



Management discussion and analysis

Indian macroeconomic outlook

India is expected to become the third-largest economy in 2027 (FY 2027-28). According to the IMF's World Economic Outlook (October 2023), India overtook the UK as the fifth-largest economy in FY 2021-22 and is estimated to reach \$4.1 trillion in FY 2024-25, accounting for a significant 3.7% of global GDP at market exchange rates.

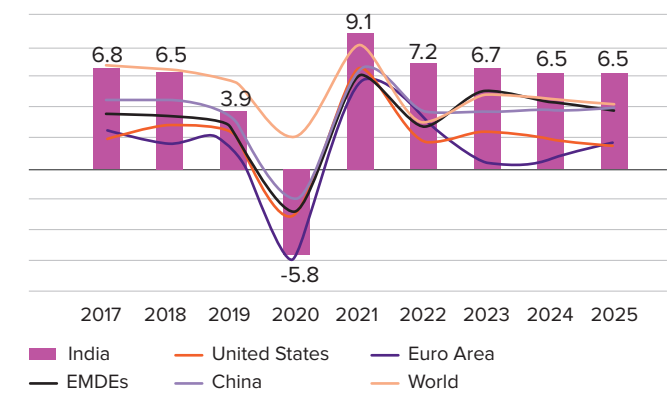
Further, the IMF had cumulatively revised its forecast for 2023 (FY 2023-24) upwards by 80 bps between April 2023 and January 2024. In its latest update, it expects India to contribute 16% of global growth, the second-largest share in the world in terms of market exchange rates. This highlights the growing strength of the Indian economy on the world stage.

Nominal GDP & PPP: Cross-Country comparison

Country	Nominal (\$ billion)	Rank	PPP (\$ billion)	Rank
United States	27,967	1	27,967	2
China	18,560	2	35,043	1
Germany	4,701	3	5,715	5
Japan	4,286	4	6,711	4
India	4,105	5	14,261	3
United Kingdom	3,588	6	3,985	10
France	3,183	7	4,010	9

Source: IMF World Economic Outlook, October 2023

GDP growth: Comparison



Source: IMF World Economic Outlook, October 2023; IMF World Economic Outlook, January 2024 update

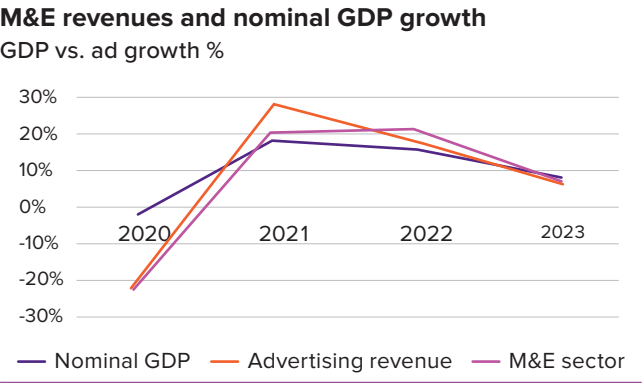
Notes: (1) For India, a year represents the fiscal year. For instance, the year 2020 refers to the fiscal year 2020-21. (2) Growth for 2024 and 2025 are as per projections by the IMF (January 2024).

Indian Media and Entertainment (M&E) industry

The Indian M&E industry has a high correlation with GDP. In times of growth, the M&E industry outperforms India's nominal GDP. Being a discretionary spend, the industry experienced a significant decline in FY 2020-21 (-23%), when India's nominal GDP contracted by 1.2% in FY 2020-21. In contrast, when India's GDP recovered at a remarkable rate of 19% in FY 2021-22, the industry followed suit with a recovery of 16%, and advertising growth even outpaced this recovery, surging by 25%. When nominal GDP growth slowed to 9% in FY 2023-24 owing to geopolitical conflict, tech layoffs and global recession fears, the industry correspondingly grew at 8% in FY 2023-24. However, with the per capita outlook for the Indian economy looking to increase several notches in the coming years, the overall consumer spending outlook in the sector remains positive.

MANAGEMENT DISCUSSION AND ANALYSIS

M&E sector’s performance was lower than India’s GDP in 2023



Source: Advertising & M&E sector revenue: FICCI M&E reports
Growth: First Advance Estimates, NAS dated January 2024, NSO, MoSPI
Note: While advertising and M&E sector revenues are estimated for a calendar year, GDP estimates are for a fiscal year

The Indian M&E sector has displayed resilience and continued its upward trajectory despite challenges. In 2023, it witnessed a growth, surging by ₹173 billion (8.1%) to ₹2.32 trillion (\$27.9 billion). However, it is noteworthy that while the sector soared above pre-pandemic levels by 21%, Television (TV), print, and radio still struggled to reclaim their 2019 levels. While TV retains its title as the largest segment, as per the EY-FICCI, digital media is anticipated to surpass it by FY 2024-25.

Indian M&E sector grew over 8% in 2023 to cross ₹ 2.3 trillion

	2019	2022	2023	2024E	2026E	CAGR 2023-2026
Television	787	709	696	718	765	3.2%
Digital media	308	571	654	751	955	13.5%
Print	296	250	260	271	288	3.4%
Online gaming	65	181	220	269	388	20.7%
Filmed entertainment	191	172	197	207	238	6.5%
Animation and VFX	95	107	114	132	185	17.5%
Live events	83	73	88	107	143	17.6%
Out of Home media	39	37	42	47	54	9.3%
Music	15	22	24	28	37	14.7%
Radio	31	21	23	24	27	6.6%
Total	1,910	2,144	2,317	2,553	3,081	10.0%
Growth		21%	8%	10%		

Source: EY-FICCI estimates, company estimates | All figures are gross of taxes (₹ in billion) for calendar years



Looking ahead, optimism reigns as EY-FICCI projects robust growth, with the M&E sector set to expand by 10.2% to reach ₹2.55 trillion by FY 2024-25, followed by a steady CAGR of 10% to reach ₹3.08 trillion by FY 2026-27. This forecast underlines the sector’s resilience and its potential for sustained growth, propelled largely by the burgeoning digital landscape.

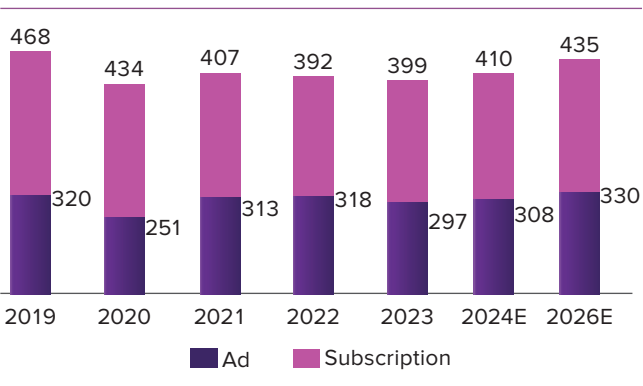
The Indian M&E sector will grow at a CAGR of 10% and add ₹763 billion in three years. The key contributors to this growth will be digital, online gaming, followed by TV, animation and VFX.

Television (TV/broadcast)

TV remains the largest media platform in the country, in terms of both reach and consumer engagement.

As per EY-FICCI, the segment witnessed a 2% YoY decline in revenue due to decreased advertising driven by a drop in volumes and ad rates by 2.6% and 4%, respectively. The decline in advertising was offset by an increase in subscription revenue owing to NTO 3.0 and rising ARPU. However, EY-FICCI estimates that the TV segment will grow at a 3% CAGR until FY 2026-27, reaching ₹765 billion. Further, TV households are expected to grow as 165 million households will enter the Indian middle class by 2031 – a result of continued electrification of rural areas and efforts to reactivate deactivated set-top boxes (STBs).

TV segment revenue ₹ billion (gross of taxes)



Source: EY-FICCI Report on India’s Media and Entertainment Sector, Mar-24

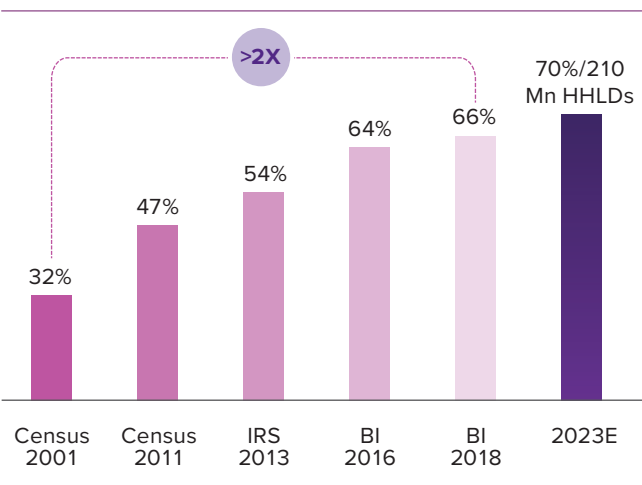
TV penetration in India doubles over 20 years, signalling further growth potential

Television in India, hailed as the quintessential source of entertainment and authentic information, holds a significant place in the lives and hearts of millions of households. More than just a medium with the highest reach in entertainment, TV has the transformative ability to catalyse positive societal change by empowering consumers with inspiring stories every day across the many Bharats within our vast cultural mosaic.



According to BARC, the number of households in India equipped with an active TV connection stands at 210 million. However, around 90 million unpenetrated homes still await their maiden TV connection, primarily in Hindi-speaking states like Uttar Pradesh, Bihar and Madhya Pradesh in rural India. As a desirable medium for many Indian consumers, government support for TV adoption, driven by macroeconomic factors such as increasing purchasing power, a rapid decline in multidimensional poverty, availability of microcredit for poverty alleviation and increase in electrification, is likely to play a crucial role in bridging the gap. Moreover, TV’s positive impact on societal development is expected to influence the tipping point of TV adoption, paving the way for meaningful progress.

TV penetration >2x of 2001 levels



Source: BARC

MANAGEMENT DISCUSSION AND ANALYSIS

Television: key trends



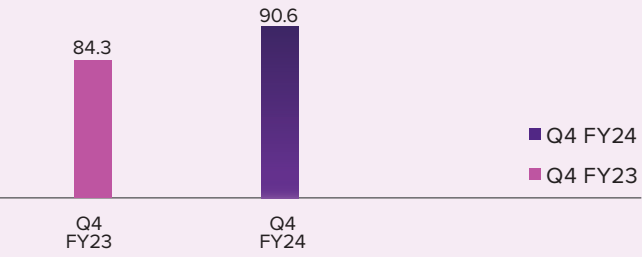
National Tariff Order 3.0 (NTO 3.0)

As per NTO 3.0 regulations, all broadcasters announced their respective NTO 3.0 MRPs on the prescribed date. The industry has moved towards implementing this pricing, with a positive growth outlook.

HD

Access to HD TV has grown significantly with a 45% increase over the past eight quarters. In the final quarter of FY 2023-24, over 90 million households had access to HD TV, an increase of over 6 million households YoY.

Households watching HD TV (million)



Source: BARC; India households, Quarterly cumulative reach of all HD channels

Connected TVs

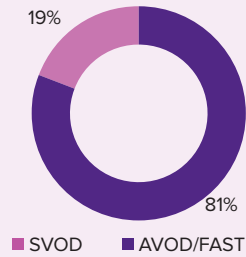
Currently, the Connected TV user base in India consists of 30 to 35 million unique sets that access the internet every month, with approximately 19 million devices engaged weekly. However, it is projected to reach 40 million by 2026, driven by the continued expansion of wired broadband and 5G connectivity.

However, the combined cost of subscriptions to leading OTT platforms and a fixed broadband connection is 3-4 times higher than watching similar content on Pay TV. This lack of price arbitrage is a structural factor and is likely to ensure linear TV retains its pole position for the foreseeable future.

Snapshot of connected TV market

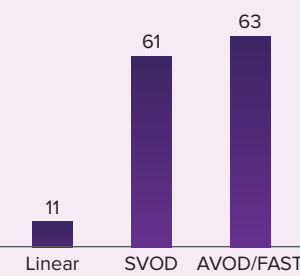
Ad-supported platforms dominated viewership

Share of total streaming hours



SVOD AVOD/FAST

Average viewership (minutes/day)



Source: EY-FICCI

Reach



37% YoY increase in active Samsung smart TVs in India



47% Increase in the number of devices watching AVOD, compared to a 45% increase for SVOD

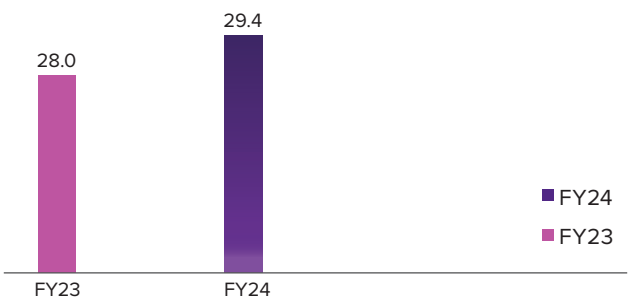
source: EY FICCI



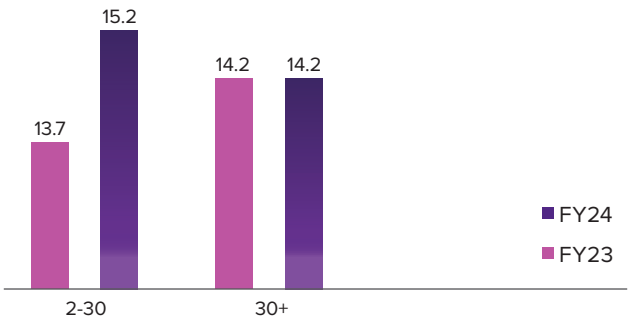
Total TV viewership trends across demographics

Total TV viewership in FY2023-24 grew by 5%, the growth was driven by the younger audience segment those under 30 years old. Growth has been recorded across NCCS classes and in gender-wise viewership as well.

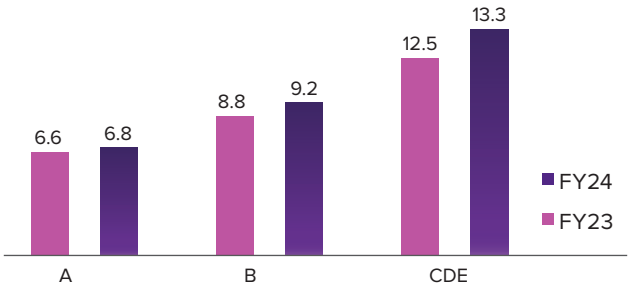
Average weekly TV viewership (AMAs in billion)



Age-wise viewership (AMAs in billion)



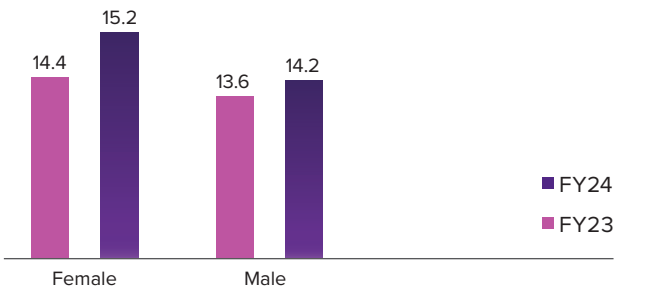
NCCS-wise viewership (AMAs in billion)



Source: BARC, India 2+, weekly average



Gender-wise viewership (AMAs in billion)



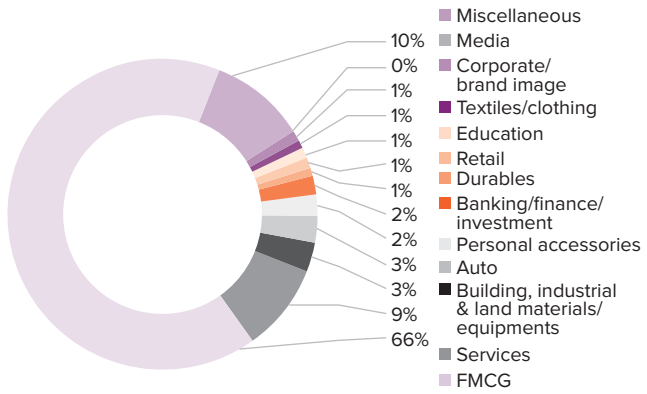
MANAGEMENT DISCUSSION AND ANALYSIS

Industry outlook

EY-FICCI anticipates growth in television advertising revenue to sustain a projected CAGR of 3.6%, culminating in a total market value of ₹330 billion by FY 2026-27. This growth trajectory is underpinned by several key drivers, such as the occurrence of general elections in 2024 and a surge in investments in sports programming. The resilience of regional channels further bolsters overall ad revenue, as advertisers continue to favor local language content, thus ensuring firm ad rates. Moreover, the landscape is enriched by brand extensions from large Indian companies and international brand launches, both of which rely on television’s expansive reach. As India progresses towards becoming one of the top three economies globally, the role of television advertising remains integral in fostering brand visibility and engagement across diverse audience segments.



FMCG: baby care, food & beverages, hair care, household products, laundry, personal care/personal hygiene, personal healthcare, cosmetics; Education: excludes online and digital classroom

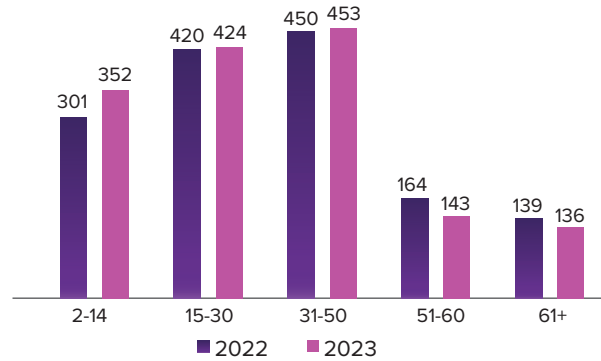


Source: EY-FICCI

FMCG sector contributed 66% of ad volumes, up 3% from 2022

81% of TV viewership is from people under 50 years of age, up from 79% in 2022

AMA (in billions) aggregated across 30 min slots | All India 2+, Weeks 1 to 52



Source: EY-FICCI



India 2+ weekly average AMA ('000s): Weeks 1 to 52

Genre	2022	2023
Entertainment (GEC)	49%	50%
Movies	25%	26%
News	6%	6%
Music	4%	4%
Sports	3%	3%
Infotainment	0%	0%
Others	12%	11%

Source: EY-FICCI

75% of viewership was for entertainment (GEC and Movies) genre

Further, subscription revenue is projected to sustain a CAGR of 2.9%, reaching a total of ₹435 billion by FY 2026-27. This upward trajectory is influenced by a multitude of factors, such as the increase in Indian households from 323 million in FY 2022-23 to 332 million by FY 2026-27. The growth of the Indian middle class, with an estimated 165 million households expected to join by FY 2030-31, broadens the consumer base. Factors like low entry barriers to free television and ongoing electrification in rural areas—particularly in Hindi-speaking regions like Uttar Pradesh and Bihar—further support this growth. The affordability of television sets, starting at ₹6,000, along with a thriving second-hand market, enhances accessibility and drives subscription growth.

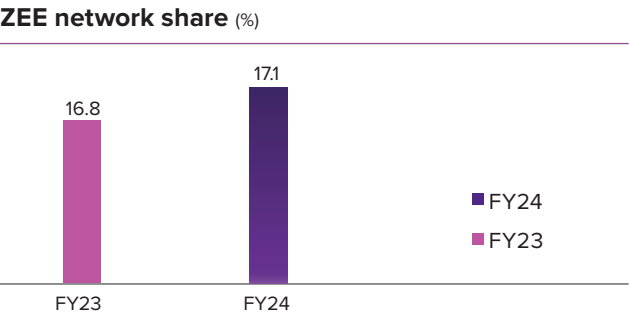




MANAGEMENT DISCUSSION AND ANALYSIS

Domestic Broadcast Business
ZEE Network has the highest reach in the entertainment segment nationwide

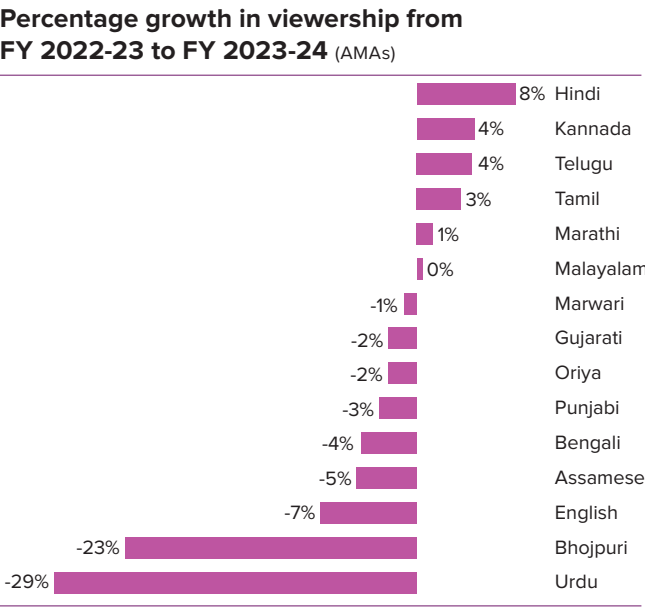
ZEE continues to be amongst India's strong and leading TV networks. More than 859 million audiences tuned in to ZEE channels in FY 2023-24, the highest for any TV entertainment network (excluding news and sports channels). The network share has grown by 30 bps.



Source: BARC; India Urban 15+

Viewership by language

Hindi content viewership took the lead in FY 2023-24. In addition to Hindi, all four Southern languages and Marathi also experienced growth. The ZEE network's significant growth is primarily driven by its expansion in the Southern markets. Notably, it has maintained its market leadership position in both Hindi and Marathi movies.



Source: BARC, India 2+, weekly average

With 50 channels in 11 languages – the highest for any private network – ZEE is the first choice of entertainment for viewers across the country. In FY 2023-24, the network assumed leadership position in Hindi movies, Kannada GEC, Odia GEC, Bangla GEC, Marathi movies, Bangla movies and lifestyle genres. ZEE Punjabi, the only Punjabi GEC from top national broadcasters, leads in monetisable GRPs in the genre.

The network's strong presence in language markets has been a major driver for its network share. In FY 2023-24, 57% of ZEE's viewership share came from other language markets, up from 56% in FY 2022-23. These channels have also contributed to the growth of other language markets by increasing the availability of quality content.



New launches

Seven of ZEE's existing channels have been launched since FY 2018-19. These are ZEE Keralam (Malayalam GEC), ZEE Punjabi (Punjabi GEC), ZEE Picchar (Kannada Movies), ZEE Thirai (Tamil Movies), ZEE Biskope (Bhojpuri Movies), ZEE Chitramandir (Marathi Movies) and ZEE Zest (Lifestyle).

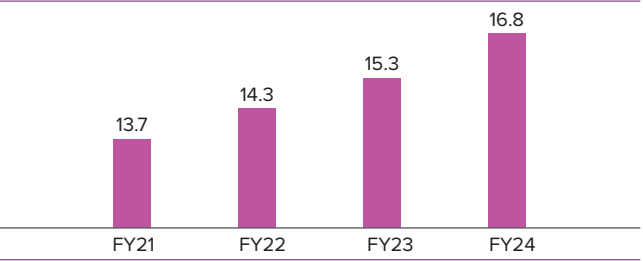
Except for ZEE Zest, all other recently launched channels target language markets. Among these ZEE Zest and ZEE Punjabi are category leaders, while ZEE Chitramandir, the largest FTA Marathi Movies channel, has helped ZEE's Marathi Movies cluster become the biggest network cluster in the genre. The other three channels are strong challengers in their respective genres, with ZEE Keralam climbing from No. 4 to No. 2 in FY 2023-24.

With the continued success of our design and deployment strategy, the new channels contributed an additional 10 bps to the network's share.

ZEE: The fastest-growing major network in South India

The success of ZEE's southern language channels has established it as the fastest-growing network in South India, achieving an all-time high market share. ZEE Telugu, ZEE Keralam and ZEE Thirai achieved all-time high market shares in their respective genres, while ZEE Tamil recorded a three-year high market share. ZEE Kannada solidified its position as the No. 1 channel in the Kannada GEC genre.

Zee network's South channels share in South Urban 15+

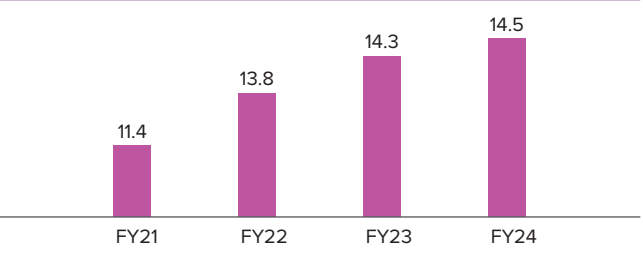


Source: BARC, South Urban 15+; Share only includes ZEE channels in Kannada, Malayalam, Telugu and Tamil languages

ZEE: Strengthened its network share in the East

ZEE has strengthened its lead in viewership of Eastern language channels (Bangla, Odia and Bhojpuri). ZEE Bangla reclaimed its position as the top Bengali general entertainment channel, while ZEE Bangla Cinema achieved a historic milestone of becoming the No. 1 Bangla movie channel for the first time, reaching an all-time high market share. ZEE Sarthak maintained its leadership position as the top Odia general entertainment channel, while ZEE Biskope retained its No.2 position among Bhojpuri movie channels.

Zee Network's East channels share in East Urban 15+



Source: BARC, East Urban 15+; Share only includes ZEE channels in Bangla, Bhojpuri and Odia languages

ZEE: A leader across movie genres

In FY 2023-24, ZEE's movie channels constituted 24% of movie channel viewership in urban markets, a 100 bps growth over the previous year. This is aided by ZEE's extensive portfolio of 24 movie channels across eight languages. The portfolio features a vast multi-lingual movie library, developed through the acquisition of both the latest blockbusters and evergreen hit movies. ZEE leads in Hindi, Marathi and Bangla movies, and ranks No. 2 in Bhojpuri movies.

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Hindi general entertainment



ZEE TV remains the the 4th largest Hindi Pay GEC channel on the back of evergreen shows like Bhagya Lakshmi, Kumkum Bhagya, Kundali Bhagya and Pyaar Ka Pehla Naam: Radha Mohan alongside new launches like Pyaar Ka Pehla Adhyaya: Shiv Shakti and Kaise Mujhe Tum Mil Gaye.



&TV continues to engage viewers in the Hindi heartland with evergreen content like Bhabhiji Ghar Par Hain and Hattu Ki Ultan Paltan, along with new launches like Atal, specifically curated for these markets.



Big Magic is an FTA channel that engages Free Dish viewers with archived content like Jodha Akbar, Jhansi Ki Rani and Paramavtar Shree Krishna.

Regional entertainment channels



ZEE Marathi is the second-largest channel in the Marathi GEC genre. The channel launched successful fiction shows like Shiva, Paaru, Punha Kartavya Aahe and Navri Mile Hitlerla. It features

highly rated shows like Tula Shikvin Changlach Dhada and innovative and differentiating non-fiction shows like Jau Bai Gavati. ZEE Marathi is a strong challenger, continuously evolving with a diverse content mix in fiction and non-fiction categories.



Hindi movies cluster

The Hindi Movie cluster has nine channels – ZEE Cinema, &pictures, ZEE Bollywood, ZEE Action, ZEE Classic, ZEE Anmol Cinema, ZEE Cinema HD, &pictures HD, and &Xplor HD. This extensive bouquet of Hindi movie channels provides access to diverse genres of movies across various channels. ZEEL's Hindi movie portfolio has consistently led the market, further strengthening its position this year with a 25% market share. With the launch of ZEE Anmol Cinema 2 and the rebranding of ZEE Action in Q1 FY 2024-25, the ZEE Hindi movie cluster is poised to increase share and strengthen its leadership.

This year, ZEE Cinema premiered numerous blockbuster titles. ZEE Cinema achieved the highest-rated premiere in Hindi Movies in FY 2023-24 with Gadar 2 on 4th November 2023. Additionally, ZEE Cinema premiered successful titles like Jawan and Kisi Ka Bhai Kisi Ki Jaan.



ZEE Bangla regained its position as the No. 1 channel in the Bangla GEC genre in FY 2023-24, achieving a 160 bps market share increase from the previous

year. This success stems from successful shows like Jagadhatri and Neem Phooler Madhu and new launches like Phulki, Kar Kache Koi Moner Kotha and Kon Gopone Mon Bheseche. Dadagiri, the channel's iconic non-fiction show hosted by Sourav Ganguly, entered into its 10th season. Didi No. 1, the legendary women-centric game show, has been successfully running for over a decade.



ZEE Sarthak further strengthened its position as the one the market leaders in Odia GEC in FY 2023-24 achieving a 50 bps market share jump from the previous year. The channel's growth was driven by evergreen fiction shows like Suna Jhia, new launches like Sandhya Ragini as well as nonfiction shows like Dance Odisha Dance and Gruhalakshmi.



ZEE Punjabi is the No. 1 channel in the Punjab and Chandigarh market across all TV channels in FY 2023-24 for monetisable viewership. It plays an active role in shaping the Punjabi language market by offering relevant and engaging content. The channel consolidated its position with the launches of Dilan De Rishtey, Shivika and Sehajveer.



ZEE Kannada has solidified its position as the No. 1 channel in the Kannada GEC genre. The channel continues to win viewers' hearts with engaging non-fiction and fiction shows. Its content slate features evergreen shows such as Puttakana Makkalu and Srirasthu Shubhamasthu, and new fiction shows like Amruthadhare, Seetha Rama and Lakshmi Nivasa. Iconic non-fiction shows like Dance Karnataka Dance and innovative concepts like Bharajari Bachelors have also contributed to the channel's success.



ZEE Telugu further cemented its position as a strong No. 2 channel in the Telugu GEC genre by securing an all-time high share with a 390 bps jump in market share from the previous year. In Q4 FY 2023-24, the channel led in fiction in weekday prime time. This success stemmed from popular shows such as Prema Entha Madhuram, Trinayani and Padamati Sandhyaragam, as well as new launches like Jagadhatri and Ninudu Noorella Savasam. ZEE Telugu continues to maintain strong leadership in the key Hyderabad market.



ZEE Tamil increased its share to a three-year high and cemented its position as a strong No. 3 channel in the Tamil GEC genre with a 190 bps market share jump from the previous year. This growth has been on the back of several successful new fiction launches such as Anna and Nala Damayanthi as well as evergreen shows like Maari, Meenatchi Ponnunga and Karthigai Deepam.



ZEE Keralam improved its rank to become the No. 2 channel in Malayalam GEC in FY 2023-24, rising from fourth place in the previous year, achieving the highest annual share in the channel's history with a 330 bps market share increase. This was on the back of successful shows like Kudumbashree Sharada, Shyamabharam and Mizhi Randilum and new launches like Parvathy and Mangalyam.

Regional movie channels

ZEE Marathi movies cluster continues to lead the Marathi Movies genre with over 60% share of the genre.



ZEE Bangla Cinema became the No. 1 channel in the genre for the first time in FY 2023-24 with an all-time high share and a 410 bps market share jump from the previous year.



ZEE Biskope is the No. 2 Bhojpuri movie channel in the Bihar/Jharkhand market with a 30 bps jump in market share from the previous year.



ZEE Picchar is the No. 3 Kannada movie channel in the Karnataka urban market with a 190 bps jump in market share from the previous year.



ZEE Cinemalu is the No. 3 Telugu movie channel in the Andhra Pradesh and Telangana urban market and captured an increased share.



ZEE Thirai is the No. 3 Tamil movie channel in the Tamil Nadu and Puducherry market with an all-time high share in the genre, a 250 bps market share jump from the previous year.



Niche channels

ZEE Café, &flix and &privé HD continued to bring the best English-language content to audiences with movies and shows from around the globe.

ZEE Zest, launched in 2020, has become the No. 1 channel in the lifestyle genre in urban India with its share up by 60 bps from the previous year, driven by an innovative mix of culinary and travel shows. ZEE Café brings the best international content to Indian TV audiences, ranging from legendary American shows like Breaking Bad and K-dramas like Hwarang: The Poet Warrior Youth.

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International broadcast business



ZEE is a pioneer in broadcasting Indian content for the diaspora across the world. With a portfolio of 40+ dedicated channels and more than 70 passthrough channels reaching over 120 countries, ZEE has become one of the largest broadcasters of Indian content. In addition to its broadcast business, ZEE’s international operations have expanded to include ZEE5, as well as sales and B2B partnerships, sports monetisation, syndication, co production, and local IP creation.

With five new co-productions in the Middle East in FY 2023-24, and five more in the pipeline for FY 2024-25, the co-production vertical has more than doubled in FY 2023-24, and is set to contribute to overall international business revenue.

ZEE international business: Key highlights and footprints

- ZEE international business reaches nearly 470 million viewers outside India, including 75 million from the South Asian diaspora and 400 million non-South-Asian viewers through our Local for Local channels, mainly in MENA and Africa.
- Viewership share for channels catering to the South Asian diaspora (CAT1) grew from 20% in FY 2022-23 to 21% in FY 2023-24 for all international markets.
- With a viewership share of 30% in FY 2023-24, ZEE TV MENA continues to be the No. 1 Hindi GEC in the UAE for the seventh consecutive year.
- ZEE World, our English-dubbed channel in Nigeria, with a monthly reach of 17 million viewers, is the No. 1 channel in Nigeria among 500+ channels for the fourth consecutive year.

- Our latest international channel, ZEE Zonke, launched in September 2023, is the first exclusive isiZulu channel in South Africa. It has grown to become the No. 1 Pay channel within seven months of its launch.
- ZEE TV UK’s viewership share grew from 5.0% in FY 2022-23 to 6.8% in FY 2023-24, improving its rank in Hindi GEC by three places to No. 4.
- In September 2023, ZEE launched its first FAST (Free Ad-Supported Streaming TV) German-dubbed channel, ZEE One, in the DACH region (Germany, Austria, Switzerland) on one of the leading global TV manufacturers, quickly becoming the No. 2 FAST channel in Germany out of 100+ channels within six months of launch. ZEE International has since expanded its FAST footprint to 10 countries, including the USA, with plans for further growth.
- ZEE is the first South Asian network and the first non-English, non-Spanish network to launch on YouTube TV in the USA, featuring an 18-channel pack.

Co-productions, local shows and others

- Co-production scale-up: We completed five co-production projects in FY 2023-24, matching the total from the previous five years. Our drama series ‘Transit’ became the first Arabic series featured on Amazon Prime Video for their Ramadan 2024 release.
- Dance Naija Dance: The second season of this popular reality show launched in Nigeria, receiving a positive response from viewers.
- We also launched the second season of Kellogg’s Super Stars Quiz and introduced the Lush Pink Belle show in Nigeria, further enhancing local IP creation.
- Third-party representation: Our third-party sales business in MENA grew significantly in FY 2023-24. With new and innovative partnerships, this will be a key driver for growth in ZEE’s international business.





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11 non-Indian language channels bringing content to our audiences in their local languages

ZEE Alwan (Arabic)

ZEE Aflam (Arabic)

ZEE World (English)

ZEE One (English)

ZEE Bollywoodies (English)

ZEE Magic (French)

ZEE Alem (Amharic)

ZEE Bioskop (Bahasa)

ZEE Cinema (subtitled in Burmese, Malay)

ZEE Zonke (isiZulu)

ZEE One (Germany)



44 dedicated channels across regions

AMERICA

&TV HD

ZEE TV Canada HD

ZEE Kannada

ZEE TV HD

ALPHA etc Punjabi

ZEE TV Canada

ZEE Marathi

ZEE TV

ZEE Cinema

ZEE TV Caribbean HD

ZEE One (English)

... and more

EUROPE

ZEE Cinema

ZEE TV HD

ZEE TV

... and more

MENA

ZEE Aflam

ZEE Alwan

ZEE Cinema

ZEE Keralam

ZEETVHD

... and more



APAC

ZEE Bangla Cinema

ZEE Bangla

ZEE Cinema

ZEE Tamil HD

ZEETVHD

ZEE Bioskop

... and more



AFRICA

ZEE Alem (Amharic)

ZEE Bollywoodies (English)

ZEE Cinema

ZEE TV

ZEE Family

ZEE Magic (French)

ZEE One (English)

ZEE World

... and more



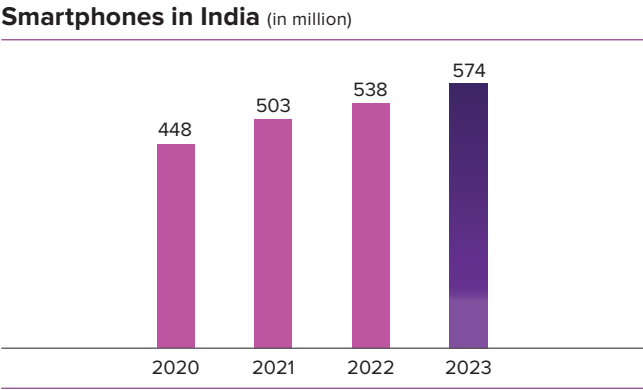
MANAGEMENT DISCUSSION AND ANALYSIS



Digital video

According to EY-FICCI, in 2023, India’s digital media became the second-largest segment in the M&E industry. Digital media is primarily driven by search and social media across different platforms, which account for 72% of digital revenue. The Indian digital media sector grew by 15% YoY, reaching ₹654 billion in FY 2022-23. EY-FICCI projects the industry will grow at a CAGR of 14%, reaching ₹955 billion by FY 2026E.

The expansion of digital media in India is propelled by a convergence of factors. Internet penetration is witnessing a growth in subscriptions, complemented by the widespread adoption of smartphones, boasting over 574 million users in FY 2023-24. These portable devices have been instrumental in providing seamless access to digital content, driving growth in the sector. Furthermore, the widespread adoption of wired broadband connections has set a new benchmark for fast and reliable internet access, with a significant 38 million households already equipped with this technology. The rising popularity of Connected TVs (CTVs), with over 35 million devices in use, offers a fresh perspective on consuming digital content. The availability of free sports content and direct-to-digital movie releases serve as additional incentives for digital consumption, driving the trend nationwide. Moreover, India boasts the lowest data charges globally, highlighting the critical role of affordable data in expanding the telecom internet user base and fostering growth in online entertainment avenues such as audio streaming, gaming, and social media.

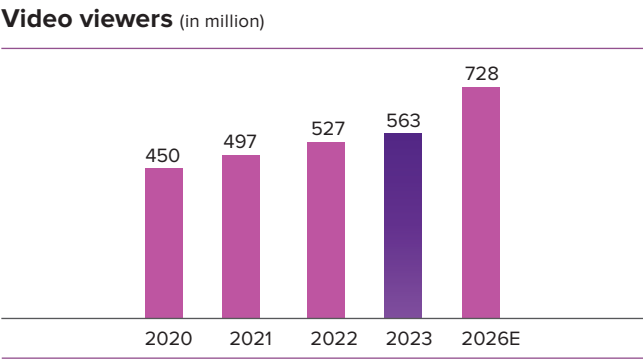


Source: EY Analysis

Internet penetration increased by 8% (in million)

Internet subscriptions	Dec 2021	Dec 2022	Dec 2023E
Narrowband (a)	37	34	34
Broadband (b)	792	832	904
Urban (a)	496	516	554
Rural (b)	333	350	384
Total (a+b)	829	866	938

Source: EY-FICCI

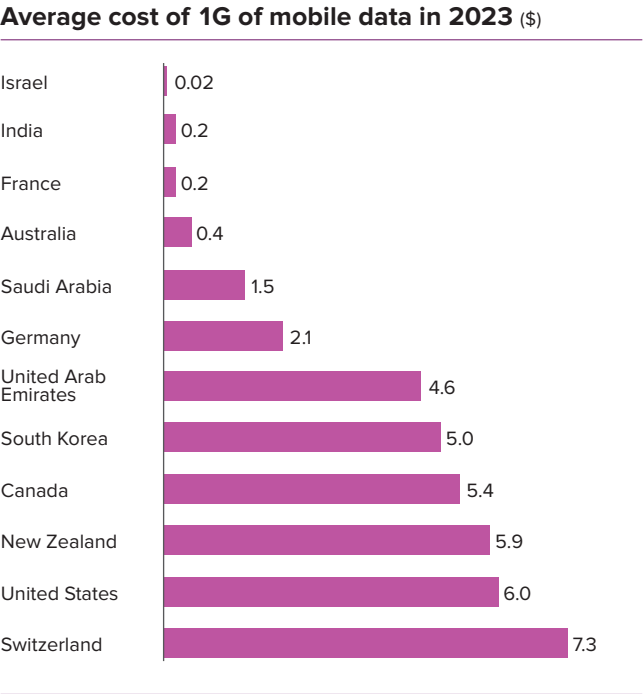


Source: EY-FICCI

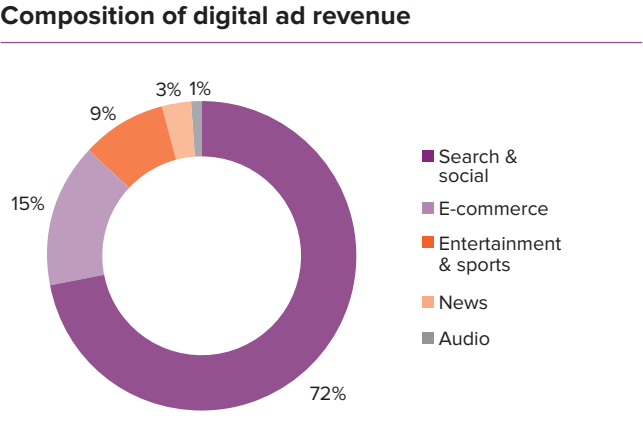
Digital media is expected to grow at a CAGR of 13.5% by 2026 (in ₹ billion)

Service	2022	2023	2024E	2026E
Advertising	499	576	662	842
Subscription	72	78	89	114
Total	571	654	751	955

Source: EY-FICCI



Source: EY-FICCI



Source: EY-FICCI

Video viewers increased by 7% (36 million) in FY 2023-24 to reach 563 million (of this 467 million viewers are from YouTube), which is around 98% of smartphone owners and wired broadband subscribers. Video viewers as per EY-FICCI are estimated to surpass 700 million by FY 2026-27. This growth is driven by an increased and consistent supply of content on digital media.



India’s online video content investment surged in FY 2023-24, reaching ₹125 billion. This marks a significant 52% increase from FY 2022-23, primarily driven by a more than two-fold rise in the value of sports rights. However, the production of original content remained steady in FY 2023-24, with nearly 3,000 hours produced for streaming platforms, mirroring FY 2022-23 levels. Interestingly, regional languages are gaining traction, with 52% of OTT originals being produced in these languages in FY 2023-24, compared to 50% the previous year. Film rights values, on the other hand, saw a slight dip as buyers adopted a performance-based pricing model.

All the above indicates that online video consumption will only grow. The ecosystem is getting even stronger with advancements in 5G, smartphones and Connected TV penetration.



MANAGEMENT DISCUSSION AND ANALYSIS

Subscription revenues maintain growth momentum

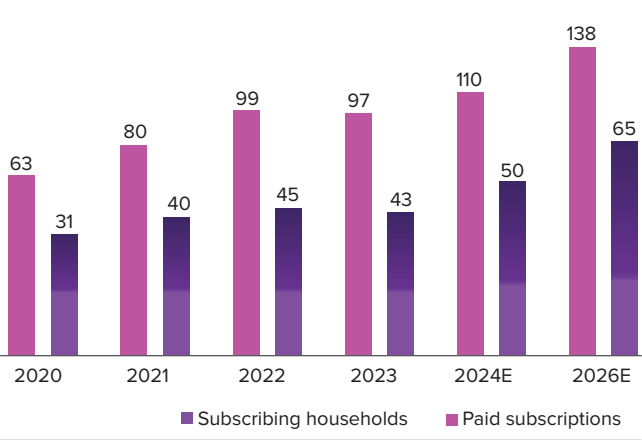
In 2023, the digital subscription revenue experienced a moderate 6% growth, reaching ₹78 billion. According to the EY-FICCI report, the digital segment is projected to expand significantly, reaching ₹955 billion by FY 2026E, with a CAGR of 13.5%. This growth trajectory reflects evolving consumption patterns driven by the increasing prevalence of Connected TVs, mobile phones, and enhanced digital payment connectivity.

In 2023, digital subscription grew 9% (in ₹ billion)

	2022	2023	2024E	2026E
Video	68	73	82	103
Audio	2	3	4	6
News	1	2	3	4
Total	72	78	89	114

Source: EY-FICCI

Subscriptions and subscribing households (in million)

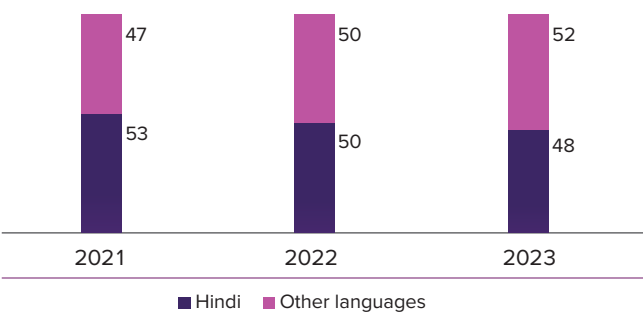


Source: EY-FICCI

India’s video OTT market is expected to grow from 43 million subscribing households in FY 2023-24 to 65 million by FY 2026E. This growth is mirrored in the rise in subscriptions, projected to reach 138 OTT content offerings produced by language.



OTT content produced (by language) (%)



The share of regional language OTT titles has steadily increased, rising from 47% in FY 2021-22 to 52% in FY 2023-24. This trend reflects a growing preference for content that resonates with cultural and linguistic identities. Moreover, content is beginning to transcend language barriers, with industry discussions indicating that 20% to 50% of consumers now engage with content in multiple languages, aided by subtitles and dubbed versions. This suggests a growing openness to diverse content and a willingness to explore content beyond linguistic boundaries.



ZEE5: Driving efficiency, innovation, and audience growth

In FY 2023-24, ZEE5 continued to be one of the most popular OTT platforms on both iOS and Android. Our success stems from ongoing investments in content, technology, and marketing. We now have paying viewers and subscribers from every city in India, exceeding our initial focus on Metro and Tier 1 cities. This broader reach has boosted revenue and inspired us to invest further in creativity and viewer experiences, enhancing overall business efficiency.

ZEE5 recorded strong engagement in FY 2023-24, with around 100 billion streaming minutes. We expanded our pricing options to remain competitive, which drove growth in ARPU.

Our ongoing expansion and strategic partnerships across the digital ecosystem—telecom operators, ISPs, smart TV OEMs, e-commerce companies, BFSI, travel and hospitality sectors, and payment wallets—have significantly bolstered subscriber growth.

ZEE5 had emerged as the top OTT platform in app ratings; achieving 4.5/5 on Android Play Store and 4.7/5 on the iOS App Store

Democratising entertainment for India & Bharat

ZEE5 is one of India’s leading and fastest-growing content platform, recognised for its technology prowess and a premium content slate from the house of ZEE. We offer over 3,600+ films/movies, 1,600+ TV shows, 300+ originals and 5 lakhs+ hours of on-demand content across 12 languages (English, Hindi, Bengali, Malayalam, Tamil, Telugu, Kannada, Marathi, Odia, Bhojpuri, Gujarati, and Punjabi). Our library includes best of originals, Indian and international movies, TV shows, music, kids’ shows, edtech, cineplays, news, live TV, and health & lifestyle content. Our partnerships with global tech disruptors have enabled us to deliver a seamless and hyper-personalised viewing experience across multiple devices, ecosystems, and operating systems.

With such depth and breadth in content, ZEE5 has become one of the largest producer of Indian language content. In FY 2023-24, we released 15 originals in various genres and languages, experimenting with unique storylines that resonate with both regional and Hindi-speaking audiences.



Key titles on ZEE5 this year included ‘Gadar 2’, ‘Kisi Ka Bhai Kisi Ki Jaan’, ‘SamBahadur’, and ‘Kerala Stories’ in Hindi; ‘Vidhuthalai – Part I’ and ‘DD Returns’ in Tamil; and ‘Ghost & Kateera’ in Kannada. We also launched successful originals like ‘Sirf Ek Bandaa Kaafi Hai’, ‘Taj: Divided by Blood’, ‘Mrs. Undercover’, ‘Sunflower Season 2’ in Hindi, alongside regional hits such as ‘Koose MunisamyVeerappan’, ‘Oru Kodai Murder Mystery’ in Tamil; ‘Vyavastha’, ‘Maya Bazaar For Sale’ in Telugu; and ‘Abar Proloy’, ‘Chhotolok’, in Bangla, to name a few. While ‘Sirf Ek Bandaa Kaafi Hai’ stood out with the highest watch-time among ZEE5 movies, ‘Taj: Divided by Blood’ topped the watch-time list for all ZEE5 titles released in the last six years. The success highlights the quality of our storytelling and changing audience preferences.

ZeePlex, our TVOD (Transactional Video on Demand) platform, launched in 2020, allows viewers the flexibility to pay for specific content. ZEE5 is the first OTT platform in the country to launch the TVOD option for the consumer. In FY 2023-24, ZEE5 released several movies on TVOD, with ‘Oppenheimer’ receiving an exceptional response.

According to App Annie, ZEE5 is the fastest-growing OTT platform, with a 54% growth in MAUs since April 2021

MANAGEMENT DISCUSSION AND ANALYSIS

ZEE5 Global

ZEE’s international digital business, ZEE5 Global, grew exponentially in FY 2023-24, by strategically building its market leadership through robust content, innovative partnerships and a continued focus on grassroots marketing.

As the only streaming platform dedicated to the Global South Asian diaspora, ZEE5 Global concluded FY 2023-24 as the No. 1 South Asian streaming platform across international markets, including the USA, Europe, the Middle East and select APAC regions.

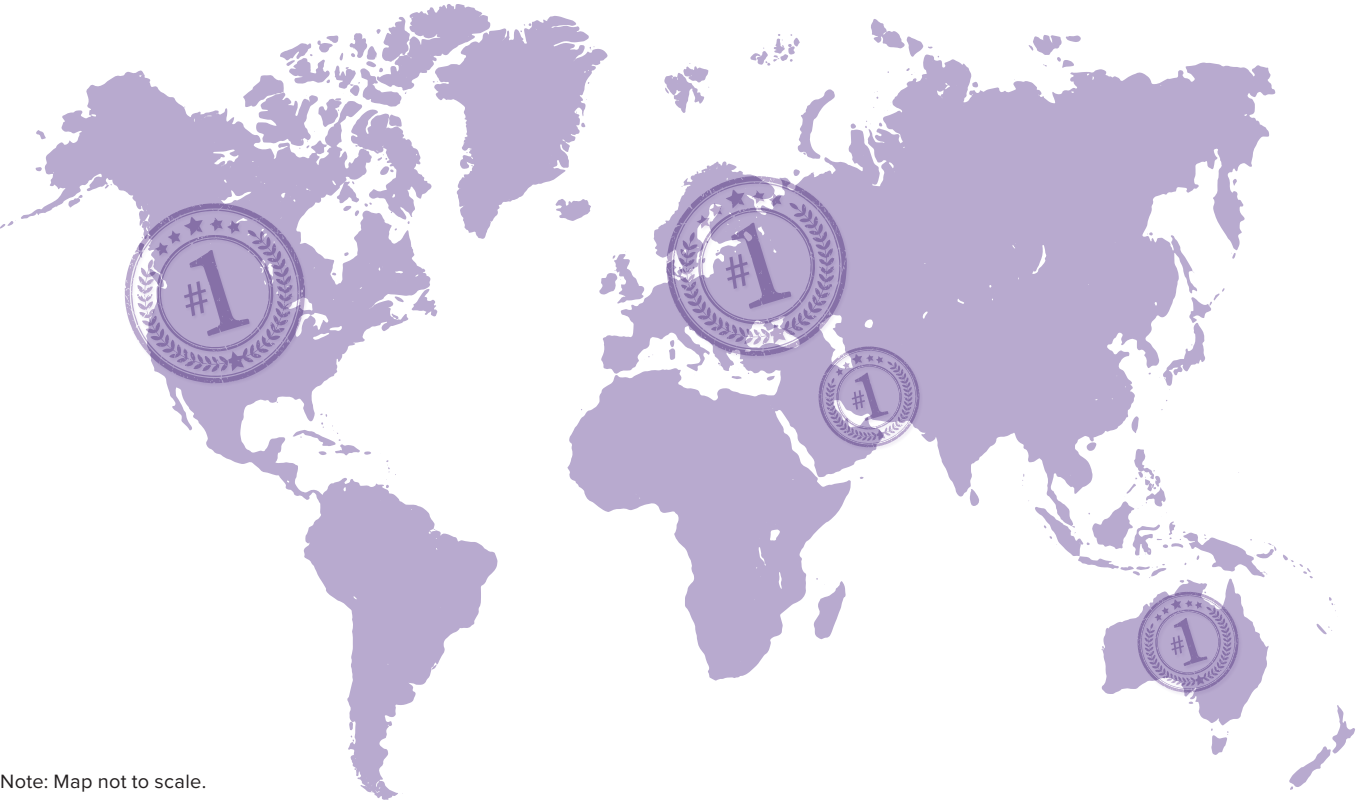
(App Annie report, March '24, Active Users, 170+ countries)

The platform delivered double-digit year-on-year growth while continuously optimising costs, significantly increasing its ARPU.

Taking the largest library of South Asian content to generations of South Asians across the world, ZEE5 Global continues to be the bridge between these audiences and their culture and language with 200,000 hours of entertainment content across 12+ South Asian languages. During the year, *Sam Bahadur* was the top-performing title with the highest subscription numbers ever. Additionally, titles like *Sirf Ek Bandaa Kaafi Hai*, *The Kerala Story*, *Sunflower Season 2* and *Hanu-man* (Telugu), performed exceptionally well.

The platform continues to scale exponentially in the USA, its largest market, supported by multiple local partnerships, deep community-level engagement and on-ground marketing initiatives.

No. 1 in active users across the globe



Note: Map not to scale.

Source: App Annie, Mobile Apps, Active Users, March 2024; among South Asian OTT platforms

ZEE5 global Add-ons



Building on its unparalleled reach to South Asians in the US, ZEE5 Global has successfully pivoted to become an aggregator in the country, leveraging deep consumer data. Launched at the end of FY 2023-24, ZEE5 Add-ons aggregates multiple South Asian streaming platforms within ZEE5, offering consumers an unrivalled content offering across 15 languages at unmatched prices. ZEE5 Add-ons offer users the convenience of a single window to download, explore and subscribe to multiple South Asian entertainment platforms all in one place. The Add-ons come with prices starting from \$1.49. With nine partners already onboarded and multiple others being signed up, ZEE5 Add-ons further cements the platform’s leadership position as the No. 1 South Asian streaming platform in the US market and the largest single-point destination for South Asian content in the market.

MANAGEMENT DISCUSSION AND ANALYSIS

ZEE’s Technology & Innovation Centre

ZEE’s Bengaluru-based Technology & Innovation Centre (TIC) has played a pivotal role in readying the Company for the future. The TIC has developed data-powered strategic technology capabilities that will enable revenue growth, cost efficiencies, and operational agility across ZEE, which, parallelly, has strengthened its world-class content and information security capabilities.

Over three decades, ZEE has accumulated a rich library of content and associated data on consumption behaviour. To transform these into a unique competitive advantage, the TIC has built high-ROI AI capabilities that will power the linear broadcast, digital streaming, movies and music businesses. These capabilities will help unlock revenue growth, greater consumer delight, and deliver higher value to advertisers in the coming quarters.

The TIC has significantly enhanced the technologies central to ZEE’s digital business. The video on demand content of ZEE5 is now transcoded and packaged using technology developed at the centre. ZEE5’s search and personalisation features are now powered entirely by homegrown technology.

ZEE5 has become the first OTT platform to be available on premium foldable screen devices. Apple users can now enjoy watch parties on ZEE5 through FaceTime. To enhance its offerings, ZEE5+ was developed as an aggregator platform, enabling other streaming services to deliver their content to the global South Asian diaspora.

Innovative technology has led to the development of cutting-edge interactive formats for TV programming. This advancement has also resulted in new advertising formats that seamlessly integrate across both digital and linear broadcast platforms, including e-commerce capabilities.

To extend consumer engagement beyond videos, ZEE5’s music content is now accessible in automobiles through Android Auto. Additionally, over 150 hyper-casual games are available on ZEE5 as part of the strategy to connect game developers with Indian audiences.

Overall, we are at the cusp of unveiling frontier technology capabilities to accelerate growth and profitability, while strengthening its information security and compliance foundations.

Movies

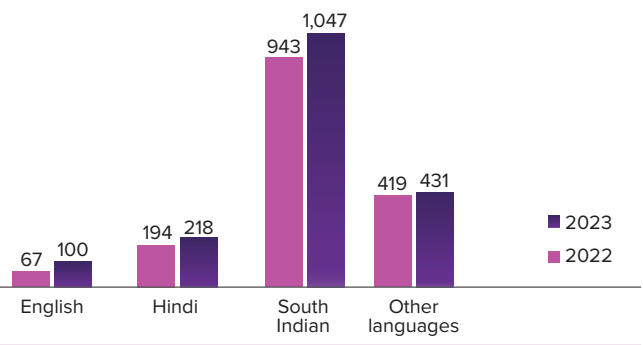
As per EY-FICCI, the Indian film industry experienced remarkable growth in 2023, with the segment surging by an impressive 15% to reach a record high of ₹197 billion. Despite facing challenges, including a 5% decline in admissions and only modest increase in screen count, the industry showcased its resilience. With 1,796 films released in theatres, an 11% increase from the previous year, it is evident that the appetite for cinematic experiences remains strong. However, with less than 100 million people visiting cinema halls, it was clear that for many Indians, the cinema experience remains a luxury rather than a regular pastime. Nevertheless, Indian films made their mark globally, with 339 films released across 38 countries, showcasing the industry’s expanding reach and influence.

Further as per EY-FICCI, the Indian film industry is expected to grow at a CAGR of 7% to ₹238 billion by FY 2026-27. This optimistic outlook is fuelled by various factors, notably the evolution of storytelling in Hindi and other language cinema, which is increasingly catering to mass markets.

Moreover, the integration of advanced VFX technologies promises to elevate the movie-watching experience. The industry’s aggressive expansion into Tier 2 and Tier 3 cities signifies a widening audience base and increased accessibility to cinematic offerings.

Furthermore, revenue streams are poised for transformation. Although broadcast rights may experience softness due to limited growth in Pay TV homes, the burgeoning digital rights sector, especially within Connected TV (CTV) homes, is expected to compensate for this. Additionally, the growth of overseas revenues hinges on the opening up of culturally similar markets, particularly in regions such as China and the Middle East. As OTT platforms prioritise profitability, investments in tentpole properties will persist, albeit at a reduced frequency, while mid-range films may witness diminished funding. Despite these shifts, the industry’s trajectory remains upward, buoyed by innovative strategies and evolving consumer preferences.

Film release grew 11% YoY



The segment grew 15% to reach an all-time revenue of ₹197 billion (₹ billion (gross of taxes))

	2020	2021	2022	2023
Domestic theatricals	25	39	105	120
Overseas theatricals	3	6	16	19
Broadcast rights	7	7	14	15
Digital/OTT rights	35	40	33	35
In-cinema advertising	2	1	5	8
Total	72	93	172	197

Source: EY-FICCI



ZEE Studios, the movie production, marketing, and distribution arm of ZEE, has established itself as a major player in the industry, releasing over 20 films and web series during FY 2023-24. Through effective marketing strategies, the studio has created a lasting ‘Lifetime Value’ for its productions. Notably, every marketing rupee invested during the first exploitation cycle of a film translates into sustained benefits across subsequent screenings, exemplified by the resounding success of the theatrical re-release of Gadar. This strategic approach not only augments Box Office collections but also drives growth in subscribers for ZEE5, while concurrently enhancing viewer engagement across both traditional TV airings and digital platforms. Furthermore, the studio’s releases has yielded healthy returns, affirming its status as a powerhouse of compelling content across languages and genres, resonating with audiences nationwide.



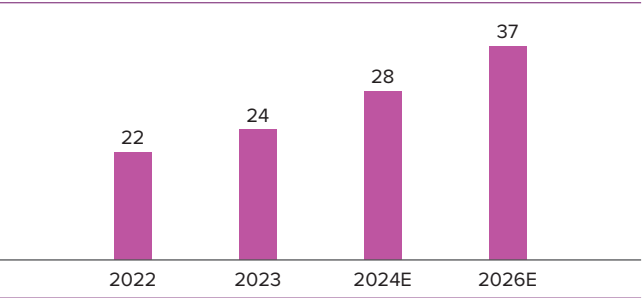
MANAGEMENT DISCUSSION AND ANALYSIS

Music

Indian audiences continue to have a strong engagement with music compared to global engagement levels. In FY 2023-24, the overall time spent listening to music reached 24.4 hours per week which is 18% higher than the global average of 20.7 hours per week. Film music leads consumption, primarily through music audio and video streaming. However, the live events space has also made a strong comeback. Digital music consumption continues to rule, recording a majority of the music industry’s revenues. As per the EY-FICCI report, the Indian music segment grew by 10% to reach ₹24 billion in FY 2023-24, slower than previous years, as certain music OTT pivoted to pay service and stopped or reduced their free services.

Looking ahead, the music segment is projected to grow at a CAGR of 15% over the next three years, reaching ₹37 billion. This growth will be driven by several factors, including the expanding smartphone base as the next 100 million users gain access, an increase in the paid subscription base, and higher revenue from music concerts. Additionally, the greater reach of social media, the growth of YouTube, and increased international consumption of Indian music will also contribute to this positive trend.

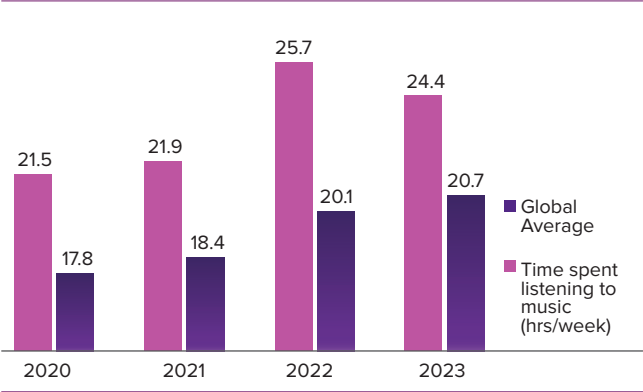
Music segment revenue (₹ billion (gross of taxes))



Source: EY estimates



Time spent listening to music by Indian consumers (hours/week)



Source: IMI Digital Music Study Report



ZEE Music Company (ZMC), ZEE’s music publishing label, is the second-largest music label in the country, with over 149 million YouTube subscribers and ~165 billion views garnered during the year. Having acquired an expansive catalogue of music rights across languages, we have earned the status of ‘second-most listened to’ Indian music label in a short time. ZMC has been acquiring music rights at a rapid pace in 22 languages, making it truly a pan-India music label.

Our catalogue now consists of over 14,000+ songs across Hindi and regional languages. ZMC has also emerged as a partner of choice for producers as it allows them to leverage ZMC’s vast distribution network.

ZMC also supports new talent by way of its production of non-film music under the ‘ZEE Music Originals’ brand name. A strong understanding of listeners’ preferences enables the label to identify music that will resonate well with customers.

In FY 2023-24, ZEE Music acquired and released the music of Gadar 2 which emerged as the biggest blockbuster followed by the album ‘Honey 3.0’ featuring YoYo Honey Singh; followed by albums from movies like Kissi Ka Bhai Kis Ki Jaan, Pippa, Swatantra Veer Savarkar, Sam Bahadur, Ganpath, Kho Gaye Hum Kahan, Dreamgirl 2, Oh My God 2, Vaccine War and Farrey.

ZMC continues to lead the market with acquisitions of new Hindi film music, regional music and non-film music and added 2,300+ songs to its catalogue during the year.

Sports

Sports is one of the leading engaging live content for the massive 890 million Indian TV audience (as per BARC). With viewership across socio-economic, language and age boundaries, sports aids the growth of the entire ecosystem, including TV broadcasters, digital platforms, advertisers and distributors. Amongst sports, cricket dominates the Indian viewership with almost 75% share and audience reach across India. However, there has been a significant increase in cost of media rights for sports properties, specially Cricket.

To selectively leverage the strength of sports, particularly cricket, ZEEL had acquired the global media rights of the UAE-based International League T20 (ILT20), held under the aegis of the Emirates Cricket Board for 10 seasons starting January 2023.

ILT20 is a professional franchise-based T20 format cricket event with six franchise teams, comprising the finest international ICC member countries and UAE players, competing in a 34-match world-class event. The six franchises

are owned and managed by some of the leading corporate and sports entities from around the world, including Gulf Giants (Adani Sportsline), MI Emirates (Reliance Industries), Abu Dhabi Knight Riders (Knight Riders Group), Desert Vipers (Lancer Capital), Dubai Capitals (GMR) and Sharjah Warriors (Capri Global).

Building on the inaugural season of the league which was held from 13th January to 12th February 2023, Season 2 of ILT20 was held from 19th January to 17th February 2024 in the UAE and was broadcast live in two languages – English and Hindi – across ZEE’s 10 linear TV channels including ZEE Cinema HD, ZEE Anmol Cinema, & Pictures SD & HD, ZEE Cinemalu HD, &Flix SD & HD, ZEE Zest SD & HD and streamed on ZEE5 in India. The event was also presented across over 100 countries on ZEE’s international TV network, ZEE5 Global and through strategic partnerships with leading TV and Digital platforms including Rush, ATN, Singtel, T-Sports, Supreme TV, ARY Digital and Viu.



MANAGEMENT DISCUSSION AND ANALYSIS

Human resource development

Human capital is the most valuable asset in our business, where we focus on harnessing creativity and innovation to bring engaging stories to life for our audiences across formats. As the industry and ZEE have evolved over the years, our people have swiftly adapted, developing new capabilities, and harnessing emerging growth opportunities, enabling us to remain at the forefront of the Indian M&E landscape. During FY 2023-24, we prepared for such a change with the impending merger. Against that backdrop, our entire organisation dedicated itself to the groundwork for the merger

with our Human Resources (HR) team playing a crucial role in ensuring readiness for a seamless integration through significant time and effort.

While the merger was a key focus area in FY 2023-24, we never lost sight of the core tenets of our people philosophy and framework – retaining talent and investing in capability development. This balance highlights our belief in human capital as a strategic differentiator for sustainable growth.



Training and development

We deliver high-quality learning programmes tailored to diverse skill levels and job roles, leveraging learning experience platforms and industry collaborations for accessibility and relevance. Robust governance frameworks ensure compliance with standards and adaptability to evolving needs. Key initiatives such as ZEEcademy and Lead-Your-Ship streamline access to resources, identify future leaders, and promote innovation.

4X4 Academy of Excellence framework

The 4X4 Academy of Excellence framework, a significant stride in ZEE's vision, underpins our commitment to delivering high-quality learning and development. Upholding standards of excellence and integrity, we ensure every programme is meticulously executed, providing equal opportunities for all

employees to enhance their skills and advance their careers. Prioritising inclusivity, equity, and professional growth, we empower individuals to thrive and contribute to our collective success.

It comprises four specialised academies, each focused on distinct development areas, ensuring a skilled and engaged workforce ready to tackle industry challenges.

The Academies

- **Compliance Academy:** Ensures employees adhere to legal standards and internal policies, maintaining integrity
- **Digital Learning Academy:** Provides the latest courses on technical, functional, behavioural, and leadership skills, keeping the workforce agile and enabling on-the-go learning

MANAGEMENT DISCUSSION AND ANALYSIS

- **Lead-Your-Ship Academy:** Strengthens the leadership pipeline by cultivating skills at multiple levels, preparing leaders to manage teams and projects
- **Techno-Functional Academy:** Addresses skill gaps and prepares employees for career advancements with tailored learning journeys

These academies are supported by integrated academic journeys, learner-centric technology, assessments and certifications, and career progression, ensuring sustainable growth for ZEE's talent pool.

ZEEcademy

Since its relaunch in January 2022, ZEE's AI-powered learning platform, ZEEcademy, has transformed the learning landscape. Rooted in meticulous research into business objectives, learner needs, and industry- skill gaps, ZEEcademy emerges as an innovative leader in employee training.

We focus on personalised learning journeys, intuitive UI/ UX design, curated content, robust assessment tools, and 24/7 accessibility. Our partnership with top content providers like Cornerstone and Udemy helps us continually adapt to evolving needs.

Lead-Your-Ship Academy

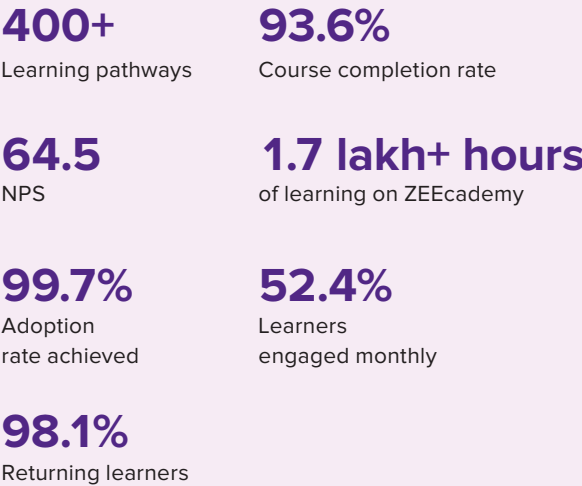
Our leadership development interventions under the **Lead-Your-Ship** pillar have been exemplary.

ARISE

The programme focuses on cultivating leadership qualities and enhancing managerial skills, accumulating over 12,755 man-hours and 1,594 man-days in FY 2023-24, reflecting strong engagement and deep skill building. It includes workshops, mentorship sessions, and project-based learning to equip emerging leaders with essential tools for organisational success. The ARISE 103 curriculum was designed based on findings from the latest research conducted by the Drucker Institute in collaboration with Korn Ferry on key leadership qualities in senior executives at top companies post-COVID. With an NPS of 82.1 and a feedback rating of 4.76 out of 5, ARISE demonstrates our commitment to nurturing leadership talent.

Additionally, seat utilisation has shown impressive engagement levels, with ARISE 101, 102, and 103 at 101.3%, 120.2%, and 97.2% respectively. Female participation is impressive, with ARISE 101, 102, and 103 reporting 23.2%, 25.6%, and 25.9% respectively, reflecting our commitment to inclusivity.

FY 2023-24, highlights



ASPIRE

The ASPIRE programme aims to develop a strong leadership pipeline for future leaders. In FY 2023-24, it accumulated over 1,827 man-hours and 228 man-days, achieving a feedback rating of 4.6, indicating high participant satisfaction. From an inclusion perspective, the programme had three females among 21 participants, representing 14.2%, highlighting our commitment to ensuring gender diversity in leadership roles.

MASTERSTROKE

Masterstroke is aimed at enhancing specific competencies across the organisation. In FY 2023-24, it engaged 1,095 unique participants, including 236 females, which represents 21.5% of the total participants. The programme garnered

an impressive NPS of 67.3 and a feedback rating of 4.5, accumulating over 3,307 man-hours and 413 man-days. Participant feedback has been overwhelmingly positive, underscoring the programme's impact on professional growth and skill enhancement.

We are compliant

We prioritise compliance, achieving 100% completion rates for critical modules such as Digital Induction, Prevention of Sexual Harassment (POSH), Code of Conduct, Information Security, and Data Privacy. This commitment to regulatory standards is central to our ethos, ensuring a safe, respectful, and secure work environment for all employees.

Accolades and recognition

Our innovative strategies and commitment to excellence have garnered global acclaim, resulting in numerous awards from prestigious bodies.

Forum	Award won	Effort recognised
BRANDON HALL	Gold: Best approach to implementing a learning experience platform (LXP)	ZEEcademy An innovative learning experience platform, structured around ZEE competencies, business requirements and learner needs, utilising advanced instructional design and technology to deliver a personalised and impactful learning experience
	Gold: Best programme for upskilling employees	Lead-Your-Ship (ARISE) Accumulated over 12,416 man-hours and 1,552 man-days in FY 2022-23, focusing on leadership development and equipping employees with essential skills for professional growth
	Silver: Best learning strategy	Academy of Excellence Highlights our framework and its initiatives, structured and aligned with our business and organisational goals
	Gold: Best development programme for front line leaders	Lead-Your-Ship (ASPIRE) Celebrates the intervention of developing leadership capabilities among front-line leaders through workshops, mentorship, and real-world project experiences



MANAGEMENT DISCUSSION AND ANALYSIS

Forum	Award won	Effort recognised
TISS CLO	Gold: Leading the charge in digital transformation	ZEEcademy Honours our AI-powered learning platform for driving digital transformation with personalised learning journeys and seamless user experiences
	Gold: Best skill development initiative	Lead-Your-Ship (ARISE) Highlights our commitment to skill development with 12,416 man-hours and 1,552 man-days in FY23
	Silver: Best leadership development programme	Lead-Your-Ship (ASPIRE) Recognises the ASPIRE intervention for developing leadership capabilities through workshops, mentorship, and real-world project experiences
ET HR World	Silver: Best advance in compliance training	Compliance Acknowledges advancements in compliance training, with 100% completion rates in Digital Induction, POSH, Code of Conduct, Information Security, and Data Privacy
	Silver: Excellence in learning experience	ZEEcademy For creating engaging learning experiences, with notable active engagement and completion rates, NPS of 63, and content rating of 4.8 out of 5



Safety and well-being

At ZEE, we prioritise our employees’ well-being and safety. We have introduced on-site medical services, counselling and blood donation drives. Our offices uphold advanced safety protocols while providing competitive insurance, supportive leave policies, and a secure work environment.

A collaborative work environment is essential for enhancing productivity, and recognising and appreciating employees is key to a thriving culture. Through our rewards and recognition programmes, we aim to enhance performance and engagement across all levels, celebrating exceptional achievements and desired behaviours.

Our recognition initiatives, Zeelompics and Cheers for Peers, align with ZEE’s values framework and are tech-enabled for standardisation and real-time feedback.

- **Zeelompics**, our quarterly recognition programme, has been well received, with 3% of our unique employee population receiving awards each quarter in FY 2023-24.
- The **Cheers for Peers platform**, an instant peer-to-peer appreciation programme, achieved 86% engagement in FY 2023-24, significantly exceeding previous years.
- Moreover, our commitment to innovation and excellence in recognition was honoured with the Excellence Award from the prestigious Brandon Hall Group in August 2023.

Financial Review

Consolidated financials

	FY24	FY23	Growth
(₹ million)			
Operating revenue	86,372	80,879	7%
Expenditure	(77,300)	(69,868)	
EBITDA	9,072	11,011	(18%)
Add: Other income	1293	797	62%
Less: Depreciation	(3,091)	(3,127)	
Less: Finance cost	(721)	(702)	
Less: Fair value through P&L	38	58	
Exceptional items	(2,784)	(3,355)	
Add: Share of Profit of Associates	4	(1)	
Profit Before Tax (PBT) from continuing operations	3,811	4,681	(19%)
Less: Provision for Tax	(1,819)	(2,167)	
Profit after Tax (PAT) from continuing operations	1,992	2,514	(21%)
Loss from discontinuing operations	(578)	(2,036)	
Less: Minority interest			
Profit after Tax (PAT)	1,414	478	196%

All figures for FY 2022-23 and FY 2023-24 are for continuing operations except when otherwise stated.

ZEEL consolidated revenues for the year ended 31st March 2024 stood at ₹86,372 million, compared to ₹80,879 million in the previous year—a growth of 7% on account on account of growth in subscription revenue and strong subscriptions, further strong movie performance across theatrical and syndication, aided the other sales and services.

Advertising revenues for the year ended 31st March 2024 were flat at ₹40,577 million, as linear advertising environment remained sluggish due to slow consumption demand recovery among FMCG companies, particularly driven by the rural market slowdown, and weak spending sentiment from new-age companies throughout the year. However, some green shoots emerged after the festive season, with FMCG players starting to increase their ad spending. Subscription revenue during the year grew by 10% YoY to ₹36,660 million led by NTO 3.0 implementation and growth in digital subscription revenue.

ZEE’s total operating expenses increased by 10% to ₹77,300 million, from ₹69,868 million in the previous year. This increase was primarily due to higher content cost in movies, sustained investment in content, marketing, and technology in ZEE5. Also, we have increased our library strength of the digital business by releasing over 80 shows and movies (including originals) during the year. Other expenses for the year has declined by 1% YoY to ₹16,719 million. EBITDA for the year stood at ₹9,072 million, a decline of 18% vs FY 2022-23

EBITDA. The decline is largely on account of stepped-up investments in tech, platform, content, and higher marketing. EBITDA margins for the year ended 31st March 2024 stood at 11%, compared to 14% for the year ended 31st March 2023.

Depreciation and amortisation expenses declined by 1% YoY to ₹3,091 million. The exceptional items is majorly related to merger related cost. Further, the company is in the process of discontinuing certain business or operations including Margo Network (Sugarbox) as part of its portfolio rationalisation. Accordingly these have been presented as discontinuing operations in the financial statements. Consolidated income tax expense of ₹1,819 million was lower by 16% compared to the previous year. Consolidated profits after taxes from continuing operations stood at ₹1,992 million and consolidated profit after tax stood at ₹1,414 million.

Liquidity and funding

As on 31st March 2024, ZEEL had cash and bank balance of ₹11,932 million. Consolidated long-term debt stood at ₹55 million. Consolidated cash flow from operations stood at ₹7,144 million for the year ended 31st March 2024, compared to ₹1,290 million in the previous year. The improved cashflow from operations was largely driven by a focus on working capital management.

MANAGEMENT DISCUSSION AND ANALYSIS

Risk Factors

Limited consumer time and cluttered landscape

With over 900 players in broadcast, as per the Ministry of Information & Broadcasting, and over two dozen in the digital/OTT space vying for the consumer’s attention. The M&E landscape is increasingly becoming saturated with quality content, thereby increasing consumer expectations, which can potentially impact the network’s viewership share and consequently revenues.

Alternate forms of entertainment

Entertainment trends such as virtual reality (VR), augmented reality (AR), emerging social media and short video platforms, online gaming, and metaverse are redefining the industry through immersive, personalised experiences for audiences. These platforms also offer special value propositions for advertisers, presenting opportunities for the hybrid entertainment business and improved content delivery.

Cancel/troll culture

In an increasingly aware, sensitive, and fragmented world, our ability as a media brand to depict/represent contemporary realities while upholding freedom of expression can be challenging.

Intellectual property infringement

AI technologies can enable the creation of highly realistic deepfakes i.e. manipulated media content that can be difficult to distinguish from genuine content. This poses a risk to media businesses, as it becomes harder to identify and combat intellectual property infringement, unauthorised use of copyrighted material, or misrepresentation of individuals or brands.

Free-to-air (FTA)/Free dish

Market saturation and the cost-of-living crisis have led to budget-conscious consumers re-evaluating their subscription choices helping the popularity of FTA. Aided by original content offerings, the FTA universe has seen accelerated growth, potentially impacting the subscription revenue of the Pay TV ecosystem.

Macroeconomic headwinds

M&E industry has high correlation with the economic growth of the country. A slowdown in macroeconomic environment will result in marketing budget being slashed across sectors, impacting the advertising revenue of the company, which is the largest component of revenue for ZEE.

Content and selling costs

Content costs have increased from pre-pandemic levels and are expected to increase even further, as per the findings of an EY-Producers Guild of India Survey in December 2022.

ZEE spends a significant amount on the creation and acquisition of rights to movies, shows and music across its broadcast, digital and international businesses. With increasing competition, content creation and content acquisition costs could reach a level that is not commensurate with the monetisation potential and estimated cost recovery. Increased inflation will also have an impact on the cost of content.

Market consolidations and mergers

Industry consolidation through mergers and acquisitions of large conglomerates can lead to heightened competition, potential loss of market share and increased pricing pressures - resulting in emerging competitors with vast content libraries and advanced digital distribution capabilities.

Global/local pandemic

The COVID-19 pandemic disrupted business operations, created a volatile macroeconomic environment, and impacted content production.

Any future breakout can affect our ability to produce and monetise content.

Exchange rate fluctuations

We operate outside India, with significant revenues and expenses in foreign currencies. Thus, fluctuation/s in exchange rates might adversely affect our revenues and costs.

War-led uncertainty

There are two ongoing international wars in Russia-Ukraine and Israel-Palestine as well as civil wars in Sudan and Myanmar, among other places. Such wars greatly compound several pre-existing adverse global economic trends, including rising inflation, extreme poverty, increasing food insecurity, deglobalisation, and worsening environmental degradation. In addition, with an apparent end to the peace dividend that has long helped finance higher social expenditures, rebalancing fiscal priorities could prove quite challenging even in advanced economies.¹

¹IMF

Cybersecurity threats

IT systems are crucial to our operations and digital transformation. However, the integrity of these systems is increasingly vulnerable to a spectrum of IT security threats, ranging from conventional hacking techniques, and sophisticated phishing and ransomware attacks to more advanced threats emerging from the widespread use of Generative-AI tools.

Any breach and/or compromise to our IT systems can have serious consequences, including operational disruptions, exposure of sensitive data, legal liabilities, and significant damage to our reputation.

Data protection and privacy

The Indian Government has recently enacted the Data Protection and Privacy Act (DPDPA) to govern the protection of personal data and the privacy rights of individuals in our country. The penalty for non-compliance to the DPDPA includes heavy fines or legal action imposed by the regulatory authorities.

Uncertainties in rules and regulations

The M&E industry is governed by the rules and regulations issued by the authorities and regulatory bodies of the different countries it operates in and therefore any changes in rules and regulations could have a material impact on its revenues and cost of doing business.

Unpredictable commercial success

ZEE is continually expanding its content portfolio, encompassing original shows, TV series, films, music, and innovative formats across various genres. While we believe that exclusive and original content is a key differentiator that attracts and retains subscribers, it is challenging to forecast with certainty the commercial success of creative endeavours. If content investments fail to meet expected outcomes, particularly in terms of costs, viewership, and popularity, our operating performance and brand perception may be negatively impacted.

Internal controls

Our internal control systems are designed to align with our business needs and scale. The organisation has implemented robust controls, procedures, and policies that ensure the smooth operation of its business, including adherence to policies, protection of assets, detection and prevention of fraud and errors, accurate and complete accounting records, and timely preparation of reliable financial information. These are routinely tested and certified by Statutory and Internal Auditors. Significant observations and follow-up actions are reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the internal control processes and monitors the implementation of audit recommendations, including those related to the strengthening of risk management policies and systems.