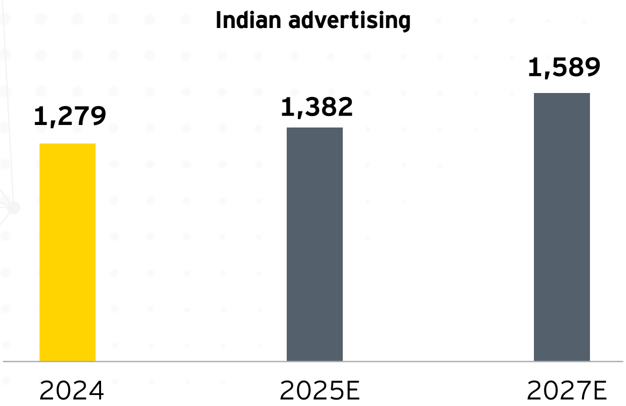
INR billion (gross of taxes) | EY estimates

- Digital media generated 108% of total ad growth, while traditional media (excluding television) added another 12%
- Television advertising dragged growth down by 20%, driven by a decline in ad volumes and a shift in viewership to connected TVs, whose revenues are counted under digital media

[1]First Advance Estimates, NAS dated 07 January 2025, NSO, MoSPI, GoI

Shape of the future

Indian advertising will grow at 8% till 2027



INR billion (gross of taxes) | EY estimates

- Advertising is expected to grow 8% in 2025 to reach INR1.4 trillion
- Till 2027, advertising is expected to grow at a healthy 7.5% CAGR, with digital media growing at 11% and traditional media growing at 3%

I. Key factors which will drive growth include:

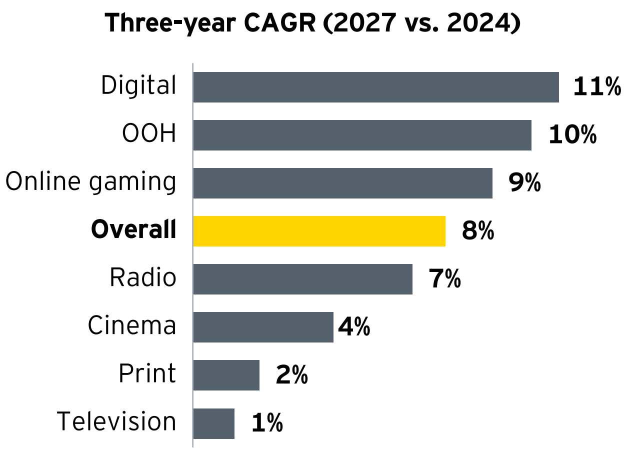
- **GDP growth:** According to the IMF, India is expected to remain the world's fastest-growing big economy in in 2025 and 2026, with a real GDP growth of 6.5% per annum
- **A consumption-oriented budget:** The union budget of February 2025 provided tax relief to the middle classes, which is expected to result in a tax saving of INR1 trillion to be used across savings and consumption
- **Increase in India's per capita income:** From US$2,937 in 2024 to over US$3,000 in 2025
- **Women in the workforce:** India's women labor force participation has increased from 30% in FY2020 to 42% in FY2024 and continues to rise,[2] creating a new consuming class in India
- **Increased spends by less affluent families:** The gap in per-capita expenditure between rural and urban population has been consistently reducing and now stands at around 70% from 84% in FY2012[3]
- **MSMEs**: The growing SME advertiser base will increasingly spend on advertising in pursuit of India's US$5 trillion GDP ambition, particularly now that the budget for FY2026 has increased the MSME credit guarantee from INR50 million to INR100 million
- **Government expenditure:** Spends by the government on capital and infrastructure, including grants-in-aid to states is expected to keep increasing, with a projected 17% growth in FY2026[4]

II. The key factors that could impact the projected growth of ad spends in 2025 include:

- **Geopolitical factors:** The risk of war, which has implications for the cost of imports and other factors impacting GDP
- **Crude prices and exchange rates:** Crude prices, and the falling exchange rate, both of which directly link into inflation and that reduces consumer spending
- **Unemployment:** which is currently pegged at around 5% could increase if the GDP growth falls below 6%
- **Investment destination:** India has been receiving significant foreign direct investment, due to the unfavorable climate in China and the "China + 1" policy of many large global companies, production-linked incentive schemes, semiconductor plants and Make-in-India schemes; the ability to maintain this status is critical to ensure that the quantum of consumption does not reduce

[2]https://mospi.gov.in/sites/default/files/press_release/Press_note_AR_PLFS_2023_24_22092024.pdf
[3]HCES 2023-24, MoSPI
[4]National Infrastructure Pipeline, Government of India, Union Budgets

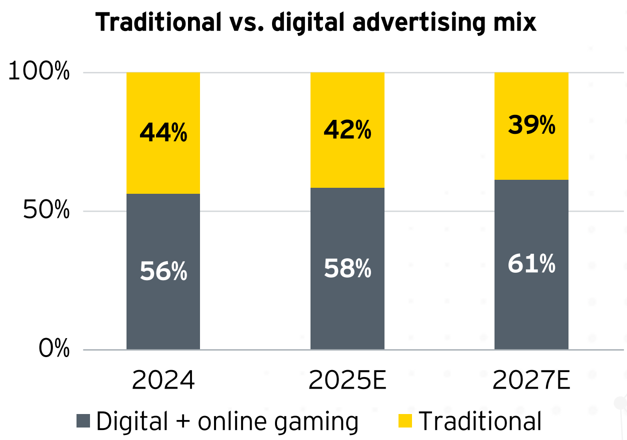
Segmental growth



EY estimates

- **Digital media**
  - Growth of e-commerce advertising, which provides rich consumer data to enable segmentation and attribution accuracy across India's top 50 million affluent households
  - Around 50 million new smartphone users[5]
  - Growth in active CTV homes to around 48 million[6]
  - Growth in 5G consumers, which provides the ability to improve the video and audio consumption experience
- **Television**
  - Consolidation in the broadcast ecosystem will drive packaging and sales efficiencies
  - Large sports events and premium properties will drive disproportionate revenues
  - Long-duration and high-stickiness fiction content
  - Growth in Free TV consumer base
- **Print**
  - Access to difficult-to-reach educated and affluent audiences across rural and urban areas
  - Events and community revenues
- **Online gaming**
  - Growth in Free2Play and casual games
- **OOH**
  - Digital OOH screen growth
  - Linkage of DOOH ad inventory to digital ad networks
  - Premium transit media and billboards
  - Better measurement system
- **Radio**
  - Non-FCT revenues
  - SME advertising
- **In-cinema**
  - A steady slate of theatrical releases with large stars
  - More high-quality pan-India films which appeal to audiences across languages
  - Consolidation in the multiplex ecosystem

Digital will comprise 61% of total advertising by 2027



EY estimates

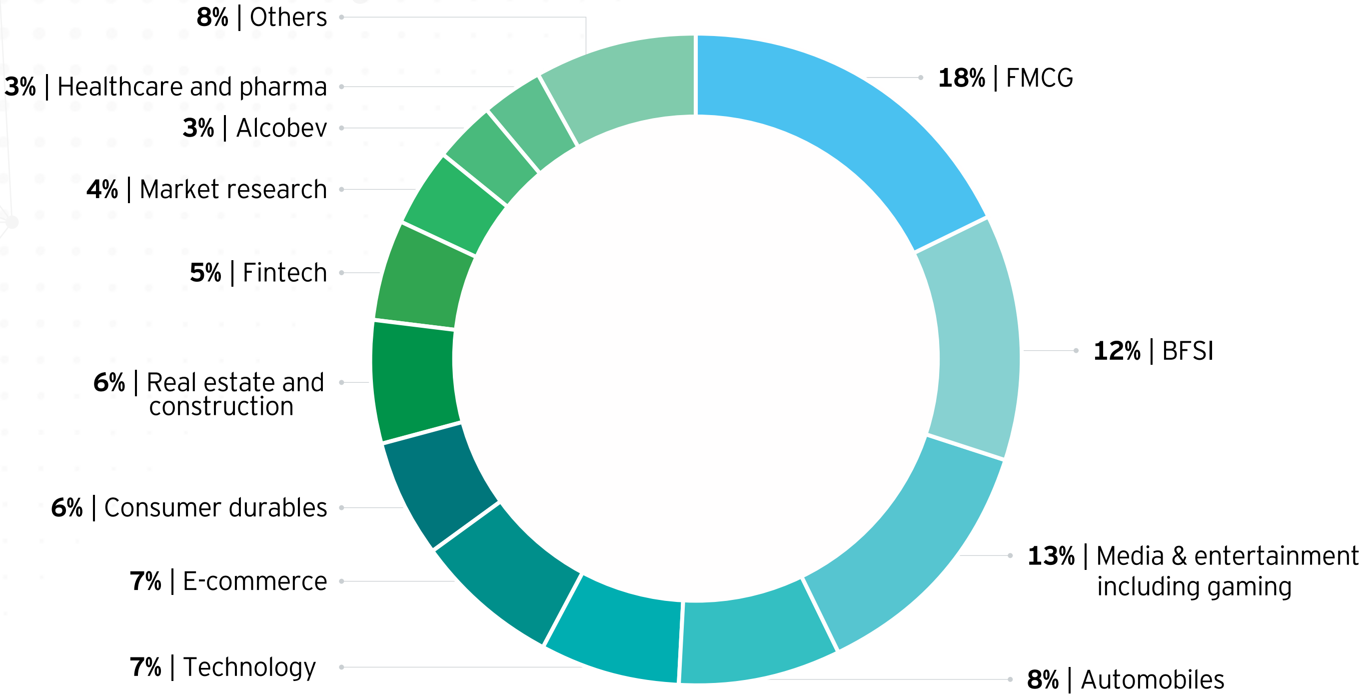
- Digital media comprised 32% of total ad spends in 2019, which increased to 56% in 2024
- Digital advertising is expected to reach 61% by 2027, driven by growth in social media, search and e-commerce advertising, with the latter expected to grow at the fastest pace
- Digital ad numbers we have considered include the SME and long-tail digital advertising spends of INR258 billion in 2024, which are primarily directed toward search, social and e-commerce platforms. Their contribution to total advertising is expected to reach INR369 billion by 2027

[5]Industry discussions, Ericsson Mobility Report November 2024
[6]EY estimates

EY marketer survey 2024

EY conducted a survey of over 140 marketers across 20 sectors in Dec 2024. This section focuses on insights from their responses

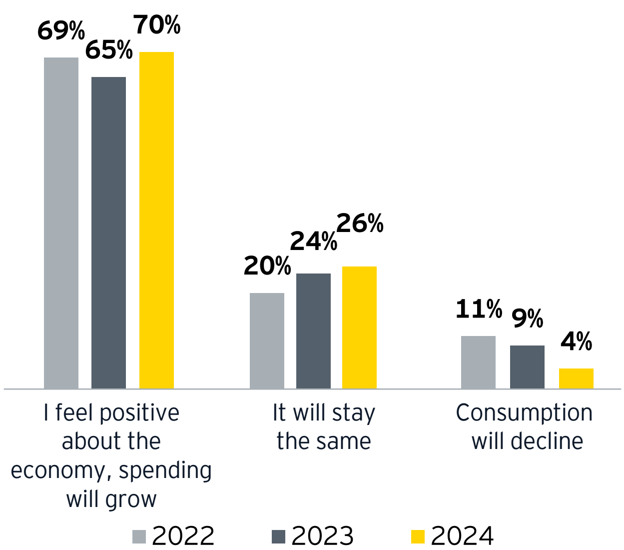
Respondents' profile



Market sentiment

I. 70% of marketers are positive that consumer spending will grow

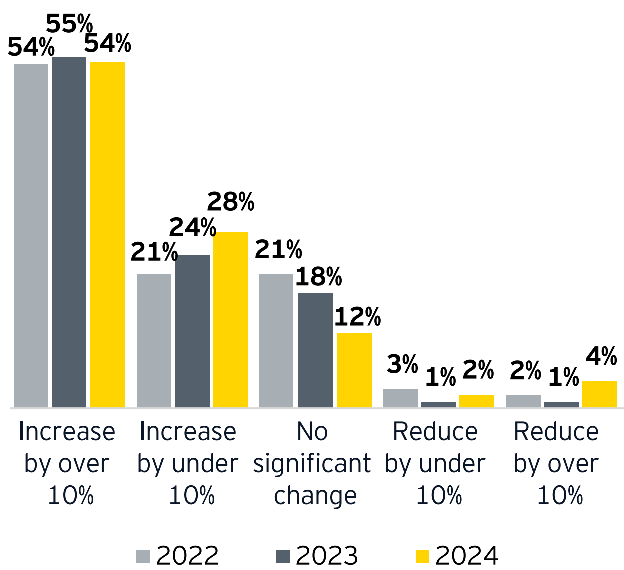
Marketers' outlook on consumer spending



EY Marketer Survey 2022 to 2024 I % of total respondents

II. 82% of marketers expected to increase their ad spends over the next two years

How do you expect your total ad spends to grow over the next two years?

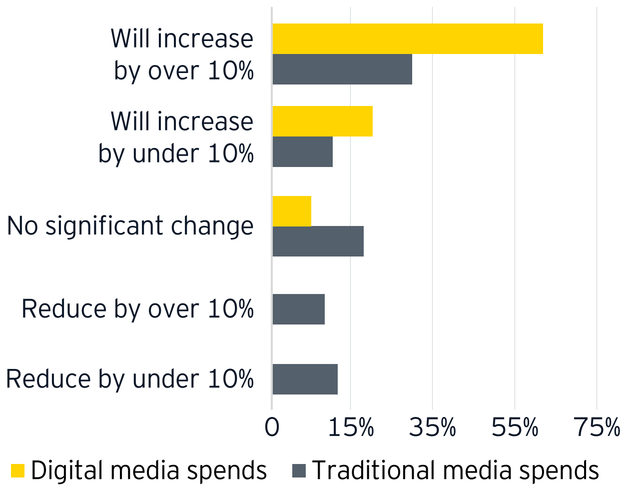


EY Marketer Survey 2022 to 2024 I % of total respondents

Media mix

I. 90% of marketers expected to increase their spends on digital; 49% on traditional

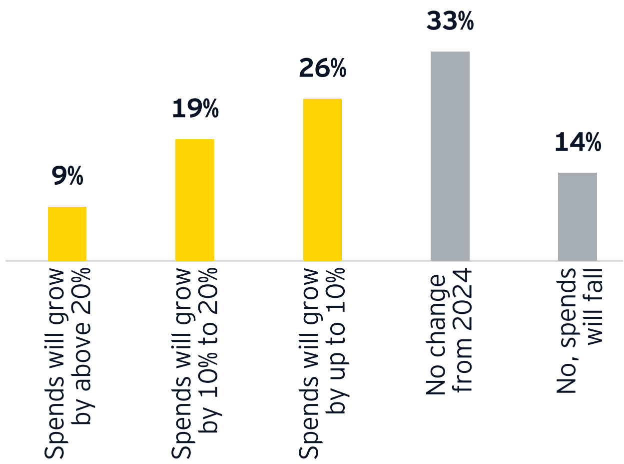
How do you see your marketing spends changing over the next two years?



EY Marketer Survey 2024 I % of total respondents

III. 53% of marketers expected to increase their spends on e-commerce and quick commerce

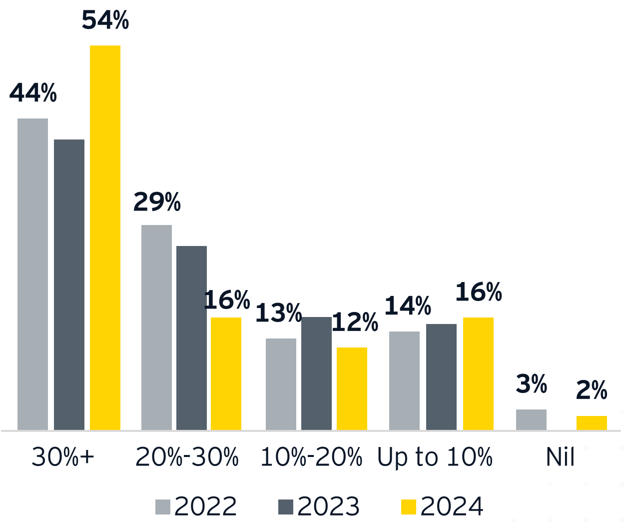
Do you expect your company's spends on e-commerce and quick commerce to increase in 2025?



EY Marketer Survey 2024 I % of total respondents

II. Share of spends on digital marketing continued to grow

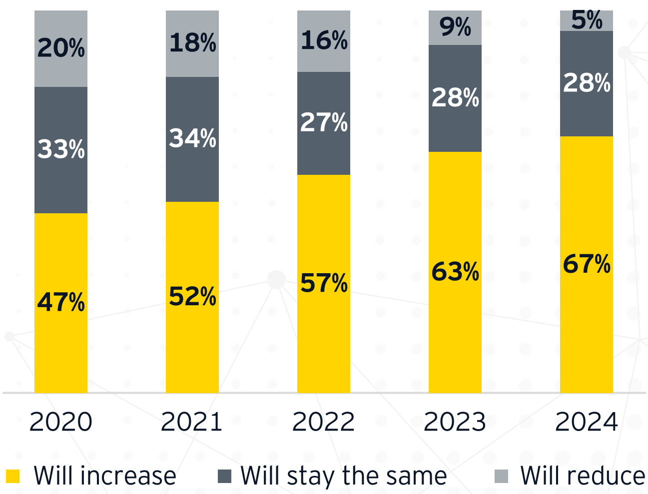
Of your total advertising spend, what is likely to be your share on digital advertising?



EY Marketer Survey 2022 to 2024 I % of total respondents

IV. Marketers continued to remain bullish on events spends

How do you see your events and activations marketing spends changing over the next two years?

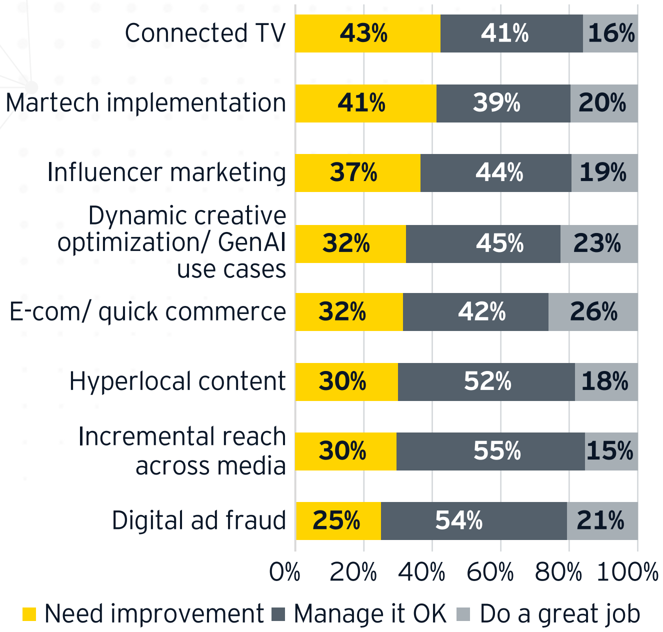


EY Marketer Survey 2020 to 2024 I % of total respondents

Consumer data and martech

I. Connected TV, martech and influencer marketing were the biggest need gaps identified

How equipped are your agencies to manage the ecosystem of new mediums?



EY Marketer Survey 2024 I % of total respondents

II. More than 2/3rd of survey respondents continued to struggle with consumer data

State of consumer data	% of respondents
The available consumer **data is incomplete with gaps,** which makes data-driven decision making difficult	40%
The available consumer data is complete and deep, but my organization is **not always able to leverage the data** for sophisticated data-driven decisions	37%
The available consumer data is complete and deep, and my organization is always able to leverage the data for **sophisticated data-driven decisions**	22%

EY Marketer Survey 2024 I % of total respondents

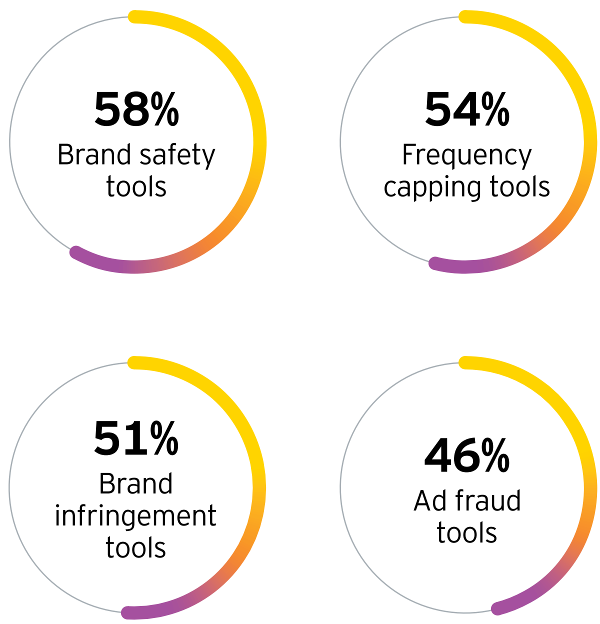
III. 69% of respondents believed there was a need to improve their company's martech capabilities

State of martech in the company	% of respondents
Organization has **clear gaps** in basic marketing technology capabilities	19%
Organization has either developed or is currently sourcing basic martech capabilities but there is **scope for improvement**	50%
Organization has developed or sourced **adequate** martech capabilities	19%
Organization has developed or sourced **industry leading** (ahead of peers) martech capabilities	12%

EY Marketer Survey 2024 I % of total respondents

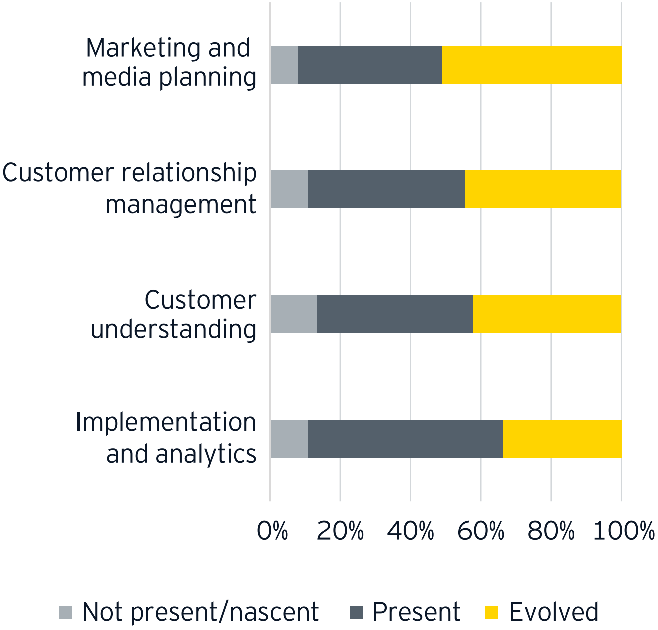
IV. Tool implementation increased

The number of respondents who have implemented or are experimenting with:



V. Organizations have evolved across media planning and CRM technology

Martech maturity across organizations

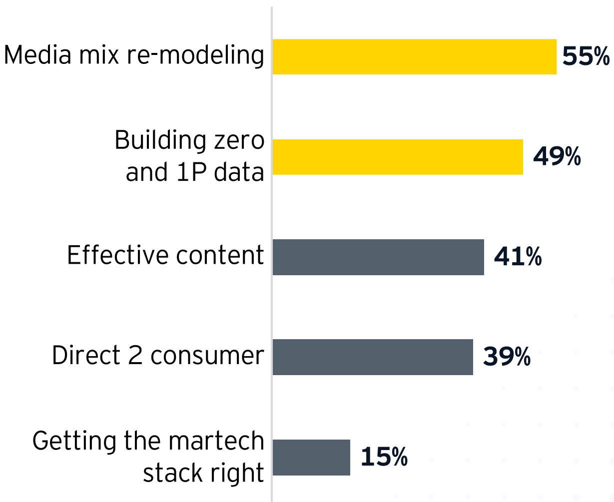


EY Marketer Survey 2024 I % of total respondents

CMO priorities for 2025

I. Respondents prioritized media mix re-modeling and building zero and 1P data

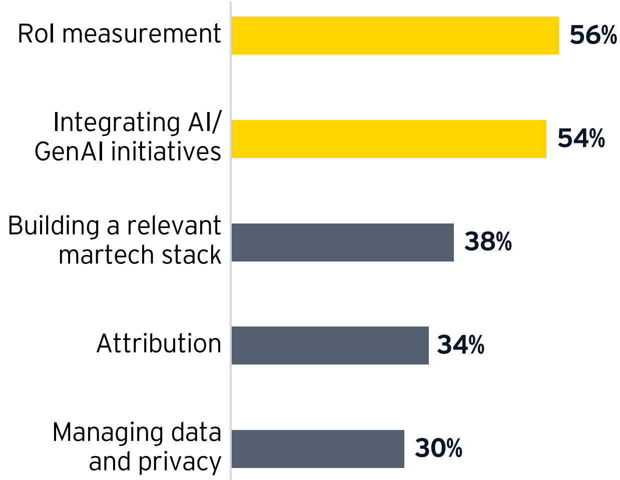
What are your key priorities for 2025?



EY Marketer Survey 2024 I % of total respondents

II. RoI measurement and integrating AI initiatives were the top challenges

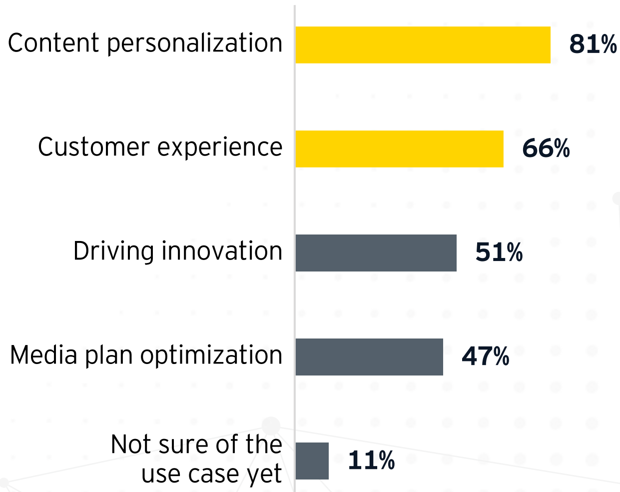
Marketers' biggest challenges in 2025



EY Marketer Survey 2024 I % of total respondents

III. GenAI is expected to have the highest impact on content personalization and CX

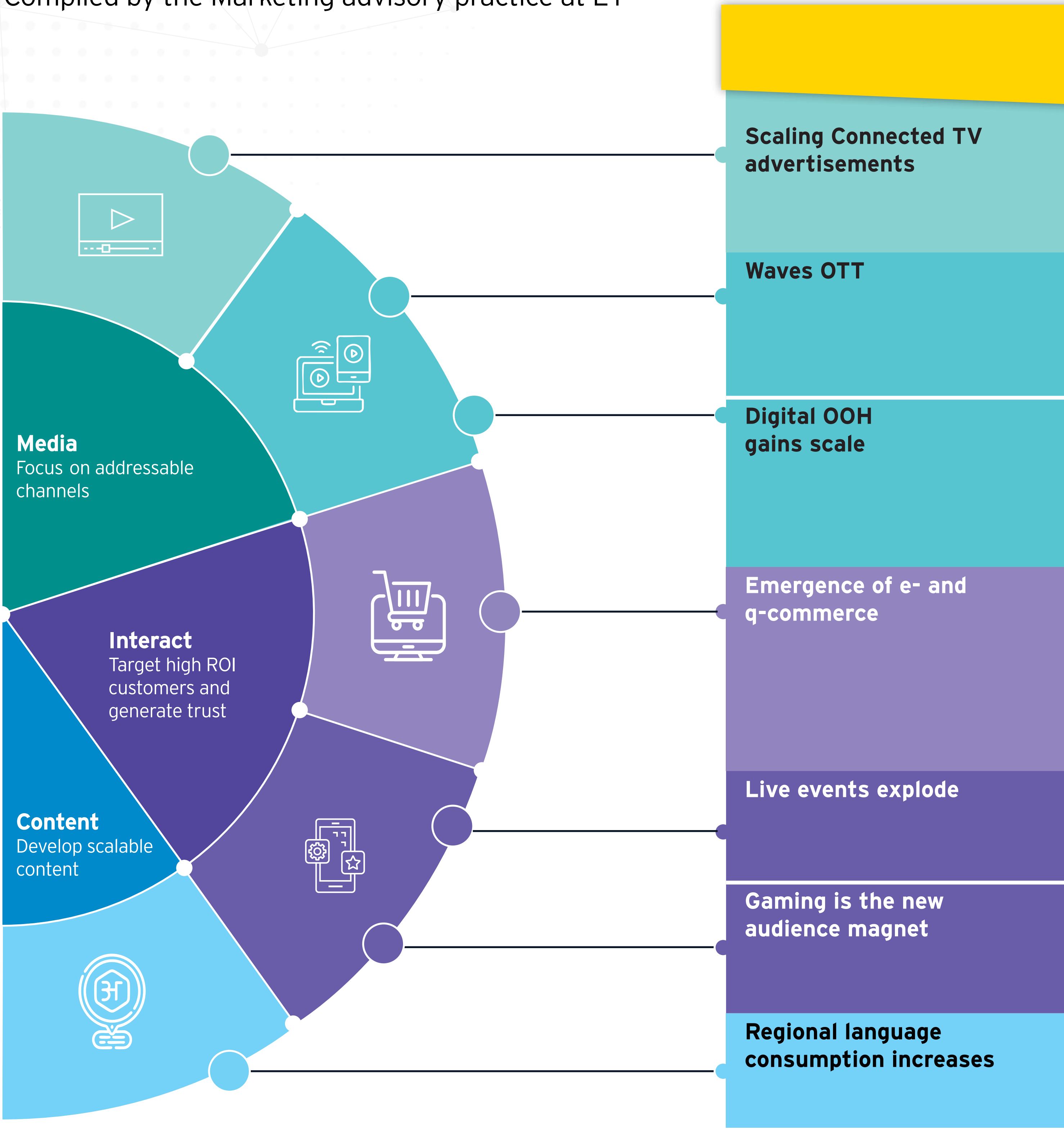
What facets of marketing would GenAI impact?



EY Marketer Survey 2024 I % of total respondents

Capabilities for the marketing organization of the future

Compiled by the Marketing advisory practice at EY



Source(s): Secondary research, EY analysis

Trends in 2025	Impact on MROI	Required martech capabilities
Growth in CTV consumption expected from 23 million weekly household tune-ins in 2023 to 36 million in 2025	Ability to reach affluent CTV audiences in a non-skippable ad context	▪ Advanced programmatic targeting ▪ Dynamic ad insertion ▪ Personalization
Prasar Bharati's WAVES OTT platform has emerged as a one-stop solution for news needs by aggregating leading Indian news channels	Consolidated platform for reaching news viewers with cost-efficient campaigns	▪ Target audience segregation (creating cohorts) and targeting ▪ Brand interactivity ▪ Content performance tracking
Digital OOH screens in India are expected to exceed 200,000 in 2025	Enhanced digital touchpoints for high-impact brand visibility and geo-targeted campaigns	▪ Ad localization and contextualization ▪ GenAI to create animated content at scale ▪ Biddable DOOH buying
Growth in e- and q-commerce by all key D2C platforms	Significant growth of a new sales channel with seamless payment integration and delivery	▪ Personalized product recommendations ▪ Advanced customer journey modeling ▪ Real time customer behavior insights and pricing recommendations
The number of live events with extremely affluent audiences is expected to exceed 1,000 by 2026	Provides a premium platform for exclusive audience engagement	▪ Generate 1P data ▪ Online community management
Online gamers to reach around 500 million in India in 2025	Opens a significant channel for immersive and gamified brand interactions, leveraging virtual engagement	▪ In-game integration to generate 1P data ▪ Build branded interactivity
95% of content consumed on YouTube and 48% on OTT platforms is now in local languages	Increased localization possible for vernacular targeting	▪ Ad localization and contextualization ▪ DubSync

Digital ad fraud

Compiled by mFilterIt

The digital advertising landscape continues to evolve. However, it faces persistent challenges due to emerging new techniques of ad fraud, prevalent brand safety concerns and viewability issues.

The emergence of AI and the need for training AI LLMs has further complicated the scenario. These AI training models use bots to crawl websites to get LLM training material, leading to high volume of bot traffic. This surge in bot activity, fueled by both legitimate and malicious intent, has created significant implications for advertisers, often eating into their ad budgets. AI's dual nature presents both opportunities and challenges. On one hand, AI-driven solutions enhance fraud detection and brand safety measures. On the other hand, AI-powered bots are often used to exploit ad systems, highlighting the need for robust and proactive strategies to mitigate these risks.

Analysis of invalid traffic percentage across platforms

According to the recent ANA report[1], 56.1% of the ad spends do not reach the intended consumers, and could be getting wasted due to ad fraud and other pipeline issues in terms of media purchases. Here is an analysis by mFilterIt of the invalid traffic across platforms.

Average invalid traffic across platforms					
	Platforms	**Europe**	**US**	**India**	**MENA**
Walled gardens	Search	10%	9%	10%	12%
	Partner networks	18%	21%	21%	23%
	Social media direct	11%	7%	9%	10%
	Video	15%	15%	17%	18%
Open networks	Affiliate networks	33%	34%	43%	35%
	Programmatic	29%	30%	31%	34%

mFilterIt first-party analysis of 342 campaigns run in 2024

In this table, while Walled Gardens on search platforms, social media and video platforms have significantly low invalid traffic, the highest share is seen on affiliate networks at 43%, followed by programmatic platforms at 31% in India.

[1]https://www.ana.net/content/show/id/pr-2024-12-programmatic

Issues noted in brand campaigns

- Programmatic measurement
    - Programmatic platforms, despite being trusted as an efficient platform for ad delivery, experience a high level of invalid traffic. Advertisers get attracted to low CPM rates, but due to their non-transparent nature, advertisers have no track and control of their ad placements
    - Consequently, advertisers have no data of where their ads are seen and who is seeing their ads. Due to this they may get 'junk' traffic but not know it. To combat this, they continue to conduct validations at the impression level, missing deeper insights

Way forward: Advertisers need to shift from only impression-based validations to deeper, down-the-funnel traffic metrics like clicks, visits and events to track business-friendly metrics like conversions and engagement on the website.

- Frequency cap (FCAP) violations
    - Reach and frequency are two key metrics that determine the success of a brand campaign. Studies suggest that the ideal frequency for ad exposure is three to four times per user. Beyond this range, the impact of the ads starts to decline
    - FCAP violations significantly reduce reach while resulting in spamming potential buyers. Our analysis shows that while 49% of impressions served that violated frequency caps were identified across publishers, they were more concentrated on mobile app-based publishers, with – in one case – a single user being shown an ad as many as 1,120 times during a campaign. We also noted that ads were sometimes served in extremely short intervals to a single device ID, with instances showing the same ad being served six times to a user within eight seconds

Way forward: Advertisers and publishers should implement robust ad validation tools, enforce stricter frequency caps, and regularly analyze performance to optimize campaigns and enhance user experience.

- Brand safety
    - Ads placed alongside unsafe content can significantly harm a brand's reputation and erode consumer trust. Our analysis reveals that 7%-12% of brand safety issues occur in every campaign that is not focused on curated content platforms
    - Traditional keyword-based approaches against brand unsafe placements have their limitations, especially in culturally diverse countries like India. This lack of contextual understanding often leads to over-blocking of legitimate content or, conversely, failing to flag unsafe content

Way forward: To ensure accurate brand safety measures, advertisers need to adopt more nuanced, context-aware solutions that go beyond basic keyword checks.

- AI-driven technologies like frame recognition, NLP, and computer vision help to identify brand safety issues in real-time with deeper insights on where the ads are placed and whether it is contextually relevant. Such solutions can reduce brand safety issues by up to 95%
- Pre-bid placement-level checks ensure more precise and contextually relevant ad placements

- Using the right tag can improve ROAS

The earlier methods of fraud detection were done by using 1x1 tag, which is an image tag useful for simply counting impressions rather than detecting any substantial fraud. These tags cannot give deep insights into whether the impressions were generated by bots or humans

Way forward: To combat the sophisticated fraud patterns, there are modern tags like Javascript/ VAST tags that are capable of unearthing deeper frauds and evaluate up to 70 to 80 parameters.

Issues noted in performance campaigns

- Web campaigns
  - Due to the sophisticated nature of ad fraud, performance campaigns are also prone to fraud techniques that impact KPIs like visits and leads, across walled gardens and affiliates:

Campaign type	Visits	Leads
Walled gardens	9%	6%
Affiliate	25%	30%

mFilterIt first party analysis of 220 campaigns run in 2024

  - By validating the quality of visits and leads, advertisers can improve campaign efficiency and conversion rates by up to 2.36x

Way forward: Incorporate lead validation processes to enhance the efficiency of marketing campaigns and achieve better ROAS.

- App ecosystem
  - According to our analysis, there has been a significant rise in ad fraud in apps at each level of the funnel, the highest being at the install stage:

Impressions	Clicks	Installs	Events
20%	17%	45%	35%

mFilterIt first party analysis of 196 campaigns in 2024

- **Bot traffic:** Bots bypass basic checks, affecting deeper funnel metrics like installs and events
- **Organic traffic poaching:** This type of app fraud deceives advertisers into believing they are gaining genuine performance from a channel, while actually paying for traffic that would have engaged organically. Techniques like Click Spamming and Click Injection hijack organic traffic, with our analysis revealing that, on average, 22% of ad traffic across sectors is affected by organic poaching
- **Retargeting:** Reengagement campaigns are prone to ad fraud as they are easier to target due to click-based payouts. MMPs built in fraud detection have basic checks and miss these sophisticated fraud techniques
- **Incent traffic:** Incent campaigns are run to generate traffic. Such users have no intent in using the app; they sign up for or install the app to gain the incentive, and this leads to low engagement, while the publisher's KPIs are met, and they get paid. As per our analysis, we found 900 to 1,000 new campaigns running on incent walls every month

Way forward: Employ install and event-level validations to ensure valid traffic and improve ROAS.

This section and all the data within it are compiled by mFilterIt. It has not been verified by EY. Analysis is based on the sample selected and may vary across media vehicles and platforms.

Expert speak

The fusion of creativity with technology powered by Gen-AI is an interesting opportunity for advertisers and agencies to reshape their approach. We will move from experimentation to scaled solutions in the coming years.

CVL Srinivas
WPP

The Ficci report is a gold standard which not only indicates health of the media and entertainment industry but also helps build perspective for the future. We are very optimistic about the M&E industry, inspite of a bit of a bump in 2024.

Shashi Sinha
Mediabrands

The M&E sector is evolving with consolidation, quick commerce, and niche influencers. AI, data, and tech-driven storytelling will deepen content, commerce, and community convergence, making 2025 a pivotal year for interactive, shoppable experiences.

Anupriya Acharya
Publicis Groupe

In a world of fragmented distribution platforms, building scale in a niche segment of consumers that is monetizable, is the new challenge for media industry stakeholders – can data power the way ahead?

LV Krishnan
TAM Media Research

As India's economic surge drives digital inclusion and consumer expansion, media and advertising are undergoing a seismic shift. We see a unique consumer convergence within this divergence. We also see a resurgence of old formats (TV, Print, OOH) which are using digital beautifully to expand reach and virality. The rise of regional content, commerce-driven entertainment, and AI-powered precision is shaping a future of deeper engagement and sustainable growth.

Rana Barua
Havas Group

Traditional channels must reinvent to stay relevant while digital and OOH, driven by AI, personalization, and sustainability, reshape the future. Those who act now will not just navigate the shift but define tomorrow's growth and impact.

Harsha Razdan
Dentsu

3

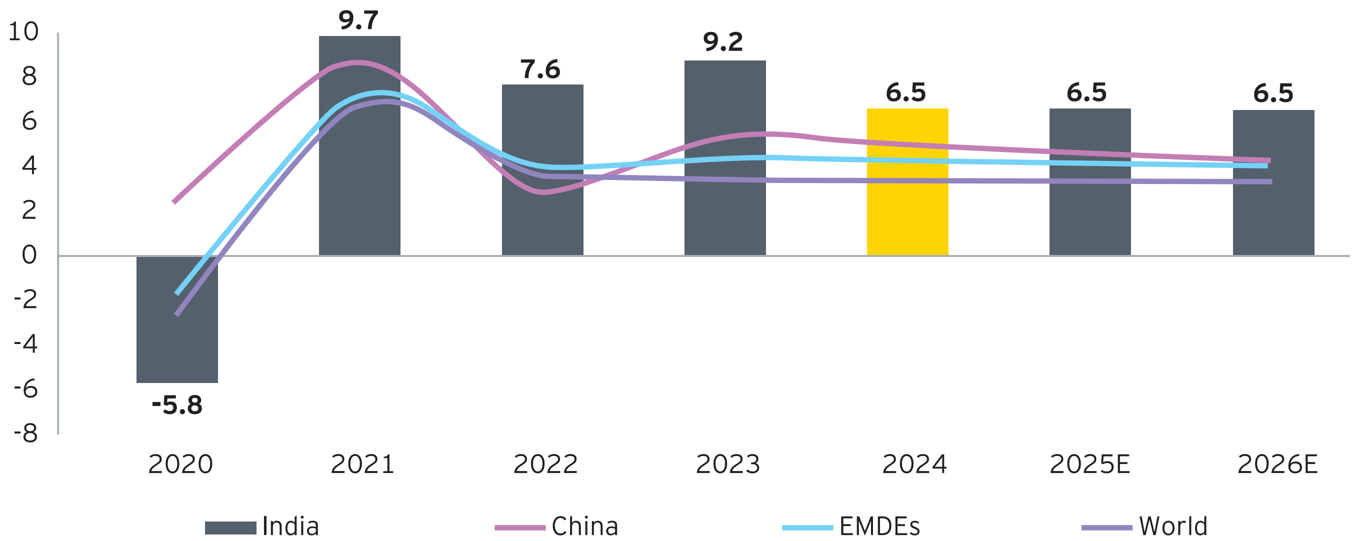
Enabling environment

A growing Indian economy

Indian economy and its impact on M&E

India to continue leading global growth in the medium term

GDP growth percentage: Cross-country comparison



(Basic data): IMF World Economic Outlook update January 2025 | (1) for India a year represents the fiscal year. For instance, the year 2020 refers to the fiscal year 2020-21; (2) growth for 2024 onwards are projections by the IMF for all countries; (3) figures for India for 2024 (FY25) are second advance estimates by MoSPI

- The National Statistical Office (NSO) has estimated India to continue to show a real GDP growth at 6.5%[1] in FY25, highest among major economies, although lower as compared to 9.2% in FY24 due to a slowdown in investment demand. As per the RBI[2], however, the economy is recovering, driven by strong festive demand and sustained upswing in rural consumption
- The IMF, in its January 2025 update of the World Economic Outlook forecasted India's growth at 6.5% in FY26 and FY27, making India the fastest growing major economy in the medium term
- India's 2025 (FY26) growth is projected to be twice the global growth and 1.5 times the growth in Emerging Markets and Developing Economies (EMDEs) in this year. It is also projected to exceed China's growth by 1.9% points

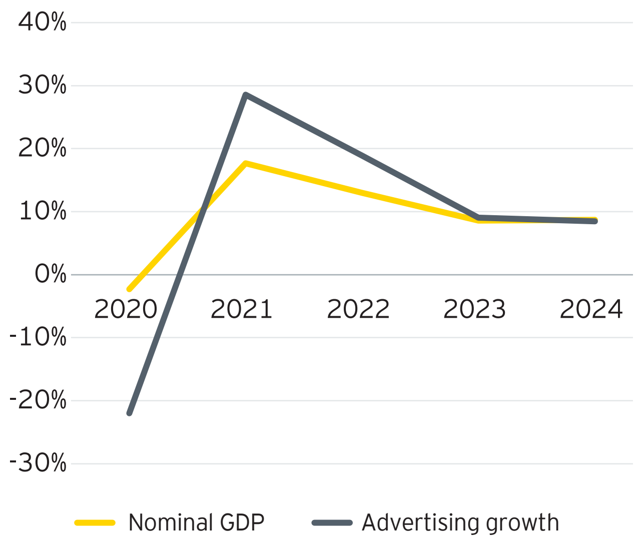
[1]MoSPI's second advanced estimates for FY25 released on 28 February 2025
[2]RBI Bulletin December 2024

Government's thrust is on growth and consumption

- The GoI has shown a strong commitment towards fiscal consolidation while retaining its emphasis on supporting growth and consumption in the medium term by focusing on capital expenditure and employment generation schemes
- Budget 2025-26 has attempted to provide a consumption-based stimulus to growth through income tax relief measures that would lead to additional household disposable incomes that favors consumption
- With respect to infrastructure spending, the GoI has co-opted states by a) extending its scheme to FY26 of on-lending 50-year interest-free loans to states for undertaking infrastructure investment and b) providing grants-in-aid to states for capital asset formation. Combining these with the GoI's direct capital expenditure, the effective capital expenditure of the GoI is budgeted at INR15.5 trillion in FY26, 17.4% higher than the revised estimates of INR13.2 trillion for FY25

India's per-capita income is projected to grow by 8.9% in FY25

Advertising vs. Per-capita nominal GDP growth



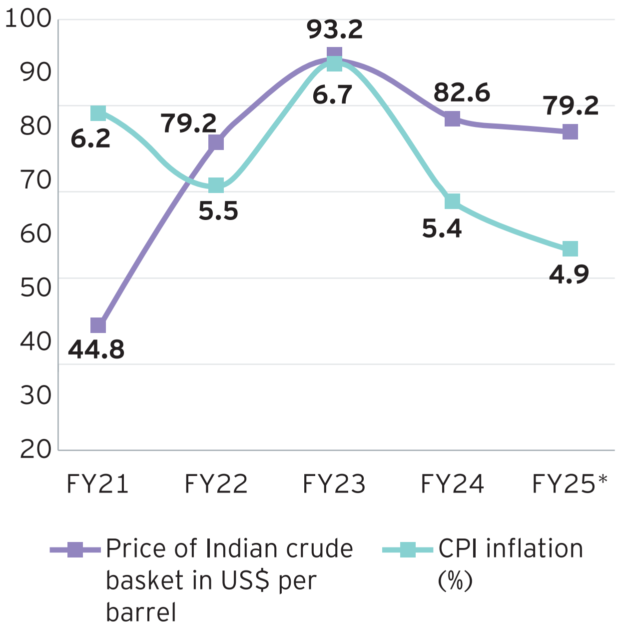
Basic data: Second Advance Estimates, NAS dated 28 February 2025, NSO, MoSPI, GoI; Advertising growth as per this report

- India's per-capita income, as measured by per-capita nominal GDP, is projected to increase by 8.9% in FY25 to INR235,108 (US$2,782) from INR215,935 (US$2,608) in FY24
- Growth envisaged in India's per-capita income is expected to support consumption growth including that in the media and entertainment sector
- Consequently, advertising revenues remain fairly aligned to nominal GDP growth

[3] First advance estimates of National Income 2024-25 released by MoSPI on 07 January 2025
[4] Assuming an average exchange rate of INR83.0/US$

Global crude prices and inflation: RBI projects inflation to ease in 1H

Price of Indian crude basket (US$) and CPI inflation %



(Basic data): World Bank, MoSPI, GoI | The Indian basket of Crude Oil represents a derived basket comprising Sour grade (Oman & Dubai average) and Sweet grade (Brent Dated) of crude oil processed in Indian refineries in the ratio of 78.5:21.5 for FY25 and 75.62:24.38 from FY21 to FY24; * for FY25 data pertains to the period April-January FY25 for CPI inflation and April-February FY25 for price of Indian crude basket

- Global supply constraints in FY23 led to a surge in global crude prices adversely impacting inflation in all major economies
- As the price of the Indian crude basket peaked at US$93.2 per barrel in FY23, on average, India's CPI inflation level surged to 6.7%. It was, however, lower than the corresponding levels witnessed in UK at 9.1%, US at 8.0% and in Euro area at 8.4% respectively in 2022
- Since FY23, crude prices have gradually eased, although remaining high. CPI inflation has also moderated, trending downwards especially since October 2024
- In its February 2025 Monetary Policy Review, the RBI's Monetary Policy Committee opted to reduce the policy rate (repo rate) by 25 basis points. The repo rate may be further reduced by another 25 to 50 basis points supporting private consumption and investment demand
- Lower inflation implies a higher purchasing power which generally leads to higher consumption

India is projected to become the third-largest economy in 2028 (FY29)

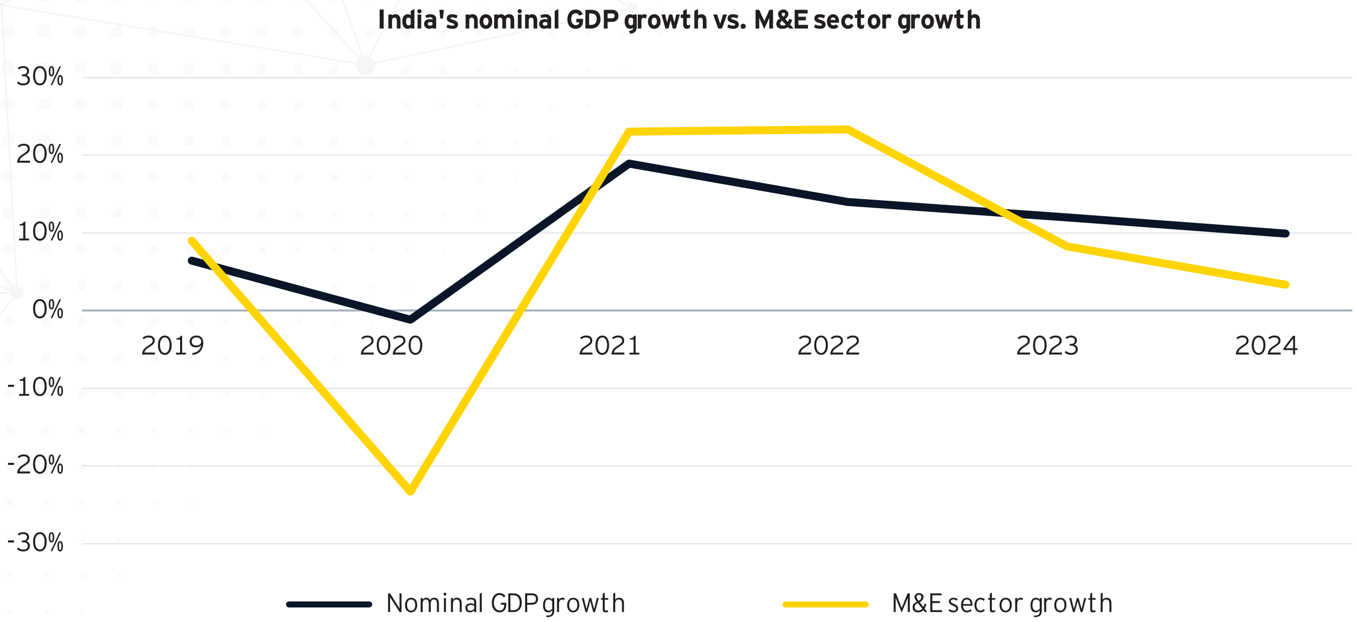
Nominal GDP in US$ and PPP dollar terms: Cross country comparison

Country	GDP projections 2025			
	Nominal (US$ billion)	Rank	PPP (US$ billion)	Rank
United States	30,337	1	30,337	2
China	19,535	2	39,438	1
Germany	4,922	3	6,175	6
Japan	4,389	4	6,768	5
India	**4,272**	**5**	**17,365**	**3**
United Kingdom	3,730	6	4,426	10
France	3,283	7	4,485	9

(Basic data): IMF World Economic Outlook October 2024

- As per the IMF World Economic Outlook edition of October 2024, India is projected to become the world's third largest economy in market exchange rate terms by 2028 (FY29) crossing Japan in 2026 (FY27) and Germany in 2028 (FY29)
- In 2025 (FY26), India's nominal GDP in market exchange rate terms is estimated at US$4.3 trillion, accounting for 3.7% of global GDP
- In purchasing power parity (PPP) terms, India is estimated to be the third largest economy at PPP US$17,365 billion in 2025 (FY26)

M&E sector lagged India's GDP in 2023 and 2024



M&E sector revenue: FICCI-EY M&E reports | Growth (Basic data): Second Advance Estimates, NAS dated 28 February 2025, NSO, MoSPI | Note: While M&E sector revenues are estimated for a calendar year, GDP estimates are for the corresponding fiscal year

- M&E as a sector normally outperforms India's nominal GDP growth, but being by nature a discretionary spend, the M&E sector falls disproportionately when the GDP slows down
- While the M&E sector grew faster than nominal GDP till 2022 (except for the COVID-19 year, it has been lagging GDP since 2023)
- As compared to a 9.9% nominal GDP growth in 2024 (FY2025), the M&E sector grew just 3.3%, which can be attributed to concentration of income growth at the top and bottom ends of the NCCS pyramid, availability of free/ ad supported alternatives that stifle subscription growth, events like the writers' strike in the US, growth in illegal offshore betting and gaming sites, and poor theatrical performance of large films in India

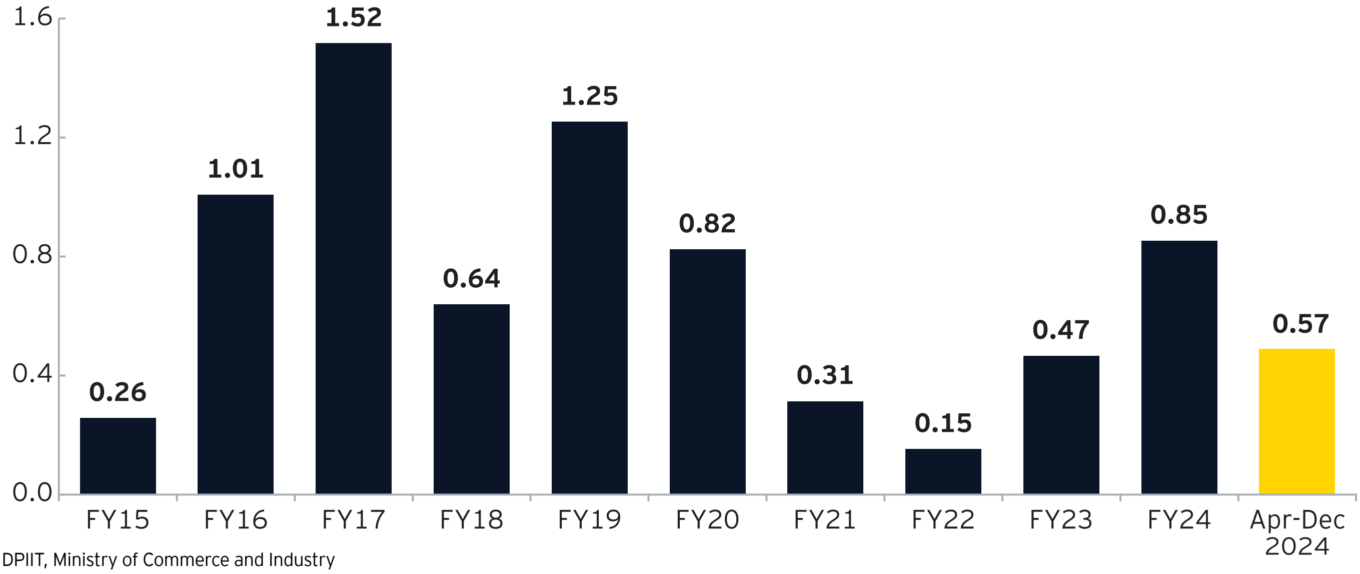
Exports of audio-visual and related services[5] sector increased

- With global conditions remaining uncertain and global trade likely to be fragmented, India may have to continue to rely largely on domestic demand and services exports
- The M&E sector has, especially in recent times, played a significant role in India's export performance
- As per a recent working paper released by Niti Aayog[6], exports of India's audio-visual and related services sector, grew at a CAGR of 13.4% from US$0.29 billion in 2009 to US$1.67 billion in 2023, showing a more than five-fold increase
- Growth in exports was largely led by global demand for Indian films, television, and digital media via streaming platforms, besides the growing strength in AI, animation and online gaming of this sector
- As per the report, *"The rapid expansion signals their (Audio visual and related sector) increasing global demand and emerging potential, suggesting that they could play a more significant role in India's services export strategy moving forward. Such momentum in both traditional and emerging sectors positions India to lay a strong foundation to achieve its target of US$1 trillion in services exports by 2030"*
- The study recommends *"For sectors like Audio-Visual Services, efforts should focus on consolidation, enhancing digital solutions, and improving global market reach through content localization"*

[5] Audiovisual and related services consist of services and fees related to the production of motion pictures (on film, videotape, disk, or transmitted electronically, etc.), radio and television programs (live or on tape), and musical recordings
[6] Pant et. al (2024). Identifying Potential Service Sub-Sectors: Insights from GVA, Exports, and Employment Data. Niti Aayog, Government of India

FDI remained subdued

FDI equity inflows in information and broadcasting sector (US$ billion)



DPIIT, Ministry of Commerce and Industry

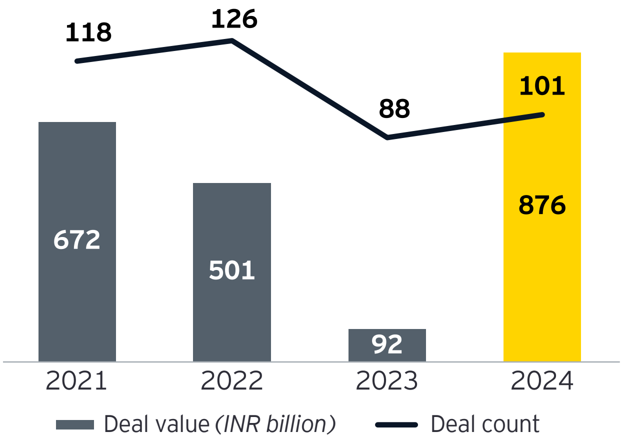
- FDI in M&E remains lower than its potential, given the uncertainty in key growth sectors like gaming (pertaining to retrospective taxation)
- In digital media, rules relating to domestic storage of data, sharing of content/ messages with government bodies and personal data protection are some of the deterrents
- FDI in animation and VFX has remained low due to relatively lesser incentives provided by India to the AVGC and content production industries as compared to certain other countries
- A key area of focus that would significantly help India's M&E exports would be incentives and rebates to create AI intellectual property (for M&E applications) which differentiates India from other AVGC and production hubs
- About 80% of the total foreign direct investment in India during April-December 2024 was on account of Walt Disney's investment in Star India

M&A activity

Key trends of 2024

EY has compiled this section using publicly available information and hence, is not a complete representation of all deals during 2024.

M&A value grew ~9.5x in 2024



Note: Deal value excludes the value of 10 undisclosed small deals for which data is not publicly available, for 2024, and 33 deals for 2023

- While the deal volume was similar to the previous year, the deal value increased significantly, largely attributable to the Disney-Viacom18 transaction which contributed around 86% to the total deal value
- Excluding this transaction, deal value increased by 30% as compared to the previous year primarily on account of Nazara's fundraises from capital markets and subsequent deployment in its acquisitions

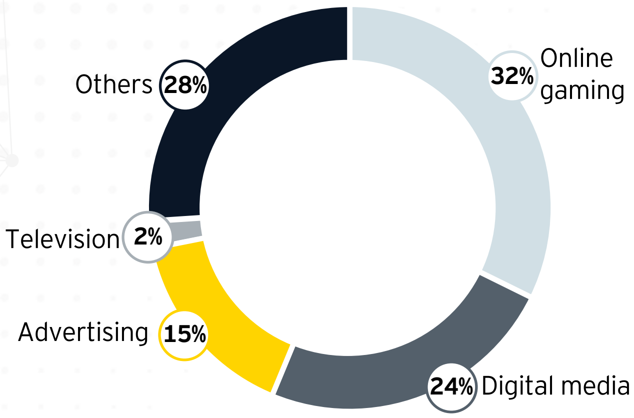
Nine deals over INR5 billion each contributed 96% to the total known funding

Deal size	Deal count	Deal count %	Deal value *(INR billion)*	Deal value %
Undisclosed	10	10%	-	0%
Less than INR1 billion	72	71%	14	2%
INR1-5 billion	10	10%	19	2%
Above INR5 billion	9	9%	842	96%
Total	**101**	**100%**	**876**	**100%**

- 2024 saw nine deals above INR5 billion as compared to three such deals in 2023 (and 10 in 2022)
- 71% of the deals in 2024 were less than INR1 billion

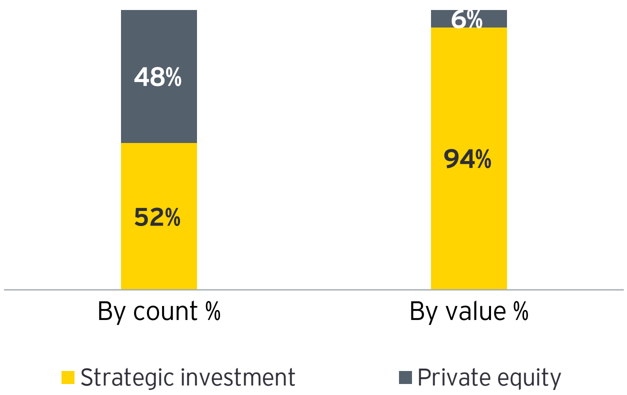
Digital media and online gaming continued to witness the highest deal volumes

% share of deals by segment



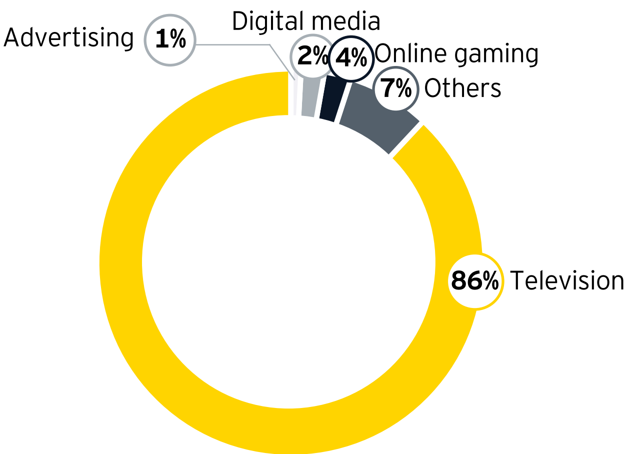
Strategic deals contributed 94% of the total deals by value and 52% by volume

Deal count and value analysis



86% of deal value was driven by broadcast

Deal value by segment



- Online gaming and digital media accounted for ~45% of the remaining deal value
- Traditional media accounted for 91% of the total deal value and 16% of total deal volumes

Shape of the future

IP powerplay

As more and more content creators get access to organized funding and a wider distribution reach, the stage is set for the sector to position itself as a global content hub. Going forward, creators across the video, audio and written genres will attract increased interest from both strategic investors (who want to expand their own IP footprint) and PE funds (who will fund future IP creation), wherein a proven track record and IP ownership will be the key value drivers.

Game on!

We expect Indian publishers and developers to go global and we will see a few medium to large ticket outbound deals. The surge in cross-border M&As will also drive investments and fresh capital into the sector, as India positions itself as a key player in the global gaming economy.

The real money gaming (RMG) segment has also settled into a new normal. As retrospective liabilities continue to be discussed, this segment could witness increased M&A and public listings, especially for scaled-up players.

AI unchained

AI is transforming the M&E value chain, driving cost efficiency and revenue growth. From video processing, dubbing, and music creation to content regeneration and editing, AI is automating workflows and unlocking new possibilities. With unrealized potential still ahead, we expect AI driven companies to attract funding and valuations in the coming year as well.

Getting out of home

The outside of the home entertainment space is witnessing an uptick in growth and demand as movies, live events, and sports vie for consumer time and wallets. To sustain and scale these efforts, funding will be critical, driving innovation and discovery. Additionally, the sector is ripe for M&A activity as companies seek to consolidate and create one-stop solutions, leveraging synergies to capture market share in an increasingly dynamic and interconnected ecosystem. We expect several deals in the live events and digital OOH segments in the near future.

Made in India for the world

India is poised to drive an outsourcing trend in the media industry, as cloud-based and internet-driven media applications gain prominence globally, the way India has established itself in the IT outsourcing market. India is becoming a media service giant on the back of creativity and talent coupled with the cost arbitrage in the fields of VFX, animation, and media tech. The substantial funding attracted by companies underscores this sector's potential for continued investment. This will also open avenues for funding and inbound M&A, enabling Indian media companies to strengthen their global footprint.

Keeping up with the times for traditional media segments

The consolidation and scaling of traditional media will limit future deal activity within the segment. However, as media and advertising budgets increasingly shift toward new media avenues, traditional players will need to adopt innovative business models to stay competitive. This evolution is likely to drive traditional media companies to venture beyond their core operations and pursue opportunistic tuck-in acquisitions to integrate new capabilities and capture emerging market trends. The possibility of mergers within traditional media segments is also high.

Tax environment

Direct tax

Key amendments in the Finance Act (FA) 2024[1]

I. FA 2024 has withdrawn 2% Equalization Levy ('EL') w.e.f. 1 August 2024; 6% EL continues to apply

FA 2024 has withdrawn 2% EL on e-commerce supply of services provided on or after 1 August 2024. However, the 6% EL, as applicable for payments made to a non-resident for online advertisement, provision for digital advertising space or any other facility or service for the purpose of online advertisement ('specified services'), continues to remain applicable.

The Income-tax Act, 1961 (Act) exempts income arising from the aforementioned transactions which have been subjected to 2% or 6% EL. This exemption will remain available for e-commerce supplies or services made, provided, or facilitated (subject to 2% EL) until 31 July 2024 and for specified services (subject to 6% EL) throughout the tax year 2024-25.

With the withdrawal of the 2% EL, digital service companies (i.e., SaaS, PaaS, IaaS, etc.) operating directly from outside India would need to re-evaluate their taxability in India and also the applicable tax compliances to be undertaken in India.

II. Withholding tax (WHT) on payments by e-commerce operator reduced from 1% to 0.1%

To bring parity with offline transactions, effective from 1 October 2024, e-commerce operators are obliged to deduct WHT at the rate of 0.1% on gross payments made to e-commerce participants for sales or services facilitated through their digital platforms.

By virtue of this amendment, sellers selling through digital marketplaces would have additional working capital on account of decrease in WHT rates.

III. Reduction in corporate tax rate for foreign companies

The corporate tax rate in the case of foreign companies has been reduced from 40% to 35% with a headline tax rate of 38.22% (including surcharge and health and education cess), w.e.f. 1 April 2024.

This reduction will help the Indian M&E sector attract foreign capital, be competitive and drive economic expansion.

IV. Amendment in tax treatment of share buy-backs effective 1 October 2024

Until September 2024, buy-back tax was payable by domestic companies at a rate of 23.3% on the buy-back of shares, and the buy-back receipt was exempt in the hands of shareholders.

Effective from 1 October 2024, buy-back tax is abolished, and such income will be taxable in the hands of the shareholders as "deemed dividend", with no deduction for expenses against such dividend income. The cost of acquisition of shares shall be treated as capital loss.

Domestic companies are now liable to WHT at the rate of 10% from the buy-back amount paid to the resident shareholders.

As a result of the above amendment, the tax burden may increase on resident shareholders (mainly HNIs) compared to non-residents, potentially making buybacks less attractive for companies looking to return capital to their investors.

V. Removal of tax on high share premium in case of issue of new shares

The erstwhile law taxed resident investors on excess consideration paid for issue of shares by private companies (i.e., angel tax). Subsequently, vide FA 2023, non-resident investors were also brought under the purview of angel tax.

However, with an intent to provide huge relief to the start-up community, effective from 1 April 2024, the FA 2024 has abolished the angel tax provisions, benefiting all investors, whether residents or non-residents.

All companies would now be able to raise funding based on commercial valuation without any adverse tax implications.

VI. Rationalization of capital gains taxation

Effective 23 July 2024, the base tax rates on capital gains are rationalized as follows:

- Long term capital gains tax on all category of assets to be taxed at 12.5%
- Short-term capital gains tax on sale of equity shares, units of equity oriented mutual fund and unit of a business trust (on which security transaction tax (STT) is paid) to be taxed at 20% which was earlier 15%

The amendment rationalizes the capital gain taxation and holding period across different types of capital assets.

[1]https://www.ey.com/en_in/technical/alerts-hub/2024/07/union-budget-2024-media-and-entertainment-sector
https://www.ey.com/en_in/technical/alerts-hub/2024/07/union-budget-2024-consolidated-tax-and-policy-alert

Key amendments in the Finance Bill 2025 (FB2025)

There has been no change in the corporate tax rates or capital gains tax rate, no new levies/ charges introduced. We have highlighted below some relevant changes for the media and entertainment sector:

- **Harmonization of Significant Economic Presence (SEP) provisions:** It is proposed that non-residents who purchase goods in India solely for export purposes will no longer face the tax exposure in India on account of 'business connection' in the form of SEP
- **Rationalization of TDS thresholds:** The threshold for TDS on winnings i.e., winnings from lotteries, puzzles, games, gambling, etc. is revised to INR10,000 per transaction instead of INR10,000 on aggregate basis in a financial year
- **Abolishment of TCS on sale of specified goods:** It is proposed to abolish the Tax Collected at Source (TCS) on the sale of goods exceeding INR5 million, while maintaining the Tax Deducted at Source (TDS) for buyers at 0.1% on payment to resident seller
- **New reporting obligation for VDA:** It is proposed to widen the definition of Virtual Digital Assets (VDAs) to include all forms of crypto-assets. Effective from April 1, 2026, transactions in VDAs will be required to be reported to the tax authorities in the prescribed manner

India updates pursuant to BEPS Pillar One and Two

I. India and Mauritius signed a Protocol amending India-Mauritius DTAA to introduce BEPS minimum standards[2]

On 7 March 2024, India and Mauritius signed a Protocol amending India-Mauritius DTAA (2024 Protocol) to incorporate the Base Erosion and Profit Shifting (BEPS) related minimum standards of anti-abuse provisions, viz.:

- **Preamble**: to expressly provide that the purpose of tax treaties is also to prevent double non-taxation/ reduced taxation including the prevention of inappropriate use of DTAA by residents of third country
- **Principal Purpose Test (PPT)**: which will act as a means to deny treaty benefits if one of the principal purposes of the arrangement or transaction is to obtain the DTAA benefit

The 2024 Protocol will be effective from the date of entry into force (i.e., the date of the later of the notifications issued by India and Mauritius[3]), without regard to the date on which the taxes are levied or the taxable years to which taxes relate.

Once effective, Mauritian companies holding India investments would be required to present evidence of substance to avail beneficial provisions under the tax treaty.

[2]https://www.ey.com/en_in/technical/alerts-hub/2024/04/protocol-to-india-mauritius-dtaa-signed-to-include-principal-purpose-test
[3]Yet to be notified

Indian judicial updates

I. Mumbai Tribunal rules that substantial viewership of a channel in India cannot be a reason to hold that the channel is situated in India[4]

In the case of Star Television Entertainment Ltd.[5], the Mumbai Tribunal ruled in favor of the taxpayer and held that gains from transfer of channel is not taxable in India as the situs of intangible (i.e., channel) is the situs of owner, which is outside India; merely because the footprint area includes India and the viewers of the channel are located in India, does not amount to carrying on a business in India.

Amidst international developments for granting taxing rights to market jurisdiction, the ruling provides a huge relief to non-resident channel operators operating their business in India.

II. SC rules discount on prepaid SIM cards and recharge coupon vouchers not liable for withholding as commission or brokerage[6]

In a batch of appeals with the lead case being that of Bharti Cellular Ltd. v ACIT[7], the SC observed that there was no principal-agent relationship between the distributors and the telecom operator; the distributors had the right to sell the SIM cards at any price at their discretion and were not required to render any accounts to the operator.

Accordingly, the SC held that WHT is not applicable in the hands of the operator as it has not credited or paid any commission to the distributors; the profit earned by resale of cards cannot be regarded as an indirect payment to the distributors.

Other domestic law updates

I. GoI issues notification to confer lower tax rate under India-Spain DTAA[8]

The GoI has issued a notification to grant a lower tax rate benefit of 10% under the India-Spain DTAA in accordance with the Most Favoured Nation (MFN) clause of the India-Spain DTAA. The benefit has been accorded with reference to royalty and fees for technical services payments based on the beneficial treatment provided under the India-Germany DTAA. The amendment is effective from tax year 2023-24.

This is a welcome move and makes the India-Spain tax treaty attractive for Spanish businesses earning revenues from India in the nature of royalty and fees for technical services and vice versa.

II. Suspension of MFN clause of protocol under India-Swiss DTAA[9]

Switzerland announces suspension of the application of the MFN clause of the Protocol to the India-Swiss DTAA. The statement issued by Switzerland citing the Indian Supreme Court ruling in Nestle[10], makes its position clear that since India does not share a swiss interpretation of the Protocol, absent reciprocity, Switzerland waives its unilateral application from 1 January 2025.

This move impacts the Indian companies investing in Switzerland as they will be liable to pay 10% on the dividends accruing from 1 Jan 2025, as against 5% with the benefit of MFN clause.

III. Vivad se Vishwas Scheme, 2024 ('VSV 2.0')[11]

Keeping in view the success of the previous Vivad Se Vishwas Act, 2020 and the mounting pendency of appeals at CIT(A) level, the VSV 2.0 has been introduced. VSV 2.0 provides an opportunity to taxpayers to settle tax disputes pending as on 22 July 2024 at various appellate forums, in relation to tax, interest, penalty or fees payable under the Act. The GoI has notified commencement date of VSV 2.0 and rules and forms for settlement.

This is a welcome move for taxpayers to settle long drawn disputes without any interest/ penal consequences.

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[2]https://www.ey.com/en_in/technical/alerts-hub/2024/04/protocol-to-india-mauritius-dtaa-signed-to-include-principal-purpose-test
[3]Yet to be notified
[8]https://www.ey.com/en_in/technical/alerts-hub/2024/03/government-of-india-issues-notification-to-give-effect-to-mfn-clause
[9]Switzerland announces suspension of MFN clause with India, cites SC ruling in Nestle | Taxsutra
[10]Supreme Court of India: Assessing Officer Circle (International Taxation) vs Nestle SA [Civil Appeal No 1420 of 2023]
[11]https://www.ey.com/en_in/technical/alerts-hub/2024/09/central-government-notifies-commencement-date-of-direct-tax-vivad-se-vishwas-scheme

IV. PAN 2.0 project[12]

On 25 November 2024, the Cabinet Committee on Economic Affairs (CCEA) approved PAN 2.0 Project of the Income Tax Department.

The PAN 2.0 initiative will update the current PAN system/ framework with modern, advanced technology to improve operational efficiency with a view to safeguard the taxpayer data against unauthorized access and breaches. All PAN/ TAN related services shall be unified into a single digital portal.

The above steps would mean modernizing India's tax system with enhanced digital and security processes.

V. Income Tax Bill 2025: March towards simplification[13]

The Indian Finance Minister has recently tabled Income Tax Bill 2025 (ITB 2025) in Parliament. The intent of the ITB 2025 which replaces the existing Income-tax Act, 1961 (ITA-1961) is to make the income tax law simple, straightforward, minimize litigation and remove redundant provisions in the ITA 1961. It is expected that the Parliamentary Select Committee formed to vet the ITB 2025, may hold another round of stakeholder consultations before making its recommendations for consideration by the Government.

Indirect tax

- We estimate that the M&E sector generated around INR400 billion in GST and digital levies in 2024
- There have been certain welcome developments on the indirect taxation side for the M&E sector in 2024
- While the 28% GST on the stake value for the online gaming sector continues, certain clarifications issued by the GST authorities are likely to be favorable for other sub-sectors such as digital, broadcast, film and advertisement. The recent change in taxability of sponsorship services is a welcome change, especially for the event and sports sectors
- At the same time, a new cess in the state of Karnataka could have an adverse impact on these sectors

Online gaming: Increase in tax collections

- GST rate on online gaming was increased to 28% effective 1 October 2023 on total amount paid or deposited with supplier
- Tax collections from the sector have grown significantly, as stated in the report submitted to the GST Council by the Group of Ministers. According to the Finance Minister, GST collections from online gaming increased by 412%, rising from INR13.5 billion in the six months before the GST rate change to INR69 billion in the six months after the rate change[14]
- However, the dispute on tax implications for the period prior to 1 October 2023 continues in the Honorable Supreme Court of India, and the lack of clarity around the same could restrict foreign and further investments into the segment

[12] https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2077608
[13] Need a holistic New Tax Code rooted in the philosophy of keeping it F.L.A.T. for a Vikshit Bharat, assert experts at Think Change Forum seminar
[14] GST on online gaming resulted in 412% more revenue in six months, netted 6,909 crore, says Finance Minister Sitharaman - The Economic Times

Clarifications impacting the M&E sector

I. GST rate of film distribution prior to Oct 21

- The industry had adopted a position of paying GST at 12% on the activity of film licensing and distribution based on the guidance in tax legislations. This rate of tax adopted by the industry was disputed by the GST authorities in several cases
- This dispute has been settled by regularizing payment of GST by taxpayers at 12% on an 'as-is-where-is' basis, thereby providing a relief to the film sector[15]
- This should reduce the tax exposure on the film segment, which had arisen due to this dispute

II. Clarifications on advertising services

Advertising agency/ company may not be an 'intermediary'

- GST legislation restricts benefits of zero-rating of services provided to foreign service recipients if the services are considered to be provided by an 'intermediary'. Accordingly, if a service provider qualifies as 'intermediary', its services do not qualify as zero rated and, hence, the service providers are liable to deposit GST, generally at a rate of 18%
- In a circular[16] issued by the GST authorities, certain scenarios have been covered for advertising services which should provide clarity to advertising service providers
- The circular covers a scenario where foreign clients enter into comprehensive agreement with advertising companies/ agencies in India and outsource advertising services, and another where advertising companies/ agencies enter into agreements with media owners for implementing media plans and procuring media space. The circular considers that the advertising agency enters into two agreements:
  - With a client outside India for providing a one-stop solution, raising an invoice to the client, and receiving payment in foreign exchange
  - With a media company to procure media space for displaying the advertisement and monitoring campaign progress, where the media company bills the advertising agency, and the advertising agency makes the payment to the media company
- In such a case, the circular clarifies that, the agreement is in the nature of two distinct principal-to-principal supplies and no agreement of supply of services exists between the media company and the foreign client. The circular clarifies that advertising company, in such case, does not qualify as an intermediary
- This clarification should provide clarity on availability of zero-rating benefits to advertising services to clients outside India

Whether representative of foreign client in India or target audience in India can be considered as a 'recipient'

- The circular suggests that a foreign client is liable to pay consideration to an advertising company for advertising and not consumers or target audiences that watch advertisements in India
- Further, the circular mentions that even if a representative of a foreign client based in India (including a subsidiary or a related person) is interacting with as advertising company on behalf of the foreign client, said representative cannot be considered as a recipient of the service, if agreement is between foreign client and advertising company, invoice is issued to foreign client and payment is received directly from foreign client. The target audience cannot be considered a recipient of services
- Therefore, it has been clarified that the recipient of advertising services provided in such cases is the foreign client and not its Indian representative or the target audience
- This clarification should provide relief to service providers providing services to overseas clients and help them claim the benefits of zero-rating subject to other conditions being met

[15]Circular No. 234/28/2024-GST dated 11 October 2024.
[16]Circular No. 230/24/2024-GST dated 10 September 2024.

III. Waiver of interest and penalty for period of 2017-18 to 2019-20

- A new provision has been introduced under the CGST Act (section 128A) to provide for the waiver of interest and penalty relating to demands of GST pertaining to financial years 2017-18, 2018-19 and 2019-20. The provision has come into effect from 1 November 2024
- A few important aspects of the waiver are mentioned below:
  - Waiver shall be for cases which are covered under section 73 of GST Act (i.e., cases of tax disputes for reason other than of fraud or any willful-misstatement or suppression of facts)
  - Payment of tax under dispute has to be made by 31 March 2025
  - If a taxpayer has already filed appeals against any matters for which waiver is to be applied, such appeals shall be withdrawn to become eligible for the waiver
- The new GST provision could be a welcome move for taxpayers to settle disputes for the initial three years of GST without any interest/ penal consequences

Sponsorship services by body corporate brought under Forward Charge Mechanism

- While most services provided in the M&E sector are liable to GST in the hands of the supplier, sponsorship services were previously liable to GST in the hands of the sponsor under the reverse charge mechanism
- With limited clarity on what constitutes 'sponsorship' under GST legislation, there was confusion on who should be liable to pay GST on sponsorship revenues earned, especially in the events and sports sectors. Additionally, where the GST was paid by the sponsor under reverse charge mechanism, the supplier was required to write off certain GST input tax credits resulting in additional cost to the business
- Recently, the GST legislation was amended (via Notification 07/2025 - Central Tax (Rate) dated 16 January 2025) to now levy GST on sponsorship services provided by body corporates in the hands of the body corporates themselves. This should reduce confusion and remove additional costs for body corporates engaged in sponsorship

Introduction of cine welfare cess in Karnataka of up to 2%

- The state of Karnataka has passed a legislation to levy a cess in the range of 1% to 2% on cinema tickets, subscription fees and all revenue generated from specific establishments in the state
- The cess shall come into effect from a date to be notified
- The Act introducing the cess shall provide social security to cine and cultural activists by constituting a Welfare Board, thereby promoting their welfare in the state
- Once effective, the cess is likely to have an impact on all major M&E segments, especially filmed entertainment, TV and digital

Regulatory updates

Compiled by Khaitan & Co.

Some of the key regulatory updates for the year, along with their impact on media companies operating in India, are summarized in the table.

#	Regulatory and legal developments	Impact
Content		
1	**Cinematograph (Certification) Rules, 2024** The Ministry of Information and Broadcasting (MIB) notified the Cinematograph (Certification) Rules, 2024 (Certification Rules 2024) on 15 March 2024, in supersession of the Cinematograph (Certification) Rules, 1983. The Certification Rules 2024 primarily address the certification of theatrical films by the Central Board of Film Certification (CBFC). The earlier rating framework included four categories, viz., U (Unrestricted public exhibition), UA (Unrestricted public exhibition, but with parental guidance for children under 12), A (Restricted to adult audiences) and S (Restricted to specialized audiences, such as doctors or scientists). The Cinematograph (Amendment) Act 2023 introduced and the Certification Rules 2024 have implemented several new certification categories within the UA for different age groups (i.e., UA 7+, UA 13+ and UA 16+). The Certification Rules 2024 mark a mandatory shift towards online applications with the CBFC, for certification of films on the e-cinepramaan portal. This portal was launched in 2017. However, with these rules, paper-based filing process has been phased out.	The changes in the certification system under the Certification Rules 2024 were long pending. The Shyam Benegal Committee, in as early as April 2016, had also proposed introduction of further certification categories. The increased stratification of certification categories provides for better consumer choices and protections for vulnerable minors. This change will require that all films for theatrical exhibition be classified accordingly. Mandatory digital submissions will also encourage technology adoption, pushing the film industry toward practices that support faster, transparent, and traceable processes.
2	**Cinematograph (Adjudication of Penalty) Rules, 2024** MIB notified the Cinematograph (Adjudication of Penalty) Rules, 2024 (Cinematograph Adjudication Rules 2024) providing detailed procedures for handling violations under the Cinematograph Act, 1952 which regulate theatrical exhibition of films. The Cinematograph Adjudication Rules 2024 cover instances such as unauthorized film exhibition, non-compliance with certification norms, and breaches of CBFC guidelines. Penalties under the Cinematograph Adjudication Rules 2024 are determined based on the severity of the violation, potential harm caused, and whether the infringement was intentional or repeated. The Cinematograph Adjudication Rules 2024 also introduces an appellate mechanism, allowing aggrieved parties to challenge the orders before a higher authority.	The Cinematograph Adjudication Rules 2024 are expected to ensure stricter compliance with film certification norms. By formalizing the adjudication process, the Cinematograph Adjudication Rules 2024 seeks to promote transparency and increase accountability, especially concerning unauthorized exhibitions and content breaches, and overall moving towards higher balancing between regulatory oversight and creative freedom.
3	**MIB issues advisory to OTT platforms in relation to depiction of drug use** In December 2024, the MIB issued an advisory to OTT platforms against the glamourization of drug use and its impact on impressionable viewers. The advisory emphasized that content featuring misuse of substances like drugs, alcohol, tobacco, or dangerous behavior should be rated for mature audiences. The advisory reiterated to platforms that substances like cannabis, coca are prohibited under the Narcotic Drugs and Psychotropic Substances Act, 1985 (NDPS Act), and glamorising their use could constitute abetment, punishable under the law. OTT platforms were directed to ensure proper content classification, include appropriate content descriptors, warnings and disclaimers, and encourage creation of content that educates viewers about the dangers of substance abuse.	OTT platforms will need to ensure that all content, including library content, complies with this requirement before being used. The advisory comes amidst discussions in relation to the need for regulation of OTT platforms and portrayal of themes such as violence, nudity, drug use, etc. The advisory's reference to potential action against OTT platforms under the NDPS Act for abetment of drug consumption raised some concerns, as it may require and lead to a more conservative approach by OTT platforms on curating content.

#	Regulatory and legal developments	Impact
4	**Supreme Court lays down guidelines for portrayal of persons with disabilities** In the case of Nipun Malhotra v. Sony Pictures Films India Private Limited, the Supreme Court of India issued guidelines in relation to the portrayal of persons with disabilities in visual media. The Court held that freedom of speech and expression does not permit filmmakers to stereotype, misrepresent or ridicule people with disabilities. It emphasized that such portrayal should be assessed based on the film's overall message, balancing freedom of speech with the rights of persons with disabilities. Key takeaways from the guidelines include ensuring that portrayals consider the social context of disabilities without further marginalization, avoiding language that perpetuates stereotypes, avoiding misleading depictions of medical conditions.	The guidelines are a positive step toward fostering diversity and inclusion. However, it is unclear how the Supreme Court's guidelines will be implemented and what will be the consequences for non-compliance, if any. There will be a need to update the S&P procedures to ensure portrayals of persons with disabilities are aligned to law.
Digital Media		
5	**Action taken by the MIB against 18 OTT platforms for obscene content** The MIB announced on 12 March 2024[1] that it had blocked 18 OTT platforms and 57 associated social media accounts, for distributing obscene and pornographic content. Some of these platforms had significant reach, with one having over 10 million downloads and two others exceeding 5 million downloads in the Google Play Store. Collectively, their social media accounts had more than 3.2 million followers. In its press release, the MIB stated that the content hosted on these platforms was obscene, vulgar, and demeaning to women, containing sexually explicit and pornographic scenes which were "devoid of any thematic or societal relevance". This comes in the overall context of the government's concerns about regulating unlawful content on digital media. In fact, in December 2024, the Parliamentary Standing Committee on Communication and Information Technology, questioned the MIB on the adequacy of the existing legal framework for addressing the issue of obscene content on OTT platforms and steps taken to curb the spread of content on social media that was "anti-Indian and anti-Indian family values". The government has indicated a need to strengthen existing legal framework to deal with the issue of obscene and vulgar content on social media. In this regard, the MIB also received a letter from the National Commission for Protection of Child Rights (NCPCR) in September 2024, urging it to ensure that OTT platforms also include mandatory disclaimers in English, Hindi and regional languages to warn viewers that they could face charges under the Protection of Children from Sexual Offences (POCSO) Act if they allow children to view adult content on the OTT platforms.	The MIB has been working closely with OTT platforms and their self-regulatory bodies under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (IT Rules) to encourage responsible content distribution and promote a safer digital environment. Measures such as blocking platforms highlight a move towards regulating digital content to prevent the spread of objectionable material and to create a safer online environment. MIB's move also aligns with a growing global emphasis on balancing content freedom with the protection of minors in the digital age and marks a significant step toward creating a safer digital environment for vulnerable audiences, especially children. That said, the interpretation of terms like "obscenity," especially in the context of "Indian values," remains subjective and open to debate. As the regulatory framework evolves, its implementation will need to strike a balance between fostering responsible content consumption and preserving creative freedom, ensuring it avoids unintended constraints on artistic expression. Platforms will need to ensure agreements with licensors and production houses require compliance with content regulations and put in place a process for identification of non-compliant content. This should also extend to terms of use or license agreements with users that allow users to upload content on platforms.

[1]Press Release: Press Information Bureau

#	Regulatory and legal developments	Impact
6	**Provisions on Fact Checking Unit under the IT Rules struck down by the Bombay High Court** The Bombay High Court, responding to a petition by comedian Kunal Kamra, struck down parts of the IT Rules that allowed the Ministry of Electronics and Information Technology (MeitY) to set up a fact-checking unit (FCU). The FCU could flag and demand the removal of digital content about the government it deemed false or misleading. Introduced in April 2023, via the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules 2023, the provisions gave the FCU significant power but did not include judicial oversight, sparking fears of suppressing criticism of the Government and creating a chilling effect on free expression. The provisions were challenged for violating free speech and lacking clear standards, raising concerns about potential misuse and arbitrary censorship.	The IT Rules have faced significant legal scrutiny since their introduction, with multiple petitions challenging their constitutional validity, pending before various High Courts. On 23 March 2024, the Supreme Court consolidated these petitions, including those against the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules 2023, and transferred them to the Delhi High Court for adjudication. A key concern raised in these challenges is the potential for misuse of the IT Rules. In this context, the Bombay High Court's ruling is likely to hold persuasive value as the Delhi High Court addresses the constitutional questions involved.
7	**SEBI's regulation of collaboration between finfluencers and entities regulated by SEBI** ■ **Requirement for registration of finfluencers with SEBI:** In August 2024, SEBI notified amendments to the SEBI (Intermediaries) Regulations, 2008, the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and the SEBI (Depositories and Participants) Regulations, 2018. Through these amendments SEBI has restricted any direct or indirect association between entities regulated by SEBI and any persons who: (i) offer advice or recommendations on securities, or (ii) make claims on performance or returns of securities, unless such persons are registered with or permitted by SEBI to offer such advice. An exception is made for associations through a Specified Digital Platform (SDP), which are SEBI-recognized digital platforms. ■ **SEBI's draft circular recognition as an SDP:** SEBI released a Consultation Paper on 22 October 2024[2], seeking recommendations on a framework for recognition of SDPs to serve as intermediaries through which SEBI regulated entities can collaborate with finfluencers. The proposed framework requires SDPs to implement robust preventive and curative measures to address violations. Additionally, SDPs are expected to use AI and ML tools to monitor content and advertisements related to the securities market.	The rise of finfluencers on social media has increased financial literacy and market participation, but also increased the risk of misinformation and exploitation of vulnerable investors. Formalizing a framework for collaboration between SEBI regulated entities and finfluencers may bring about greater transparency and accountability in financial content dissemination and reduce the risk of investors being misled. Media companies – particularly news providers – working with or using content created by finfluencers, will need to update policies and processes to ensure compliance with these regulations, including the implementation of preventive and curative measures to address violations.

[2]SEBI \| Consultation Paper on recognition as specified digital platform Click here to provide your comments

<table>
<tr><th>#</th><th>Regulatory and legal developments</th><th>Impact</th></tr>
<tr><td colspan="3">Broadcasting</td></tr>
<tr><td>8</td><td>Amendments to the Television Broadcasting Regulations

■ Telecommunication (Broadcasting and Cable) Services (Eighth) (Addressable Systems) Tariff (Fourth Amendment) Order, 2024 (1 of 2024)

This amendment revises the pricing framework for addressable broadcasting and cable services in India, specifically through removal of the cap on Network Capacity Fee (NCF), allowing distribution platform operators (DPOs) to set differential charges and increasing the permissible discount on channel bouquets from 15% to 45%. It aims to balance consumer affordability with industry sustainability by setting maximum retail prices for television channels and channel bundles. The new tariff order introduces simplified channel selection options, allowing consumers greater control over their subscriptions while ensuring transparency in pricing. It also includes measures to curb excessive pricing and promote fair competition among broadcasters and DPOs, requiring pay channels offered free on public DTH platforms to be free-to-air on all platforms.

■ Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) (Sixth Amendment) Regulations, 2024 (4 of 2024)

The sixth amendment to the interconnection regulations refines the framework governing agreements between broadcasters, multi-system operators (MSOs), and direct-to-home (DTH) service providers. To encourage transmission of high-definition content, distinction between HD and SD channels has been removed for the purpose of carriage fee. The carriage fee regime has been simplified and made technology neutral by prescribing only single ceiling for carriage fee, thereby, providing the DPOs with the option to charge a lesser carriage fee as deemed appropriate. It emphasizes the timely execution of interconnection agreements and enforces stricter compliance requirements for all stakeholders.

■ Telecommunication (Broadcasting and Cable) Services Standards of Quality of Service and Consumer Protection (Addressable Systems) (Fourth Amendment) Regulations, 2024 (3 of 2024)

This amendment focuses on enhancing service quality and protecting consumer rights in the broadcasting and cable sector and removes the uniform charges for services related to installation, activation, visiting, relocation and temporary suspension, allowing differential charges for these services. Key provisions include mandatory service benchmarks, customer grievance redressal mechanisms, and stricter quality monitoring protocols. Service providers are required to offer transparent billing and uninterrupted service delivery, ensuring a consistent and consumer-friendly experience. DPOs are now required to display the maximum retail price (MRP) of each pay channel available on its platform in the Electronic Programme Guide (EPG), with the option to display the distributor retail price (DRP) for subscribers to clearly distinguish between the two prices.

The above amendments also provide for financial disincentives for contraventions of their provisions, fostering a consumer-centric industry environment.</td><td>The 2024 amendments to India's broadcasting and cable regulations reshape the industry by enforcing pricing, interconnection, and service quality standards.

The revised Tariff Order caps channel prices, ensuring affordability and transparency while promoting fair competition. The flexibilities provided on discounting and NCF can be used by the DPOs to increase their reach.

The amendments to the Interconnection Regulations refine revenue-sharing rules and carriage fees, streamlining agreements among broadcasters and DPOs. The Interconnection Regulations simplify the offerings of the service providers to the consumers and promote the availability of high-quality channels and provides DPOs with the option to negotiate and charge lower fees based on market dynamics and their agreements with broadcasters. Streamlining the contracting process can help invoice more accurately in a timely manner.

The amendment to the Quality of Service Regulations mandate service benchmarks, better customer grievance systems, and transparent billing, emphasising the need to safeguard consumer interests and holding service providers accountable. This will require DPOs to re-look at their processes and track customer experience KPIs.

Collectively, these amendments aim to balance market competitiveness with consumer rights. They reduce inefficiencies, enhance affordability, and ensure better service delivery.</td></tr>
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#	Regulatory and legal developments	Impact
9	**Amendment to the Cable Television Networks Rules, 1994** The MIB issued a notification on 17 January 2025, amending the Cable Television Networks Rules, 1994, to introduce a streamlined online registration process for LCOs. This new system allows LCOs to apply for new registrations or renew existing ones online, through the Broadcast Seva Portal, thereby eliminating the need for manual paperwork. Upon successful verification of the applicant's details online, the applicant is issued the registration/ renewal certificate on a real-time basis.	This amendment significantly improves the ease of doing business for LCOs by simplifying and digitizing the registration process. The transition to an online system reduces bureaucratic hurdles, minimizes delays, and ensures greater transparency in approvals.
Music		
10	**Enforcement of copyright by Novex and PPL** In January 2024, the Bombay High Court ruled in Novex Communications Private Limited v. Trade Wings Hotels Limited, that entities like Phonographic Performance Ltd. (PPL) and Novex Communications Pvt. Ltd. (Novex) can pursue legal action against copyright infringement without being registered as copyright societies under the Indian Copyright Act, 1957. The Bombay High Court noted that PPL and Novex, as assignees of copyrights, have the right to grant licenses and seek remedies against unauthorized use of their musical works. This ruling clarifies that ownership rights include the authority to license and enforce copyrights.	The Bombay High Court's clarification significantly impacts the music licensing landscape in India, amidst previous conflicting interpretations on whether entities such as Novex and PPL could issue licenses and enforce copyright, despite not being registered as copyright societies. This will create clarity for various stakeholders in the industry and enable a streamlined licensing system.
Radio		
11	**Consultation Paper[3] on Digital Radio Broadcast policy for private radio broadcasters** TRAI released a consultation paper on developing a Digital Radio Broadcast Policy for private radio broadcasters. This initiative aims to transition radio broadcasting in India from analog to digital, enhancing audio quality and spectrum efficiency[4]. Currently, private radio broadcasters operate solely in the FM band (88-108 MHz), while All India Radio (AIR) utilizes Medium Wave (MW), Short Wave (SW), and FM bands. AIR has already digitized 38 of its analog MW and SW transmitters and conducted digital trials in the FM band, but private radio broadcasters are yet to commence FM band digitization. TRAI's consultation paper invited inputs from stakeholders to create a comprehensive digital radio broadcasting ecosystem.	The shift to digital radio broadcasting offers several advantages, including the ability to broadcast multiple channels on a single frequency, superior audio quality, and the potential for value-added services. This transition promises new opportunities for radio broadcasters and better listening experience for audiences. Broadcasters will need to determine a manner for the transition which will not impact their reach and revenues.

[3] CP_30092024.pdf
[4] Press Release: Press Information Bureau

#	Regulatory and legal developments	Impact
Print		
12	**Enactment of the Press and Registration of Periodicals Act 2023** The Press and Registration of Periodicals Act 2023 (PRP Act) effective from 1 March 2024, replaces the Press and Registration of Books Act 1867 (Old Act), regulating newspapers and periodicals while excluding books and scientific, technical and academic journals. The Press Registrar General of India (Press Registrar) oversees the registration of periodicals, compliance with the PRP Act, and adjudicates non-compliance. The PRP Act introduced online registration through the 'Press Sewa Portal'. Publishers are also required to submit annual statements and seek prior approval for transfer of ownership of the periodical or changes in the shareholding pattern of the publisher. Facsimile editions of foreign newspapers and periodicals require Central Government approval and a certificate of registration from the Press Registrar for publishing in India. As a step towards decriminalization of offences, the PRP Act mandates that imprisonment be imposed only as a final measure if an individual violates the Act and subsequently fails to comply with a Press Registrar's order for a period exceeding six months.	The PRP Act introduces significant changes to the regulatory framework for newspapers and periodicals in India. While the shift to online registration and the decriminalization of offences are positive steps towards modernization and reduced legal risks, the requirements for annual statements, prior approvals for ownership changes, and government approvals for foreign facsimile editions add layers of compliance that businesses must navigate carefully. Publishers will need to adapt to these new regulations, ensuring that they allocate adequate resources for compliance and strategic planning to mitigate potential impacts on their operations and growth.
VFX and animation		
13	**Centre of Excellence for Animation, Visual Effects, Gaming, Comics and Extended Reality** In its press release dated 29 September 2024[5], the Union Government announced the establishment of a National Centre of Excellence (NCoE) for Animation, Visual Effects, Gaming, Comics and Extended Reality (AVGC-XR) in Mumbai. The NCoE has been established with the FICCI and Confederation of Indian Industry. The NCoE will focus on creating Indian IP, leveraging our cultural heritage. It is intended to be an industry led initiative with focus on education, skilling industry, development, and innovation.	As per the press release, the NCoE for AVGC-XR is being set up with an aim to train talent and create 500,000 jobs in the AVGC-XR sector. Increasing number of Indian and international films today rely on high quality VFX. This, along with the boom gaming and animation industry, has created a demand in the AVGC-XR industry. The NCoE is expected to leverage this growing demand and enable a multiplier effect across the value chain in this sector.
Advertising		
14	**Self-declaration for advertisers** In May 2024, the Supreme Court of India, in the case of *Indian Medical Association v. Union of India*, addressed concerns over misleading advertisements in the health sector. The Court mandated that all advertisers and advertising agencies should submit a Self-Declaration Certificate (SDC) before publishing or broadcasting any advertisement across television, radio, print, or digital media, affirming that it: (a) does not make any misleading claims; and (b) complies with all applicable laws. The SDC is required to be uploaded to portals operated by the PCI and the MIB. The MIB subsequently released an advisory in July 2024, directing food and health sector advertisers to upload an annual SDC, declaring that the advertisement is not misleading and complies with the regulatory framework.	The annual SDC requirement acts as a check to ensure that any advertisement which has been published complies with all applicable laws. While the MIB clarified that the requirement applies only to food and health advertisers, there is limited clarity on whether this will extend to all stakeholders in the sector (i.e., manufacturers, distributors and retailers). There are also concerns regarding the practicality and effective implementation of these guidelines, particularly for digital advertisements, which sometimes cannot be distinguished from general content. Media companies will need to ensure their classification of impacted brands is accurate and that the SDC is in place for relevant brands, and that controls are put in place for programmatic digital ads as well.

[5]Press Note Details: Press Information Bureau

#	Regulatory and legal developments	Impact
15	**Guidelines for preventing misleading ads in the coaching sector** The Central Consumer Protection Authority (CCPA) issued the Guidelines for Prevention of Misleading Advertisements in the Coaching Sector 2024 (Coaching Guidelines) to combat false claims by coaching institutes. The Coaching Guidelines apply to commercial coaching centers with over 50 students, individual teachers, and exclude creative fields like sports and arts. The widely worded definition of 'coaching' may also extend their applicability to schools and colleges. The Coaching Guidelines prohibit false claims about courses, faculty credentials, fees, success rates, job success and implying false popularity, while requiring clear disclosure in advertisements about ranks, course details, fees, and recognition by authorities like UGC and AICTE. After the announcement of results, consent of students is required to be taken prior to publication of their name and testimonial for such advertisements. Non-compliance with the Coaching Guidelines could be penalized with fine up to INR1,000,000, modification/ removal of advertisements, and imprisonment for up to two years. Endorsers may also face a ban for up to three years.	ASCI had previously released similar guidelines for advertising in this sector however, CCPA's guidelines could add more teeth to the regulation of this sector and ease enforcement. The Coaching Guidelines are a positive step towards protecting young students from misleading advertisements. As with other advertising norms, the Coaching Guidelines also extend to endorsers. This will create an additional degree of compliance for endorsers who will be required to conduct due diligence and ensure they have adequate representations from coaching centers in relation to the claims made in advertisements. Media companies carrying such ads will need to ensure that their S&P processes are adequate to ensure compliance.
16	**CCPA introduces Greenwashing Guidelines** Increased awareness of sustainability and climate change has led to a rise in misleading advertisements claiming products or services as being environmentally friendly. To address this, the CCPA issued the Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims (Greenwashing Guidelines). Greenwashing refers to deceptive practices that conceal or downplay environmental harm or make exaggerated environmental claims. The Greenwashing Guidelines specify that all claims should be verifiable and avoid generic language. Comparisons must be fair and meaningful, while imagery without proper substantiation should be avoided. Endorsements should come exclusively from credible environmental organizations. Non-compliance with the Greenwashing Guidelines may be penalized with a fine up to INR1,000,000, modification/ removal of advertisements, and imprisonment for up to two years. Endorsers may also face a ban for up to three years.	The Greenwashing Guidelines follow the Supreme Court's proactive stance on regulating misleading advertisements to protect consumers from false claims, as seen in *Indian Medical Association v. Union of India* (see para above). The introduction of the Greenwashing Guidelines ensures that environmental claims in advertisements are accurate and trustworthy. Advertisers (and therefore also media owners) will have to be vigilant and ensure that environment and sustainability claims can be substantiated by sufficient evidence.
17	**Advisory issued by ASCI to LinkedIn Influencers** The ASCI issued an advisory on 14 January 2025 directed towards LinkedIn influencers, emphasizing the necessity to disclose any material connections with the products, services, or advertisers being promoted by them on the social media platform 'LinkedIn'. The advisory notes that LinkedIn influencers, being industry experts, are perceived as trusted voices within their professional networks. Therefore, LinkedIn influencers have a responsibility to maintain transparency among their audience through proper disclosures and failure to do so not only results in misleading the followers but also diminishes the integrity of LinkedIn as a platform for genuine professional engagement and knowledge sharing. In the event of non-compliance, ASCI may publish the influencer's name in a list of non-compliant influencers. Repeated violations may result in ASCI notifying regulatory authorities.	Advertisers should set up internal systems and safeguards to ensure that LinkedIn influencers engaged by them disclose material connections.

#	Regulatory and legal developments	Impact
Online gaming		
18	**CCI orders probe against Google for Play Store's anti-competitive practices** Winzo Games Private Limited has filed a petition against Google with the Competition Commission of India (CCI), alleging anti-competitive practices on the Google Play Store. The petition claims that Google's developer distribution agreement and developer program policies are one-sided and that the Play Store unfairly restricts hosting of real money games other than Rummy and daily fantasy sports. The petition also claims that Google issues disclaimers to users at the time of downloading the Winzo app and making payments to Winzo, without such disclaimers being mandated by law. Winzo argued that this takes away the level playing field for all real-money games of skill. The CCI, identifying potential antitrust violation of Google, instructed the Directorate General to submit a detailed report within 60 days. Google stated that the distinction between game of skill and game of chance is factual and while some states permit real-money games of skill, certain others like Telangana and Kerala prohibit all real-money games.	This case reflects the fragmented regulatory framework governing online games. In the absence of clarity on legality of certain games, platforms such as Google Play Store resort to pre-emptive action to avoid a breach of laws. While the CCI investigation is underway, from a gaming law standpoint, this case also highlights the need for clarity on the distinction between games of skill and games of chance along with clarity on the laws governing such games.
19	**SEBI cracks down on unauthorized gaming and trading platforms** Platforms like Investro, TradingLeagues, and Trinkerr, which host stock price-based fantasy games and paper trading, have gained popularity but have also created concerns about investor protection. In May 2024, SEBI issued an advisory prohibiting market infrastructure institutions (such as stock exchanges) and intermediaries from sharing real-time stock price data with third parties, except for regulatory purposes. In November 2024, SEBI issued another advisory warning investors against using unauthorized platforms offering virtual trading, paper trading, or stock price-based fantasy games. SEBI highlighted that such activities violate the Securities Contract (Regulation) Act 1956 and the SEBI Act 1992.	Games based on real time stock prices were largely unregulated, with no protection to users that participated in these games. The advisories issued by SEBI have practically rendered stock price-based fantasy games unviable, by taking away the core appeal of making real-time market data available. Market infrastructure institutions need to ensure their policies and processes restrict dissemination of real-time stock price data.
20	**Tamil Nadu Online Gaming Authority (TNOGA) introduced new regulations for online real money games** On 12 February 2025, TNOGA introduced the Tamil Nadu Online Gaming Authority (Real Money Games) Regulations 2025 (TNOGA Regulations 2025) in exercise of powers conferred to it under the Tamil Nadu Prohibition of Online Gambling and Regulation of Online Games Act, 2022. The TNOGA Regulations 2025 include comprehensive safeguards aimed at tightening oversight of online real-money gaming platforms and include the following key provisions: ▪ **Age Restrictions:** minors (under the age of 18) are prohibited from participating online real-money games ▪ **Mandatory KYC and Aadhaar Verification:** know-your-customer (KYC) verification is mandatory during account registration along with an Aadhaar-based KYC verification during the initial login of the player on the gaming platform ▪ **Restricted Gaming Hours:** access to the gaming platform is prohibited between midnight and 5 AM, enforcing 'blank hours' to discourage excessive gaming	The TNOGA Regulations 2025 prioritize user welfare by addressing concerns related to gaming addiction and financial risks. By enforcing age restrictions and mandatory KYC procedures, the TNOGA Regulations 2025 aim to protect minors and ensure that only verified individuals engage in real-money gaming. The introduction of 'blank hours' and spending limits further underscore the commitment to fostering responsible gaming habits. However, the TNOGA Regulations 2025 also present certain challenges such as: (i) potential operational hurdles in the enforcement of restricted gaming hours and the mandatory use of Aadhaar for verification, and (ii) restrictive provisions that may potentially negatively impact the user experience on gaming platforms. These updates highlight the need for balance between regulation and innovation, so that excessive regulatory controls do not stifle the growth of the gaming industry.

#	Regulatory and legal developments	Impact
	■ **Cautionary Messages:** gaming platforms are required to implement cautionary pop-up notifications after one hour of continuous gameplay and every 30 minutes thereafter, informing players of their total time spent gaming. Additionally, gaming platforms are also required to display a prominent message cautioning players of the addictive nature of online gaming on their login page ■ **Spending Limits:** gaming platforms are required to provide players the option to set daily, weekly, and monthly monetary limits and provide alerts indicating the player's monthly limit and amount spent	
Artificial intelligence		
21	**Advisories issued by MeitY pertaining to AI** MeitY issued advisories on 1 March 2024[1] and on 15 March 2024[7] (AI Advisory), requiring platforms to ensure that any AI models deployed by them do not permit users to upload or publish any unlawful content or allow any bias or discrimination or threaten the integrity of electoral process. The AI Advisory required platforms to label AI derived content and warn users of the fallibility of AI output through a 'consent pop-up'. Platforms offering features allowing creation or modification of content that can be used to spread misinformation or deepfakes are advised to label or embed such information with metadata identifying it as being computer-generated and disclosing the first originator of such content.	MeitY's advisories serve as an interim step toward AI governance in India, reflecting a balanced approach of fostering innovation while ensuring transparency and accountability. Platforms will need to ensure that the AI models used by them are bias-free and do not operate using unauthorized content. They would also be required to implement checks around deepfakes, especially where their AI tools allow creation and dissemination of user-generated content.
22	**Judicial updates** ■ *ANI Media Private Limited v. OpenAI Inc*[8] ANI has filed a suit against OpenAI before the Delhi High Court, alleging that OpenAI has infringed its copyrighted content by using it to train its AI chatbot 'ChatGPT'. ANI has also claimed that ChatGPT has incorrectly attributed false information to ANI in its outputs, damaging ANI's reputation and contributing to the spread of misinformation. In response, OpenAI has claimed that its use falls under fair use as per the Copyright Act, 1957. The Delhi High Court will consider whether using copyrighted content as training data for AI amounts to copyright infringement, and whether such use could be claimed as fair use. ■ *Petitions filed by Chaitanya Rohilla and Rajat Sharma on regulation of deepfakes in India*[9] Rajat Sharma, editor of India TV, and Advocate Chaitanya Rohilla filed writ petitions before the Delhi High Court for misuse of deepfake technology. In response, a Division Bench of the Delhi High Court has directed the Government to form a committee to consider a statutory framework for regulation of deepfake technology and to confer with stakeholders in this regard. ■ *Arijit Singh v. Codible Ventures LLP*[10]	The committee formed by MeitY to address concerns on deepfake technology (Deepfake Committee) is expected to submit its findings to the Delhi High Court in March 2025. With the increase in AI-related litigations and the upcoming hearings of these cases in early 2025, India's legal landscape on AI regulation is poised for significant developments, particularly towards prevention of misuse of AI and deepfake technologies through new legal frameworks and precedents for responsible AI governance. Media companies using AI technologies from third-party vendors need to test their compliance with these judicial updates and regulatory usage guidelines, particularly, their policies and procedures on the datasets that the AI models are trained on.

[6]Advisory_MeitY_01Mar2024 final
[7]Advisory 15March 2024.pdf
[8]Microsoft Word - _final_ 19112024-45 Item 39 - ChatGpt- URGENT
[9]Microsoft Word - item 17 & 18
[10]generatenewauth.php

#	Regulatory and legal developments	Impact
	Singer Arijit Singh filed a petition in the Bombay High Court for protection against unauthorized cloning of his voice through AI technology and commercial use of his attributes. The defendants in this case used AI tools to convert sound recordings into Singh's voice, used deepfake videos of him, sold merchandise with his name/images, shared GIFs containing short videos of him, and falsely represented association with the singer, all without his consent. The Court noted that these actions capitalized on Singh's goodwill and exploited his attributes without a license for economic gain, infringing on his personality rights, moral rights and privacy right. The Court recognized that using AI tools to replicate his voice violated his personality rights and granted interim relief by restraining several platforms from exploiting his voice and attributes. ▪ *PIL filed before the Delhi High Court on unauthorized use of artists' original content by AI*[11] A public interest litigation (PIL) has been filed before the Delhi High Court by model Kanchan Nagar, photographer Vikas Saboo and the company Mash Audio Visuals Private Limited, seeking judicial intervention over the rising instances of unauthorized use of original artistic works as training data for AI as well as commercial use of AI-generated artistic works created using original artistic works without permission. The PIL has sought amendments to the Copyright Act, 1957 and the IT Act.	
23	**Advisory issued by the Indian Computer Emergency Response Team (CERT-In) on the issue of deepfakes** CERT-In issued an advisory dated 27 November 2024 (CERT-In Advisory)[12] addressing risks associated with deepfake technology, and strategies for detecting and preventing deepfakes. The CERT-In Advisory highlights measures for individuals such as verifying sources, cross-referencing information, limiting sharing of personal data, using privacy settings on social media, and use of multi-factor authentication. For organizations, the CERT-In Advisory recommends strategies like embedding digital watermarks, implementing verification protocols, advanced detection tools, and regular security audits.	Currently, India lacks a specific legislation targeting deepfakes, relying on provisions under the IT Act. A more comprehensive regulatory approach may develop once the Deepfake Committee submits its findings to the Delhi High Court.
24	**The subcommittee on 'AI Governance and Guidelines Development' (AI Subcommittee) constituted by MeitY released a report for public consultation (AI Report)** The AI Subcommittee in the AI Report has identified key gaps in the existing AI governance framework and addressed challenges and concerns in relation to AI use such as bias, discrimination, privacy violations, intellectual property protection and lack of transparency. To tackle these issues, the AI Report recommends adopting a unified, whole-of-government approach to establish a comprehensive framework for the ethical and responsible development, deployment, and use of AI. Key measures proposed include: (i) establishing an Inter-Ministerial AI Coordination Committee to streamline AI governance, (ii) creating a Technical Secretariat to act as an advisory body and conduct risk assessments, (iii) building an AI incident database to monitor and document risks, (iv) promoting voluntary industry commitments through self-regulation, (v) leveraging technological tools like watermarking and content labelling, and (vi) integrating AI-specific provisions in the Digital India Act.	The proposed guidelines under the AI Report have the potential to reshape India's AI landscape by establishing ethical standards and providing regulatory clarity, thereby enhancing trust among stakeholders and elevating India's position in the global AI ecosystem. However, broad requirements may create challenges for smaller enterprises and start-ups that might lack the resources to implement these measures effectively. Therefore, stakeholders and industry should actively engage with government for policy formulation.

[11] PIL filed in Delhi High Court addressing unauthorized use of artistic works by AI | Asia IP; GetOrder.do
[12] Advisories

#	Regulatory and legal developments	Impact
Intellectual property		
25	**Personality rights:** ▪ *Jaikishan Kakubhai Saraf Alias Jackie Shroff v The Peppy Store* In May 2024, the Delhi High Court granted legal protection to actor Jackie Shroff against multiple defendants engaging in unauthorized activities such as making video compilations, creating content resembling his persona using AI tools, creating AI chatbots of him, and selling merchandise with his image and signature. While the Court granted ex-parte ad interim injunctions against all parties on the basis of his goodwill and reputation, it declined to grant interim relief against a defendant who created video compilations with photoshopped elements, recognizing spoofs as a legitimate genre of artistic expression. ▪ *Karan Johar v. Indiapride Advisory Pvt. Ltd.* In June 2024, the Bombay High Court granted an ad interim injunction restraining multiple defendants from unauthorized use of Karan Johar's name in relation to the film "Shadi Ke Director Karan Aur Johar" / "Shadi Ke Director Karan Johar". The Court held that the use of the word "director" with the name "Karan Johar" suggested that the defendants sought to create confusion in the minds of the public about association with Karan Johar, violating his personality and privacy rights. The defendants were restrained from using the name "Karan Johar" in the film or its promotion, and the release of the film was prohibited until Karan Johar's name in the film's title and related references were removed.	While personality rights are not codified under a legislation in India, the courts have consistently protected them. The cases of Jackie Shroff, Karan Johar and Arijit Singh (discussed above), highlight the evolving legal recognition of personality and privacy rights of celebrities in India, particularly in the digital age where AI-generated content and online promotions commercially exploit celebrity personas without authorisation. Collectively, these rulings underscore the judiciary's adaptive approach in safeguarding individual personality rights while considering the dynamics of free expression and creative enterprise in the digital age.
26	**Delhi High Court protects intellectual property in film title** In September 2024, the Delhi High Court issued an interim injunction restraining Super Cassettes Industries Limited (T-Series) from using the titles incorporating the word 'Aashiqui' for their proposed film. The plaintiff, Vishesh Films, and the defendant, T-Series having co-produced the films 'Aashiqui' (1990) and 'Aashiqui 2' (2013) are joint owners of all rights in these films. Vishesh Films holds registered trademarks of 'Aashiqui' and 'Aashiqui Ke Liye'. The Court affirmed the trademark protection enjoyed by the trademark "Aashiqui" and granted quia timet injunction relief in anticipation of loss and dilution caused to the "Aashiqui" brand by the potential release of the film with the title "Tu Hi Aashiqui Hain".	This ruling is significant, as it acknowledges the growing commercial significance of film titles in the modern context. With the rise of film franchises and series, film titles serve as a bridge between various film instalments. The Court emphasized the protection for these associations, built through sustained marketing effort and delivery of consistency in quality.
27	**Screenwriters Rights Association of India (SRAI) registered as a copyright society** In a significant development, SRAI has been registered as a copyright society under the Copyright Act, 1957, marking the culmination of a long-standing effort that began with its initial application before the Registrar of Copyrights in 2016. As a registered copyright society, SRAI intends to facilitate the collective management and distribution of royalties in works authored by screenwriters. The certificate of registration issued to SRAI permits it to commence operations as a copyright society in relation to 'dramatic works and literary works associated with dramatic works'.	SRAI being granted the status of a copyright society marks a significant step forward for screenwriters in India, addressing long-standing challenges in securing fair compensation for their creative contributions. With this institutional recognition, screenwriters now stand to benefit from a streamlined system for royalty collection, fostering a more equitable environment that promotes and protects their creative and financial interests. Broadcasters and digital platforms will also have to liaise with SRAI for effective licensing and royalty payouts.

#	Regulatory and legal developments	Impact
Data Privacy		
28	**Draft Digital Personal Data Protection Rules, 2025 released for public consultation** In January 2025, MeitY released the draft Digital Personal Data Protection Rules (Draft Rules) under the Digital Personal Data Protection Act 2023 (DPDPA) for public consultation. The Draft Rules outline proposed obligations for data fiduciaries that include: (i) providing clear notices to data principals with itemized list of personal data being collected, purpose of collection and the goods and services provided, (ii) implementing specific security measures such as data encryption, obfuscation, masking, and virtual token mapping, and (iii) informing the Data Protection Board of any data breaches within 72 hours of becoming aware of the breach. The Draft Rules also propose obligations for consent managers and significant data fiduciaries and include provisions for age and identity verification of guardians in relation to data of children and people with disabilities.	MeitY has urged stakeholders to start implementing necessary measures and ensure readiness for compliance with the DPDPA, rather than waiting for the Draft Rules to be officially notified. Since major media conglomerates, like social media and digital streaming platforms, are likely to be classified as significant social media intermediaries, they should engage with the government to share their feedback on the Draft Rules.

Tanu Banerjee

Partner, Khaitan & Co.

Personal data protection

India's DPDP Act

India's Digital Personal Data Protection Act (DPDPA) was passed in August 2023, and the M&E sector is preparing for compliance, even as it awaits the final official rules that will enforce the DPDPA. The Draft Digital Personal Data Protection Rules, 2025 were released on 3 January 2025 and were out for public consultation. The Rules shed light on how the Act will be operationalized. The impact of the draft Rules on M&E companies in combination with the Act has been elaborated below.

Sr no.	Requirements under the Act	Potential asks under the rules	Impact on M&E companies
1.	Consent manager - an independent data fiduciary registered with the board to enable the data principles to exercise their rights through a platform	Consent Manager to be an entity registered in India should not have any conflict of interest with data fiduciaries	M&E companies opting to obtain services will have to choose independent consent managers, incurring additional costs and efforts for integration with their internal systems
2.	Verifiable consent for children	Appropriate technical and organizational measures to be implemented to verify the identity and age of the parent prior processing personal data of children to ensure verifiable parental consent	M&E companies (for example, companies who collect children's personal data as part of reality shows, contests, quiz shows either online or offline, etc.) will have to define additional controls to identify if the Data Principal is a child and if it's a child, then have additional processes in place to verify the identity and age of the parent of that child
3.	Prohibition for tracking, behavioral monitoring	Healthcare institutions and service providers, education provider and childcare services are exempted	M&E companies such as OTT service providers and gaming platforms, who monitor behaviour of users below the age of 18 and perform targeted advertising or provide personalized recommendations to them, or cater in any manner to children as their target audience, will have to re-define their business model as they are prohibited to perform behavioral monitoring and targeted advertisement to children below the age of 18
4.	Personal data breach	Personal data breaches shall be reported to the Data Protection Board and to the Data Principal within 72 hrs of Data Fiduciary becoming aware of such data breach	▪ M&E companies will need to develop efficient detection and continuous monitoring systems to identify personal data breaches promptly ▪ Companies will need to invest in cyber resilience programs to manage the identification of affected individuals, and reporting to the data protection board and data principals within 72 hours
5.	Exemptions	Exemption of processing personal data for research, archiving or statistical purposes	News media agencies and live broadcasting companies may have to obtain consent during live broadcast, criminal investigations or for other such similar activities as it may lead to processing of personal data and, under the Rules, there is currently no exemption for journalistic purposes

Sr no.	Requirements under the Act	Potential asks under the rules	Impact on M&E companies
6.	Data deletion	Certain class of data fiduciaries such as online gaming, e-commerce companies and social media intermediary companies can retain personal Data for a duration of three years from the last online activity and provide a prior notice of 48 hours before deletion of personal data	▪ Online gaming companies or certain M&E companies who may qualify as e-commerce companies (as per Consumer Protection Act, 2019 (35 of 2019)) or social media intermediary companies (as per Information Technology Act, 2000) will have to deploy sophisticated tracking of last user activity and manage the retention period of three years ▪ Other M&E companies will have to identify the purpose of processing personal and define their own retention schedules in alignment with the purposes of processing
7.	Data processors	No compliance obligations or penalties directly on data processors	M&E companies, which often share personal data with third parties like artists, agencies, interactivity service providers and production houses, will need to ensure that these partners are also mandated to comply with the Act through periodic due diligence and contractual obligations
8.	Significant Data Fiduciary (SDF)	▪ No clarity on qualifying criteria; still subjective in nature ▪ Due diligence when deploying algorithmic software while processing personal data	▪ Unless the Rules specify thresholds related to the volume of sensitive personal data processing that would categorize an entity as an SDF, M&E companies will need to determine subjectively whether they meet the SDF criteria ▪ Additional processes will be required for performing a due diligence to assess that the algorithmic software that will be used for processing personal data does not have any risks to the rights of the data principals
9.	Security requirements	Secure data through encryption, masking, virtual tokens mapped to personal data, access control, enabling logs for monitoring and data back-ups	M&E companies will have to invest in state-of-the-art privacy enhancing technologies and security solutions to ensure reasonable safeguards as prescribed are implemented for personal data protection

Applicability

While the final India DPDP Rules are pending, on enforcement, any personal data processing without adhering to the Act's requirements could result in non-compliance and potential fines ranging from INR500 million to INR2.5 billion for each category of violation. Historical precedents, such as the GDPR demonstrate that even a two-year compliance period may not be adequate for achieving full compliance with the regulatory requirements. Despite efforts to implement necessary mechanisms, the complexity of the regulations often requires more time and efforts for complete adherence.

Example 1[1]

- **Who:** Netflix was fined €4.75 million (US$4.98 million) in December 2024 by the Dutch Data Protection Authority
- **What:** Failing to adequately inform customers about how their personal data was being processed
- **Why:** Between 2018 to 2020, Netflix's privacy statement lacked clarity, and customers were not given sufficient information on how their data is being collected

Example 2[2]

- **Who -** Google LLC was fined €50 million (about US$52 million) on 25 May 2018
- **What -** Complaints filed in 2018 by None Of Your Business (NOYB) and La Quadrature du Net (LQDN)
- **Why -** Lack of transparency in data processing and for unlawfully processing data for personalized advertising without obtaining explicit consent since 2016

Enabling proactive compliance

These precedents under the GDPR highlight the importance of proactive compliance with the DPDPA. Hence, it is crucial for organizations to integrate best practices from global data protection regulations early on and not wait for the final rules. Some M&E companies have already taken up the following activities:

- Conduct current state assessment and discovery of personal data within their internal and partner ecosystem
- Identify applicability of the Act and corresponding requirements to be implemented
- Prepare privacy design and be ready for implementation

To comply with the India DPDPA, M&E companies should:

- Conduct detailed evaluations to identify differences between their current practices and the DPDPA requirements
- Catalogue all instances of personal data collection, justifying the necessity for its use
- Offer clear privacy notices to users, detailing the usage of their personal data and obtaining explicit consent
- Ensure that third-party data handlers implement secure practices for personal data management
- Implement robust security measures to protect systems managing personal data
- Establish a governance framework to manage data subjects' rights and demonstrate compliance with the DPDPA

The India DPDPA requires businesses to demonstrate accountability in their data processing activities, fostering an atmosphere of trust and collaboration between companies and consumers.

[1]https://www.reuters.com/technology/dutch-watchdog-fines-netflix-not-properly-informing-customers-about-data-use-2024-12-18/?utm_source=chatgpt.com
[2]https://www.bbc.co.uk/news/technology-57011639

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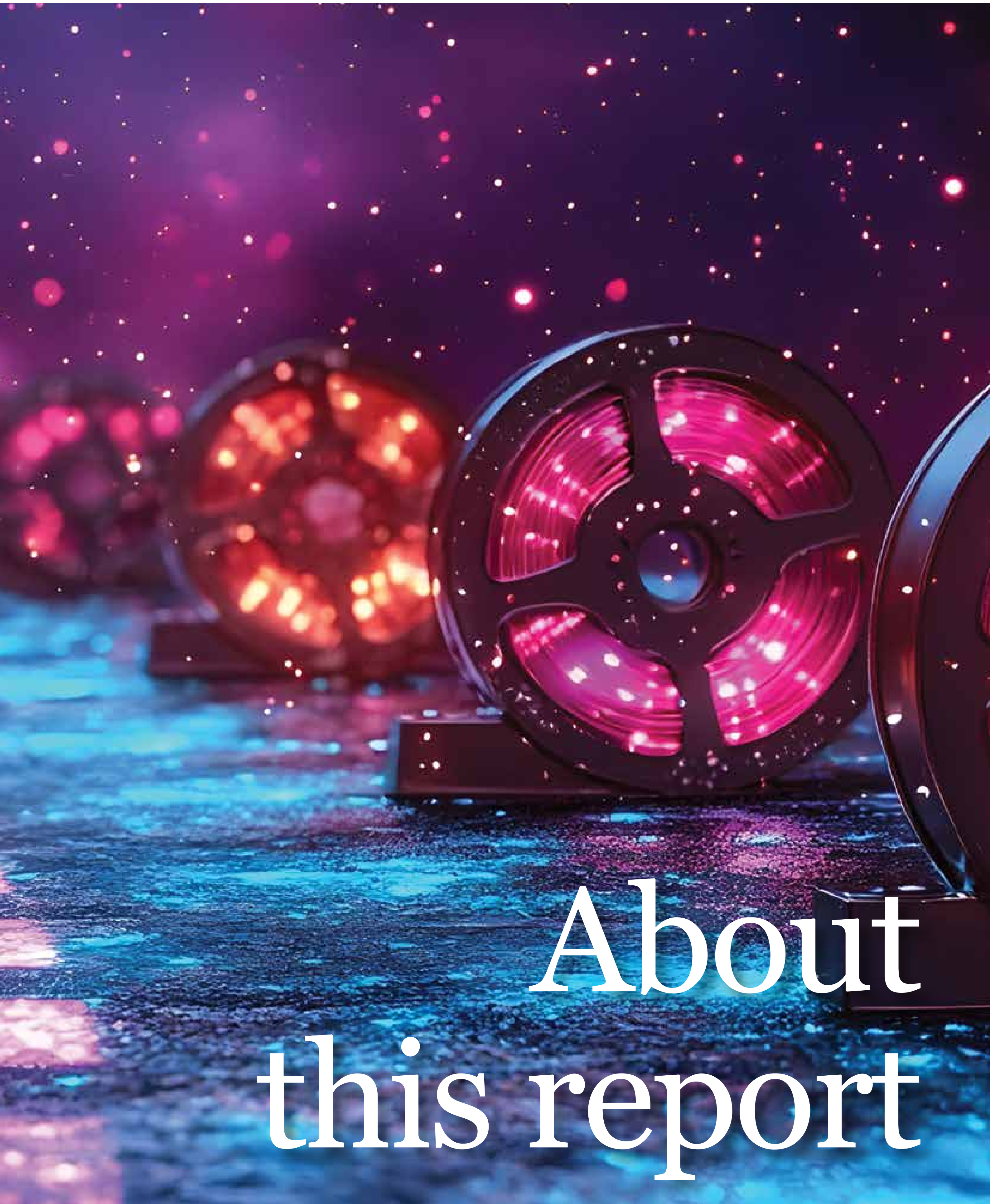

About this report

Glossary

1PD	First party data
2D	Two dimensional
2G/ 3G/ 4G/ 5G	2nd/ 3rd/ 4th/ 5th generation mobile network
3D	Three dimensional
4K	4000 pixels
8K	8000 pixels
ACR	Automatic content recognition
Ad	Advertising
AI	Artificial intelligence
AICTE	All India Council for Technical Education
AIDCF	All India Digital Cable Federation
AIR	All India Radio
AMA	Average minute audience
APAC	Asia-Pacific
App	Application
AR	Augmented reality
ARPU	Average revenue per user
ASCI	Advertising Standards Council of India
ATP	Average ticket price
Auto	Automobile
AVGC	Animation, Visual effects, Gaming and Comics
AVOD	Advertising video on demand
B2B	Business to business
B2C	Business to customer
BARC	Broadcast Audience Research Council
BCCI	Board of Control for Cricket in India
BEPS	Base erosion and profit shifting
BFSI	Banking, financial services and insurance
BGMI	Battlegrounds Mobile India Masters Series
CAC	Customer acquisition cost
CAGR	Compounded annual growth rate
CCEA	Cabinet Committee on Economic Affairs
CCI	Competition Commission of India
CCPA	Central Consumer Protection Authority
CEO	Chief executive officer
CGI	Computer generated images
CGST	Central goods and services tax
CIT(A)	Commissioner of Income Tax (Appeals)
CMO	Chief marketing officer
COVID	Coronavirus disease
CPE	Customer premise equipment
CPI	Consumer price index
CPM	Cost per mille (thousand)
CREX	Cricket exchange
CRM	Customer relationship management
Crore	Ten million
Crypto	Cryptocurrency
CSR	Corporate social responsibility
CTV	Connected TV
cume	cumulative audience
CX	Customer experience
CY	Calendar year (January to December)
D2C or DTC	Direct to customer
D2M	Direct to mobile
DAVP	Directorate of Advertising and Visual Publicity
DD	Doordarshan
DNPA	Digital News Publishers Association
DOOH	Digital out of home
DPDPA	Digital Personal Data Protection Act
DPIIT	Department for Promotion of Industry and Internal Trade
DPOs	Distribution platform operators
DTAA	Double taxation avoidance agreement
DTH	Direct to home
E-commerce	Electronic commerce
EEMA	Events & Entertainment Management Association
EL	Equalization levy
ELI	Employment linked incentive
EMDEs	Emerging markets and developing economies
EMEA	Europe, the Middle East and Africa
EY	Ernst & Young LLP, India
EYG	Ernst & Young Global
F&B	Food & beverage
F2P	Free to play
FA	Finance Act
FAST	Free ad-supported streaming TV
FAU-G	Fearless and United Guards
FCAP	Frequency cap
FCT	Free commercial time
FDI	Foreign direct investment
FICCI	Federation of Indian Chambers of Commerce & Industry
FIFA	Fédération Internationale de Football Association
Fintech	Financial technology
FM	Frequency modulation
FMCG	Fast moving consumer goods
FTA	Free-to-air
FY	Fiscal year (April to March)
GADM	Database of global administrative areas
GB	Gigabyte
GBO	Gross box office
GDP	Gross domestic product
GDPR	General Data Protection Regulation
GEC	General entertainment channel
GenAI	Generative AI / Generation AI
GenZ	Individuals born between late 1990s and early 2010s
GOI	Government of India
GPT	Generative pre-trained transformer
GSM	Grams per square meter
GST	Goods and services tax
HD	High definition
HFY	Half financial year
HITS	Headend in the sky
HODs	Head of departments
HSM	Hindi speaking markets
IAP	In-application purchase
ICC	International Cricket Council
IGST	Integrated goods and service tax

IMDb	The internet movie database
IMF	International Monetary Fund
INR	Indian Rupee
IOAA	Indian Outdoor Advertising Association
iOS	Iphone operating system
IP	Intellectual property
IPL	Indian Premier League
IPO	Initial public offering
IPR	Intellectual property rights
IPRS	Indian Performing Rights Society
ISP	Internet service provider
IT	Information technology
KPI	Key performance indicator
KITVEN	Karnataka Information Technology Venture Capital
KYC	Know your customer
LCO	Local cable operator
LLM	Large language model
LLP	Limited liability partnership
Ltd	Limited
M&A	Mergers & acquisitions
M&E	Media and entertainment
Martech	Marketing technology
MAU	Monthly active users
Mbps	Megabits per second
MediaTech	Media technology
MEITY	Ministry of Electronics and Information Technology
MF	Male and female
MFN	Most favoured nation
MIB	Ministry of Information & Broadcasting
MICE	Meetings, incentives, conferences and exhibitions
MIPCOM	Marché International des Programmes de Communication
ML	Machine learning
MMP	Mobile measurement partner
MMX	Multi-Media eXtensions
MN	Million
MoSPI	The Ministry of Statistics and Programme Implementation
MROI	Marketing return on investment
MSME	Micro, Small and Medium Enterprises
MSO	Multi-system operator
NAS	National accounts statistic
NCCS	New Consumer Classification System
NCF	Network capacity fee
NLP	Natural language processing
NTO	New tariff order
ONDC	Open Network for Digital Commerce
OOH	Out of home
OTT	Over-the-top
PAN	Permanent account number
PCI	Press Council of India
PE	Permanent establishment or Private equity
PM	Prime minister
POC	Proof of concept
PPL	Phonographic Performance Limited
PPP	Purchasing price parity
PPT	Principal purpose test
PSE	Public sector enterprises
PSU	Public sector undertaking
Q-commerce	Quick commerce
QFY	Quarter financial year
RMG	Real money games
RoAS/ ROAS	Return on ad spend
RoI/ ROI	Return on investment
SC	Supreme Court of India
SD	Standard definition
SDC	Self-declaration certificate
SDF	Significant data fiduciary
SDP	Specified digital platform
SEBI	Securities and Exchange Board of India
sec	seconds
SEP	Significant economic presence
SEPC	Service Export Promotion Council
SGST	State goods and services tax
SME	Small and medium enterprises
STB	Set-top box
STT	Security transaction tax
SVOD	Subscription video on demand
T20	Twenty20
TAM	Television audience measurement
TCS	Tax collected at source
TDS	Tax deducted at source
TRAI	Telecom Regulatory Authority of India
TV	Television
TVOD	Transaction video on demand
UGC	User-generated content or University Grants Commission
UK	The United Kingdom
UP	Uttar Pradesh
US$	United States Dollar (US$1=INR85)
US/USA	The United States of America
USP	Unique selling proposition
UT	Union territory
VAST	Video ad serving template
VC	Venture capital
VDA	Virtual digital assets
VFX	Visual effects
VR	Virtual reality
VSV	Vivad se Vishwas
w.e.f.	with effective from
WHT	Withholding tax
XR	Extended reality
Y-O-Y	Year on year

Acknowledgments

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Hormuzd Masani
ABC

Manoj Chhangani
AIDCF

Ananta Das
Anshul Raj
Amazon Prime Video

Anshita Bhatt
Binita Das
Mishaal Wanvari
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AnimationXpress.com

Pancham Endlaw
Rafiq Gangjee
BARC

Atul Nandiskar
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Rajkumar Akella
Comscore

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Culver Max

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Hathway Cable & Datacom

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IPRS

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Netflix

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Spotify

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EY M&E leadership team

Sector is the cornerstone of our firm's approach to professional services. M&E is one such significant focus area. The M&E practice at EY has more than 400 professionals in India across 13 key segments who focus on various issues and challenges the sector faces. We provide services to many of the country's leading M&E companies as well as to global media giants operating in the country. We have developed a wide range of services, such as entry strategy, private equity placement, due diligence, direct to customer, IT security review, organization structure, performance improvement, production audits, ticket sales revenue assurance, F&B assurance, marketing advisory, distribution assurance, game show risk management, audience interactivity and tax structuring, to name a few. This has enabled us to establish a strong presence in each segment of the industry.

As your advisors, we can help you respond quickly and effectively to the challenges the entertainment sector faces today, and shape the future with confidence!

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Methodology and disclaimers

Disclaimer

This report has been developed by conducting primary and secondary research, discussions with several companies and industry stakeholders, and cross-referencing of available data points. To the extent possible, the data has been verified and validated. However, there can be no guarantee that such information is correct as of the date it is received or that it will continue to be correct in the future. EY does not take any responsibility for the veracity of the underlying data. Use of this report is at the discretion of the reader, and neither FICCI nor EY take any responsibility for the same in any manner. Please obtain professional guidance prior to using the information provided in this report for any decision making. There is no tax, operating, regulatory or other business advice or opinion provided in this report. By reading this report, the reader shall be deemed to have accepted the terms and conditions of use mentioned in this paragraph. Despite our best efforts, errors do creep into this report, which we correct when brought to our notice. Please do use the latest updated version from our website.

Key assumptions used to size the segments of this report

- Sizing of various segments has been arrived at using various sources of data, primary research and proprietary EY research. We have tried to then validate the sizing through industry discussions
- All INR amounts are gross of taxes, except where stated. Changes in GST rates have been factored into the relevant segments
- Sales between any two segments of the M&E sector are included as revenues for the segment providing the service. Content production has not been independently sized as it is assumed to be a part of the segment it serves
- Digital subscription and TV distribution revenues are considered at end customer prices. Content purchased by telcos and ISPs has been valued under subscription incomes of media companies and not at end customer prices of bundled data packs
- There is no accurate method to estimate Free TV. We have used it as a balancing figure after deducting paid, pirated and under-declared homes from adjusted BARC estimates of the TV household universe
- Digital ad and subscription revenues are not released by most companies and are hence sized based on industry discussions and correlated to media articles and analyst reports. They should be used from a trending perspective only. Ad revenues are grossed up at 18%

- International ad and subscription revenues of TV broadcasting companies have not been included in sizing the television segment
- Gaming captures only online games of skill and no other forms of gaming like betting and gambling. Illegal offshore and onshore betting revenues are also not included. Where GST burden has been absorbed, the same has been netted off from gross revenues, where data was available
- Filmed entertainment segment does not include any revenues from food and beverage operations, parking revenues, retail revenues or any ticketing charges billed by online booking portals. Film gross box office is considered at end customer price, for both domestic and international theatricals, the latter being impacted by exchange rate fluctuations
- OOH does not consider the large unorganized billboard, wall-painting, ambient media and retail point of sale markets
- The live events segment does not consider value of media rights (unless the IP is owned by the event company), the large unorganized sector, cash transactions if any, and pure MICE and travel companies. Events carried out by other segments are included in the revenues of those segments
- Animation, VFX and post-production revenues include those earned from domestic and export services by companies in India and are correlated to averages across the content value chain
- No hardware sales are included where bundled with content. Value of sporting goods is not included in the sports segment
- Where alternate sources of sizing exist, we have considered the most conservative, unless there is adequate justification not to
- Forward estimates assume that there will be no further pandemic-related lockdowns, geo-political issues or major restrictions
- There are several statements in this report which refer to certain media companies. Where sources for these statements have not been specifically mentioned, these statements have been sourced from news articles available in the public domain
- Prior year numbers have been updated where estimates were used, to reflect actuals
- Forward estimates have been provided on best effort basis and are subject to change to reflect the ground realities and unforeseen events
- Content production estimates are based on publicly available information and other information available with the production audit team at EY. The section uses extrapolations and assumptions
- Analysis of deals and content production is based on secondary research and may not be complete

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