सूचना एवं प्रसारण मंत्रालय
MINISTRY OF INFORMATION AND BROADCASTING
सत्यमेव जयते

Realising AVGC-XR Sector Potential in India

Report by

AVGC Promotion Task Force
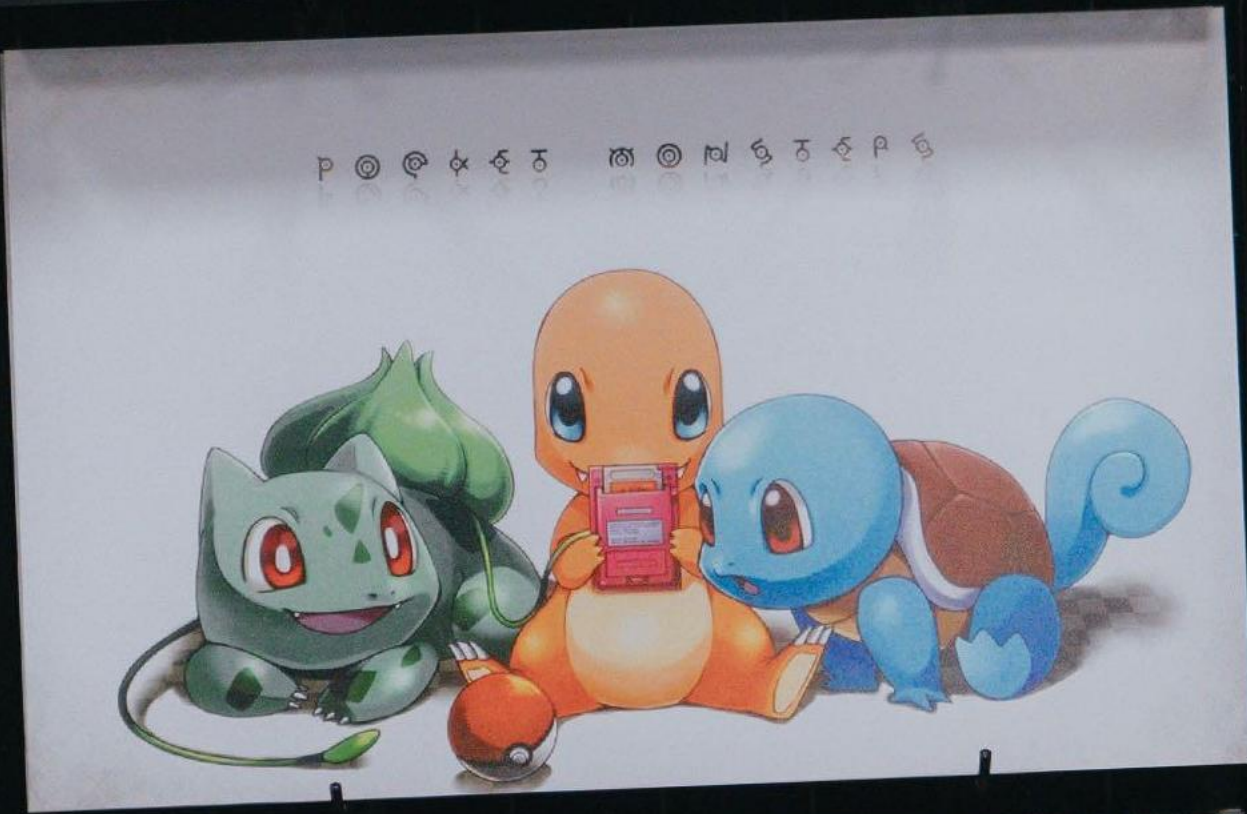
2022

MINISTRY OF
**INFORMATION AND
BROADCASTING**

" AVCG-XR sector can provide immense employment opportunities to the youth who can serve the global market and the Indian talent can lead the way in this sector. "

SHRI NARENDRA MODI

Hon'ble Prime Minister of India

Preface

With the momentum that the Animation, Visual Effects, Gaming and Comics (AVGC) industry has gained in the current times, it has become imperative to develop a support ecosystem for the industry at large and support its growth in India. In order to boost the domestic capacities and develop the opportunity landscape, collaborations in academia, co-production, technology, policy & research must be explored to leverage the existing industry expertise. The AVGC segment, as a part of the larger media and entertainment sector, also offers immense potential to employ youth. With this objective, Hon'ble Finance Minister announced the formation of the AVGC Promotion Task Force during the Budget Speech 2022-23. The Promotion Task Force was constituted in the Ministry of Information and Broadcasting in April 2022.

The Promotion Task Force has held extensive consultations with industry representatives and cross cutting government sectors to ensure this Report gets a holistic viewpoint and suggest action areas for the AVGC industry. The Task Force members considered the potential and challenges faced by the sector and have suggested steps to realize the potential of all segments in terms of market access and development, skilling and mentorship, education, increasing access to technology, creating financial viability, promoting high-quality content, diversity, equity and inclusion, and other areas. I thank all experts and members for their contribution during the deliberations. I am hopeful that this Report will help all stakeholders to explore multiple facets of the AVGC industry to build domestic capacity for serving our markets and the global demand.

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Glossary of Terms

2D	2 Dimensional
3D	3 Dimensional
5G	5th Generation mobile network
ABC	Academic Bank of Credits
AICTE	All India Council for Technical Education
APAC	Asia Pacific
AR	Augmented Reality
ARPU	Average Revenue Per User
AVGC	Animation, Visual Effects, Gaming & Comics
B2B	Business to Business
BCAS	Bachelor of Creative Arts & Sciences
BGMI	Battlegrounds Mobile India
Bn	Billion
CAGR	Compound Annual Growth Rate
CAS	Creative Arts & Sciences
CBSE	Central Board of Secondary Education
CIIE	Centre for Innovation, Incubation and Entrepreneurship
COE	Centre of Excellence
CSR	Corporate Social Responsibility
DOTA	Defence of the Ancients
DSC	District Skill Committee
EA	Electronic Arts
EdTech	Education Technology
E-Sports	Electronic Sports
EY	End of Year
FAU-G	Fearless and United Guards
FDI	Foreign Direct Investment
FICCI	Federation of Indian Chambers of Commerce and Industry
FIFA	International Federation of Association Football
FY	Financial Year
GB	GigaByte
GDP	Gross Domestic Product
GoI	Government of India
GoM	Group of Ministers
GST	Goods & Services Tax
HEI	Higher Education Institutes
IAMAI	Internet and Mobile Association of India

Glossary of Terms

ICT	Information and Communication Technology
IEC	Importer Exporter Code
IIM	Indian Institute of Management
IISc	Indian Institute of Science
IIT	Indian Institute of Technology
INR	Indian Rupee
IP	Intellectual Property
IPLA	Intellectual Property Licensing Agreements
IPR	Intellectual Property Rights
IT	Information Technology
ITES	Information Technology Enabled Services
ITI	Industrial Training Institutes
JSS	Jan Shiksha Sanathan
KG	Kindergarten
LED	Light Emitting Diode
M&E	Media & Entertainment
MECAT	Media & Entertainment Creative Aptitude Test
MeitY	Ministry of Electronics and Information Technology
MESC	Media and Entertainment Skill Council
MHRD	Ministry of Human Resource Development
MMORPG	Massively Multiplayer Online Role-Playing Games
MOBA	Multiplayer Online Battle Arena
MOC	Memorandum of Cooperation
MoE	Ministry of Education
MOIB	Ministry of Information & Broadcasting
MOOCs	Massive Open Online Courses
MORD	Ministry of Rural Development
MoU	Memorandum of Understanding
MPL	Mobile Premier League
MSDE	Ministry of Skill Development and Entrepreneurship
MSH	MeitY Start-up Hub
MSME	Micro, Small and Medium Enterprises
NCERT	National Council of Educational Research and Training
NCOE	National Centre of Excellence
NCVET	National Council of Vocational Training and Education
NEP	National Education Policy

Glossary of Terms

NFDC	National Film Development Corporation	
NID	National Institute of Design	
NIFT	National Institute of Fashion Technology	
NOS	National Occupational Standards	
NSDC	National Skill Development Corporation	
NSQF	National Skills Qualifications Framework	
OTT	Over-the-Top	
PC	Personal Computer	
PG	Postgraduate	
PMKK	Pradhan Mantri Kaushal Kendra	
PMKVY	Pradhan Mantri Kaushal Vikas Yojana	
PM-STIAC	Prime Minister's Science, Technology and Innovation Advisory Council	
PPP	Purchasing Power Parity	
R&D	Research & Development	
RCoE	Regional Centre of Excellence	
RMG	Real Money Games	
RSG	Regional Schools for Gaming	
SIPP	Start-Ups Intellectual Property Protection	
SME	Small-to-Medium Enterprises	
SSC	Sector Skill Councils	
SSD	Society for Skill Development	
STPI	Software Technology Parks of India	
TIDE	Technology Incubation and Development of Entrepreneurs	
TITP	Technical Intern Training Program	
ToRs	Terms of Reference	
ToTs	Training of Trainers	
UG	Undergraduate	
UGC	University Grants Commission	
UPI	Unified Payments Interface	
USD	United States Dollar	
VC	Venture Capital	
VFX	Visual Effects	
VR	Visual Reality	
XR	Extended Reality	
YoY	Year-on-Year	

Introduction

India is one of the oldest civilizations in the world with a diverse and rich cultural heritage. The cultural fabric of India is an amalgamation of a variety of languages, religions, literature, art and dance forms, music, food, architecture, and customs that together define the rich heritage of the country. The conventions, practices, and beliefs that are followed today were developed thousands of years ago.

For a country as diverse as India, the plurality of its culture is an essential component of the nation's growth story. India occupies one of the top spots globally with regard to collections of music, dance, theatre, folk traditions, performing arts, rituals, paintings, and writings- also known as the 'Intangible Cultural Heritage' of humanity.

Indian paintings, like other forms of art, have a rich history. The exquisite murals of Ajanta and Ellora Caves, Buddhist palm leaf manuscripts, miniature paintings, among others, stand as a testimony to the cultural history associated with Indian paintings.

Madhubani art, one of the earliest forms of Indian paintings, traditionally created by women of various communities in the Mithila Region of Indian subcontinent, has now become a globalised art form. . Similarly, Warli painting, an integral part of rituals of the Warli tribe, is now internationally recognized and appreciated. Exposure to the global landscape and emergence of a new generation of Warli painters has led to incorporation of contemporary elements of urban culture into these paintings.

In the same vein, the rich tradition associated with Thanjavur paintings has ensured that the art form continues to inspire artists all over the world.

Besides art forms, one of the significant ways in which culture and creativity manifest themselves is literature. Literary tradition dominates a major part of Indian culture. The Vedas, the Ramayana, and the Mahabharata are some of the oldest works of literature in India. The Brahmanas and the Upanishads were among the prose commentaries added to the Vedas. Sanskrit literature creation reached its peak of development in the 1st to 7th centuries CE. The period also witnessed the emergence of sacred and philosophical writings, court poetry, plays and narrative folklores. One of the noteworthy collections of Indian traditional stories include the Panchatantra, a collection of traditional narratives, dated to about second century BC. India's rich literary tradition has therefore captured the imagination of the world and resulted in the country's possession of almost 5 million manuscripts, envisaged to be among the largest collections globally.

Taking Indian culture abroad

The diversity of India's culture and the global attention received by its art forms, ancient literature, and folklores, have played a crucial role in strengthening the country's soft power. India is considered a melting pot of religions, languages, and cultures. Therefore, various initiatives have been taken by the government to disseminate and promote Indian culture across the world.

These initiatives include signing of bilateral and multilateral agreements, implementation of Cultural Exchange Programmes, promotion of Indian culture through 'Festivals of India' in foreign countries, providing assistance to Indo-Foreign Friendship Cultural Societies for cultural activities, among others.

There is a need to further showcase India's rich culture and history and leverage the potential of Media and Entertainment ecosystem for the same purpose. The role of Animation, Visual Effects, Gaming & Comics (AVGC) sector deserves a special mention in this context. **The AVGC sector shall serve as a major growth driver for the M&E industry in India and for the realization of the same, the Government of India has designated audio-visual services as one of the 12 Champion Service Sectors**. Further, the growth of India's AVGC sector will enable it to act as a connecting bridge between the country's culture and its dissemination to a wider global audience.

In the above context, it is essential to note the various ways in which AVGC sector could play a role in showcasing India's culture and heritage on a national as well as global scale. Similarly, there is a need to explore other innovative ways through which the integration of AVGC with India's culture could be strengthened and made more robust. Indian epics such as the Ramayana and Mahabharata could be used as inspiration to develop online and video games, which could eventually contribute to India's growth as an AVGC hub. Successful films may be transformed into strategy games through a dedicated mechanism of cooperation between the entertainment and gaming industry.

A similar approach could be adopted with respect to historical and folklore-based narratives, taking into consideration the cultural sensitiveness associated with the content and historical characters.

The role played by Amar Chitra Katha in preserving Indian heritage and promoting iconic folktales through its comic books, could to in this regard. These initiatives, along with several others, would prove to be instrumental in ensuring that content pertaining to India's rich culture and heritage reaches a wider audience across geographies.

Challenges in the AVGC sector in India

In light of the above, it is essential to note that although the potential and reach of AVGC sector in India is significant, the industry is still in its nascent stage and needs to overcome certain challenges. For instance, AVGC education is a building block of the sector. However, at present AVGC education in the country strongly needs standardization of content and delivery modes. For skilling and vocational training too, there is a need for dedicated vocational training modules for various other skills required by the sector. Further, to promote lifelong learning for AVGC professionals, adequate focus has to be given to the quality of skilling content. Apart from challenges on the academic front, the sector also needs to overcome challenges with respect to regulatory framework, infrastructure, financing, skilling, R&D and Intellectual Property. Addressing these challenges would enable the sector to realize its true potential and play an enhanced role in dissemination of Indian content on a global platform.

Driving growth in the AVGC sector

With increasing digitization, India is on course to become a leader in technological innovation and development. With the advent of digital technologies in general and the AVGC sector in particular, & a rapidly growing market, India's is taking strides to become a global AVGC hub. In this context, it is important to look at international best practices and consider the innovative work being undertaken by certain countries for growth of AVGC sector.

The animation and gaming industries employ technology extensively, and these can further demonstrate India's well-established credentials in the offshoring of technology and services, in addition to being essential for the growth of India's domestic M&E sector. The rise of new international trends, such as the metaverse, is also envisaged to add to the existing demand from the M&E sector, creating challenges with respect to skill development that need to be urgently addressed. AVGC sector can play a significant role in building metaverse. As per certain projections, the establishment of AVGC task force will help India achieve its potential of 20 lakh jobs in the sector, which is considered critical for development of skills required for the growth of metaverse.

Besides the advantages from the perspective of new-age technologies, growth of India's AVGC industry will not only enhance the export potential of the sector, but also facilitate the entry of foreign players in the country. Along with attractive financial incentives, a robust AVGC sector will attract relevant foreign companies and content creators to co-produce and relocate to India, outsource work to Indian counterparts, and provide employment to Indian content developers.

Formation of AVGC Promotion Task Force

Strengthening of India's AVGC sector requires a set of focused interventions, beyond just policy making. To realize the real growth opportunity for India in terms of industry potential and job opportunities, in the Budget speech for the fiscal year 2022-2023, Hon'ble Finance Minister Smt. Nirmala Sitharaman announced the formation of an AVGC Promotion Task Force that would drive the institutional efforts to guide the policies of growth for this sector, establish standards for AVGC education in India, actively collaborate with industry and international AVGC institutes, and enhance the global positioning of the Indian AVGC industry.

Moreover, the larger idea behind the formation of the Task Force was to unleash the scope and reach of AVGC sector for it to become a torch bearer of "Create in India" and "Brand India".

To ensure an integrated growth of AVGC in India, an integrated approach needs to be adopted to cater to the overall need of the sector. To this end, the Task Force has given various actionable recommendations with respect to key enablers of the sector, such as market access and development, skilling and mentorships, education, increasing access to technology, creation of financial viability, promotion of high-quality content, and encouraging diversity, equity, and inclusion.

Implementation of these recommendations would further aid the growth of the M&E industry in general, and AVGC sector in particular, in the country.

AVGC Sector -
A Global Context
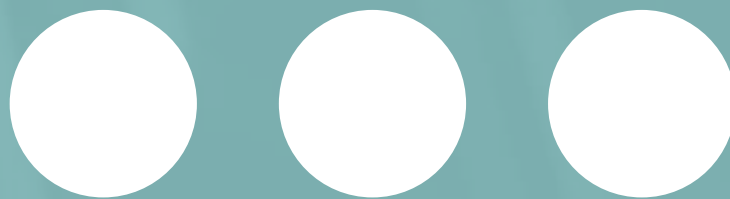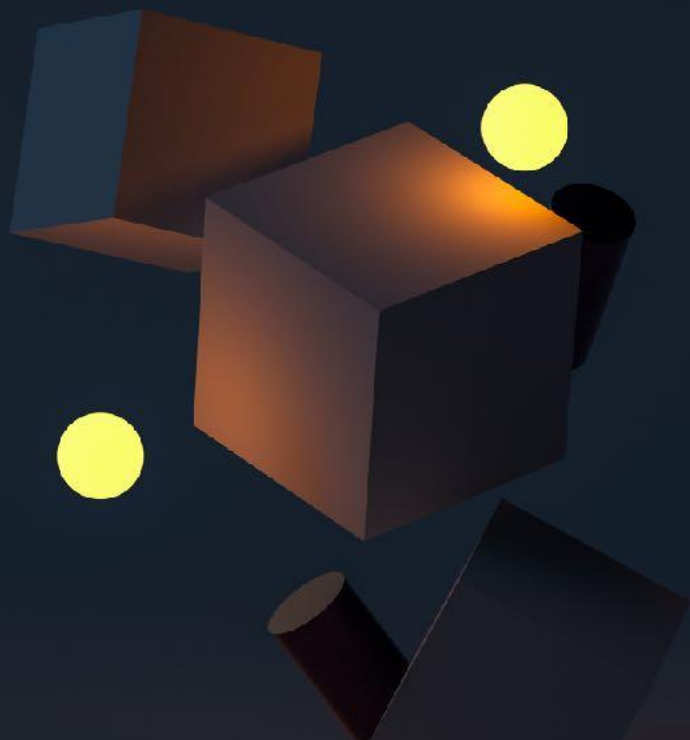
1.1 Overview of Global AVGC Sector

The **global animation and visual effects market** size was estimated at USD 168 billion in 2021 and is projected to grow to USD 290 Bn by 2024 at a CAGR of 10.94% between 2020 and 2026 .

One of the main factors leading to the development of the VFX market worldwide is the introduction of augmented reality (AR).

The increasing demand for digital content has created a need for innovation in visual effects for new experiences like AR.

The global gaming market was valued at USD 198.4 Bn in 2020 and is expected to reach USD 314.4 billion by 2026, growing at a CAGR of 9.64% between 2021 and 2026. [5]

As per estimates for 2021, there are 2.7 billion gamers across the world with China, Japan, US, and UK combined representing 47% of all gamers globally and 64% of all direct consumer spend on gaming. [6]

Asia-Pacific is anticipated to hold the largest market share in the gaming industry, with India, Japan, China, and South Korea showing high potential for market growth. [8]

The global Comic Book market size is projected to reach US$ 19.5 billion by 2028, from US$ 11.8 billion in 2021, at a CAGR of 7.1% during 2022-2028. [9]

The movie RRR had over 2800 VFX shots. All the animal scenes were synchronized using radio-controlled cars, programed to operate at specific speed.

[1-4] As per NITI Aayog estimates
[5] As per NITI Aayog estimates
[6] https://www.accenture.com/_acnmedia/PDF-152/Accenture-Gaming-Article.pdf#zoom=40
[7] https://www.businesswire.com/news/home/20220706005573/en/Gaming---A-339-Billion-Industry-Assessment-2022-2027-Asia-Pacific-and-Smartphone-Gaming-are-the-Lucrative-Segments---ResearchAndMarkets.com
[8] https://www.mordorintelligence.com/industry-reports/global-gaming-market
[9] cfddd http://www.marketresearch.com/QYResearch-Group-v3531/Global-Comic-Book-Size-Status-30980921/

1.2 Global Trends driving growth in AVGC Sector

Growing 5G Presence

Growth of Smartphone Users

Increased R&D Investments

Advent of New Technologies

Adoption of Digital Technology

Wider Spectrum of Applications

Rising Demand for Graphic Novel

Growing OTT User Base

Surging Popularity of Comic Events

Figure 1:
Global growth drivers of AVGC Industry

Animation and VFX Sector

1. Growing OTT User base

- Over-the-Top user base is expected to grow at a CAGR of 7% between 2021 [10] and 2024 with a penetration of 45.8% in internet users. [11]

- With almost 50% internet users worldwide watching OTT[12], the scope of increased viewership is high.

- The new animation content is not just restricted to kids but is also finding its niche with adults; ~50% of Netflix's members around the world choose to watch animation content. [14]

2. Wider Spectrum of Applications

- The World in general has a large tech savvy, young population that is also interested in gaming, leading to newer opportunities in game design, animation and VFX.

- Gaming is growing at a CAGR of 12%, with Gamers demanding high quality productions with engaging VFX and realistic animation. [15]

- Global animation and VFX in advertisement is projected to grow at CAGR 10.9% [16]; Advertisers are increasingly finding animated commercials more effective.

- Amongst others, EdTech, Architecture, and Med-tech are expected to increase at CAGR of 11.7% between 2020 and 2024. [17]

3. Advent of New Technologies

- The Extended Reality (XR) segment is expected to grow by a CAGR of 25.9% between 2020 and 2024. [18]

- Investment in AR and VR is increasing year on year, especially in gaming, creating the need for enhanced animation.

- Animation plays key role with the advent of AR/ VR technology.

- The Metaverse is approaching a turning point of rapid development which will increase the demand for 3D modelling and real-time rendering which are core technologies for perceptual interaction through XR devices.

- It is expected that ~50% of Indian animation and VFX studios will adapt to real-time technology (core technologies for perceptual interaction through XR devices, demand for 3D modelling, etc.) by 2025. [19]

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[10] https://economictimes.indiatimes.com/industry/media/entertainment/indias-video-ott-market-to-touch-12-5-billion-by-2030-report/articleshow/84517655.cms
[11] As per NITI Aayog estimates
[12] As per NITI Aayog estimates
[13] https://www.protocol.com/netflix-kids-parents-email-top10
[14] https://www.livemint.com/news/india/streaming-platforms-focus-on-animation-kids-content-11617864858778.html
[15] https://www.globenewswire.com/fr/news-release/2022/07/11/2477569/0/en/Mobile-Gaming-Market-Size-is-projected-to-reach-USD-338-billion-by-2030-growing-at-a-CAGR-of-12-3-Straits-Research.html
[16] https://www.globenewswire.com/en/news-release/2022/08/16/2498864/0/en/Global-VFX-Market-will-Generate-New-Opportunities-with-Growth-of-a-CAGR-10-9-and-is-Estimated-to-Reach-a-Value-of-USD-48-9-Billion-by-2028-Growing-Use-of-Visual-Effect-in-the-Films.html
[17] As per NITI Aayog estimates
[18] As per NITI Aayog estimates
[19] As per NITI Aayog estimates

Gaming Sector

1. Growth of Smartphone Users

- In 2021, the number of smartphone users in the world stood at 6.3 Bn and is expected to reach 7.5 Bn by 2026 (at a CAGR of 4% between 2021 and 2026). [20]

- Proliferation of low-cost smartphones has been instrumental in broadening the user base in India.

- Mobile gaming generated USD 73.42 billion in 2020. The segment is poised to experience a high growth rate with projections estimating a CAGR of 11.05% over the following 5-year period ending 2026. [21]

2. Growing 5G Presence

- By 2023, approximately 42.5% of all smartphones will be 5G ready. [22]

- By 2026, 5G mobile subscriptions worldwide are forecast to exceed 3.5 Bn, led by Asia-Pacific, North America, and Europe. [23]

- 5G is expected to bring a telecom revolution, not just in the country but all over the world. For the gaming sector, this will result in super-fast downloads and uploads, glitch-free multiplayer video games, live streaming, and real-time gaming.

3. Increased R&D Investments

- Major technology and gaming companies are ramping up R&D spend to innovate, understand consumer behaviours, and build novel gaming experiences.

- EA Sports spends up to 25% of its total expenditure on R&D with the proportion of spend increasing every year. [24]

- Similarly, Sony's R&D budget for its Gaming and Networks division accounts for 25-30% of its total R&D spend. [25]

4. Growing PC and Console Gaming

- Several PC brands reported a three-time increase in the sale of gaming laptops in 2020. The sale of gaming laptops grew by 300,000 to 400,000 units in 2020 in India. [26]

- Console games have been adapted and released on mobile devices, thus increasing the demand for mobile gaming. This has also increased the demand for PCs and consoles, as users look to upgrade their gaming experience.

- PlayStation 4 sales doubled in Q1 FY20 as compared to Q4 FY19, and there has been a 200% growth in peripheral sales as well. [27]

[20] https://www.ericsson.com/en/reports-and-papers/mobility-report/dataforecasts/mobile-subscriptions-outlook#:~:text=At%20the%20end%20of%202021%20there%20were%206.3%20billion%2C%20accounting,mobile%20subscriptions%20at%20that%20time

[21] As per NITI Aayog estimates

[22] https://newzoo.com/insights/articles/mobile-game-market-2020-smartphone-users-game-revenues-5g-ready-engagement

[23] https://www.computerweekly.com/news/252492839/Faster-than-predicted-growth-for-5G-with-35-billion-subs-forecast-by-2026

[24] As per NITI Aayog estimates

[25] As per NITI Aayog estimates

[26] https://www.livemint.com/news/india/pc-and-console-gaming-in-india-grows-due-to-covid-19-induced-shift-in-habits-11597150083400.html

[27] https://www.livemint.com/news/india/pc-and-console-gaming-in-india-grows-due-to-covid-19-induced-shift-in-habits-11597150083400.html

Comics Sector

1. Adoption of Digital Technology

- The industry is increasingly releasing digital books and leveraging digital platforms to sell comic books across formats.
- The global digital publishing and content streaming market is expected to grow from USD 69.6 billion in 2019 to USD 112.0 billion in 2023 at a CAGR of 12.6 %. [28]
- Physical book market, 31% of the overall comics market, contributed to 87% of comics sales revenue. [29]
- The rising number of children possessing smartphones is likely to propel the consumption of digital comics.

2. Rising Consumer Demand for Graphic Novels

- Rising consumer demand for graphic novels is expected to drive market growth.
- Overall, graphic novel sales in 2021 were up 65% from 2020. [30]
- 21 million more graphic novels were sold in 2021 than 2020. [31]
- The increase was due to strong sales of graphic novels online.

3. Surging Popularity of Comic Events

- Comic events, such as Comic-Con, have gained popularity across world.
- These conventions provide fans the opportunity to meet other people who share their interests, interact with favourite content creators, receive sneak peeks at upcoming content, and purchase merchandise,
- The 50th annual San Diego Comic-Con recorded over 1,35,000 attendees. [32]

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[28] As per NITI Aayog estimates
[29] As per NITI Aayog estimates
[30] https://www.comicsbeat.com/report-graphic-novel-sales-were-up-65-in-2021/#:~:text=Overall%2C%20graphic%20novel%20sales%20in,2020%20%E2%80%93%20a%20very%20healthy%20number
[31] https://www.comicsbeat.com/report-graphic-novel-sales-were-up-65-in-2021/#:~:text=Overall%2C%20graphic%20novel%20sales%20in,2020%20%E2%80%93%20a%20very%20healthy%20number
[32] As per NITI Aayog estimates

Chapter 2

AVGC Sector -
An Indian Context

2.1 Overview of Indian AVGC Sector

The AVGC sector in India has witnessed unprecedented growth rates in recent times, with many global players entering the Indian talent pool to avail offshore delivery of services. Further, the Media and Entertainment (M&E) Industry is expected to grow at an 8.8% CAGR by 2026. As per the experts, within the M&E Industry, the AVGC sector can witness a growth of 14-16% in the next decade. India is emerging as a primary destination for high-end, skill-based activities in the AVGC sector.

The Government of India has designated audio-visual services as one of the 12 Champion Service Sectors and announced key policy measures aimed at nurturing sustained growth. [2]

The Animation, VFX, Gaming, Comics & XR (together termed the AVGC Sector), an important segment of the Media & Entertainment sector, is emerging as an important growth engine of the Indian economy. This trend has been further compounded by constant outsourcing of animation technology to India. The AVGC sector has the potential to produce powerful content and Intellectual Property.

Beyond the economic impact, the sector has the potential to make Indian culture accessible to the world, connect the Indian diaspora to India, generate direct and indirect employment and benefit the tourism and other allied industries

Despite the significant potential impact that the sector can have, it remains in nascent stages in India. Thus, there exists a need for policy intervention to support various aspects of AVGC industry. The policy would work towards facilitating future-ready skilling enabled by the industry, making India a go-to hub in the AVGC space, raising India's soft power, promoting Make in India by the creation of original IP, and creating iconic global Indian character brands. Moreover, leveraging the existing policies / schemes in place and the startup ecosystem can assist in unleashing the talent pool existing in this sector and promote career opportunities.

VFX of 'Thor: The Dark World', was partially done by a studio in Mumbai.

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[33] As per NITI Aayog estimates

Animation and VFX Sector
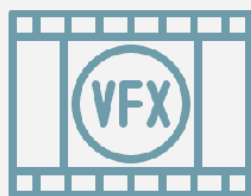
The Indian animation sector is growing fast and with an increasing number of animated series and features being produced in India, it has also attracted global audiences. Many of India's works are getting distributed globally. The demand for animation expanded with the increase in children's broadcasting viewership, availability of low-cost internet access, and growing popularity of OTT platforms. According to estimates by NITI Aayog, the animation and VFX sector in India was valued at USD 1.131 Bn. [34] Further,

- Growth of children's channels' viewership led to an increased demand for animated content.
- OTT platforms, too, continued to invest in Indian animated IP.
- Increased demand spurred investments into India.
- Converging production pipelines opened new avenues.

The Indian VFX industry has been gradually making progress with adaptation of world-class techniques and innovative technology. The content creators are experimenting their storytelling with high-quality VFX advancements

The Indian VFX industry has been gradually making progress with adaptation of world-class techniques and innovative technology. The content creators are experimenting their storytelling with high-quality VFX advancements.

It is estimated that the industry would be worth almost USD 1.7 Billion by fiscal year 2024, [38] indicating a significant growth potential. The Indian Animation and Visual Effects industry has the potential to command 20-25% of the Global market share by 2025, according to the latest media and entertainment industry Report [39]. VFX & Animation can be the next IT-BPM boom for India and play a fundamental role in India becoming a USD 100 billion M&E industry by 2030. [40]

It is expected that around 50% of Indian Animation and VFX studios will adapt to real-time technology or virtual production by 2025. [31] For smaller studios, this could be a challenge because of the high capital investments involved in adopting these technologies, and their use will be limited to high funded projects only.

[34] As per NITI Aayog estimates
[35] As per NITI Aayog estimates
[37] As per NITI Aayog estimates
[38] https://www.statista.com/statistics/627855/india-market-size-of-animation-and-vfx-industry/
[39] https://www.animationxpress.com/animation/indias-avgc-sector-can-seize-up-to-25-per-cent-of-global-market-share-by-2025/
[40] https://indiaexpo2020.com/news/india-eyeing-usd-100-bn-from-media-entertainment-sector-by-2030
[41] As per NITI Aayog estimates

Gaming Sector

The online gaming segment grew by 28% in 2021 to reach USD 1.9 billion [42]. This exceptional growth is fuelled by demographic factors, change in media consumption habits, as well as innovations by the industry during the past few years. Further, the COVID-19 pandemic has led to a long-lasting shift towards digital means of entertainment, which has resulted in exponential growth of the gaming industry during the pandemic.

India is expected to become one of the world's leading markets in the gaming industry. Growing steadily for the last five years, it is expected to reach 3 times in value and reach USD 3.9 billion by 2025. [43]

The Hon'ble Prime Minister of India, speaking on the announcement of the AVGC Promotion Task Force in the Union Budget 2022-23, highlighted that India is one of the top 5 markets in the world for mobile gaming. The gaming industry is at the core of the AVGC sector, and drives growth across its entire ecosystem.

Comics Sector

With the Indian economy opening in 1991 and major changes in satellite television market, Indian comic readers were introduced to a plethora of international characters in mainstream media. The industry now has a host of new players which have tapped into the India artist pool to come up with the new generation of Indian comics. The genres vary from superhero, mythology, folklore to many other social segments.

The comic book industry is a well-recognized part of Indian popular culture, having produced many familiar cultural icons like, Suppandi, Chacha Chaudhary, Tenali Raman, Detective Moochhwala, Shikkari Shambhu, Mayavi, and Akbar-Birbal.

In 2021, the comics industry witnessed the acquisition of many comic book characters which will eventually be turned into animated series, films, or shorts.

The iconic dragons (Khaleesi's dragons) in Game of Thrones were animated in India.

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[42] As per NITI Aayog estimates
[43] https://economictimes.indiatimes.com/news/international/business/big-bang-growth-of-indias-gaming-industry/articleshow/92053190.cms

2.2 Building Blocks of AVGC Sector

The ultimate realization of the AVGC sector's potential will be a function of taking fundamental measures in the areas of Education, Skilling, and Industry development, in a coordinated manner.

2.3.1 Education

AVGC education has picked up pace in the country with the sector seeing enhanced interest from students. However, at present, AVGC education in the country lacks standardization.

There is also no apex institute in India for the AVGC sector unlike other sectors such as engineering, design, management, packaging, etc. There is a need for an academic reference point in AVGC that will assist in baselining the curriculum, providing access to latest infrastructure and technology, functioning as a think-tank and providing overall guidance to the AVGC sector. The number of universities providing the courses have been increasing but there still are very few prominent colleges. [45]

States/ UTs	Animation	VFX	Gaming	Total
Assam	1	0	0	1
AP	0	0	1	1
Chhattisgarh	3	1	0	4
Delhi	1	2	4	7
Gujarat	5	3	8	16
Haryana	6	2	7	15
Jharkhand	0	0	2	2
Karnataka	5	3	12	20
Kerala	0	1	0	1
MP	4	1	1	6
Maharashtra	10	8	2	20
Odisha	2	0	0	2
Punjab	4	1	3	8
Rajasthan	5	2	0	7
Tamil Nadu	3	5	1	9
Telangana	0	1	0	1
Uttar Pradesh	3	3	4	10
Uttarakhand	2	3	2	7
West Bengal	1	0	1	2
Total	**55**	**36**	**48**	**139**

Figure 2: AVGC Educational Institutions in India - FICCI Estimates 2021
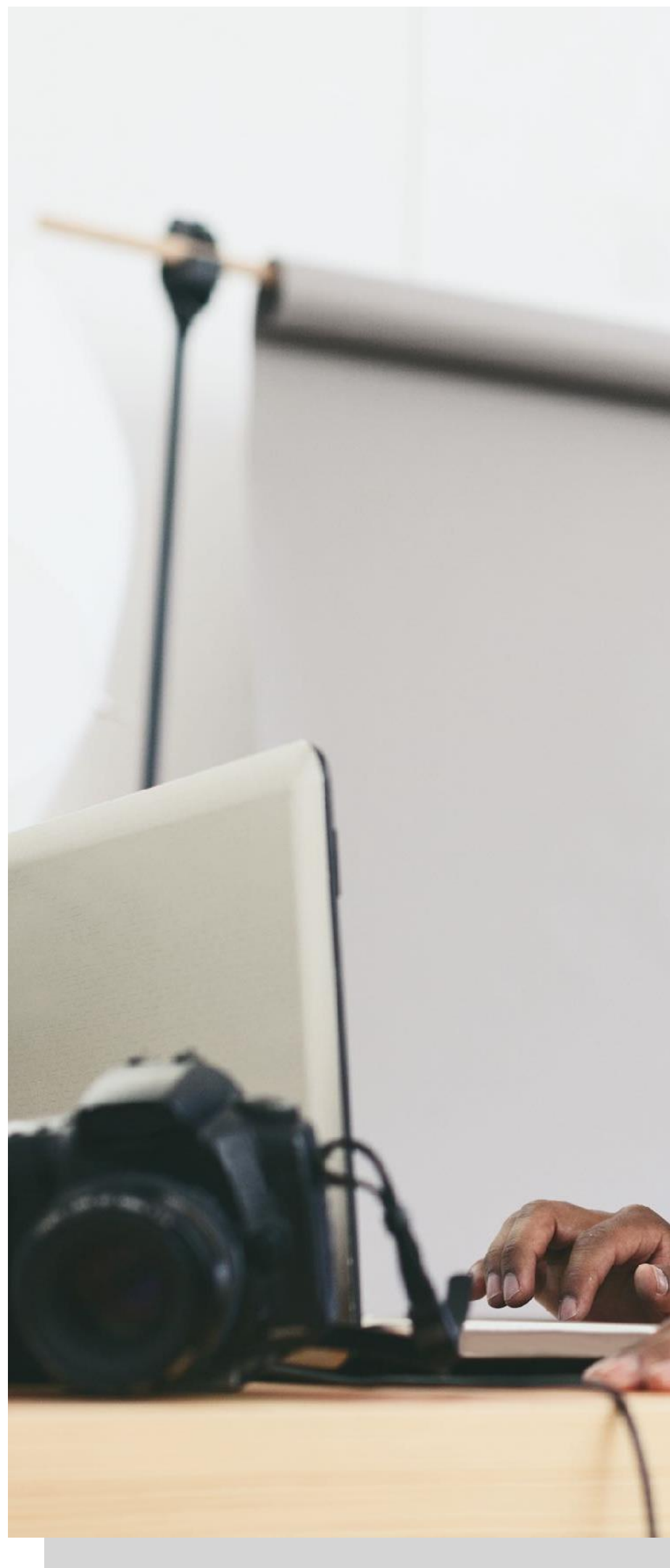
[45] As per FICCI estimates

Most of the programmes offered by various AVGC institutes in India are purely academic in nature. There is need to develop curricula for AVGC that is not just academic oriented but also offers industry relevant programmes. This can be achieved through onboarding industry players as trainers, integrating components of AVGC with the National Education Policy, promoting research & development and creating a demand-supply channel where students pursuing courses in AVGC are absorbed by the industry for employment.

Currently, there are 1.85 lakh professionals employed in the AVGC sector, with another 30,000 who are indirectly employed. [46] The sector needs to employ approximately another 20-lakh individuals by 2030 to sustain its growth. Therefore, there is a need for better trained and formally educated individuals in the AVGC sector to meet this employment demand.

2.3.2   Skilling and Mentorship

The AVGC sector has seen significant growth in the last few years fueled by the consumption of content. Global companies are also increasingly tapping into the Indian talent market and outsourcing their businesses to India. Advancement in the technology and job roles have created a major skill gap as the skill sets required are evolving along with the technology. As the job roles evolve, already engaged resources need to be upskilled and new resources need to be trained. This increase in demand for the number of skilled workers has ensured that the skilling ecosystem has larger participation from all stakeholders, including decision making bodies, enablers, executive bodies, and various beneficiaries.

[46] https://bestmediainfo.com/2022/02/indian-m-e-sector-to-grow-at-10-12-avgc-at-14-16-annually-apurva-chandra-secretary-i-b-ministry

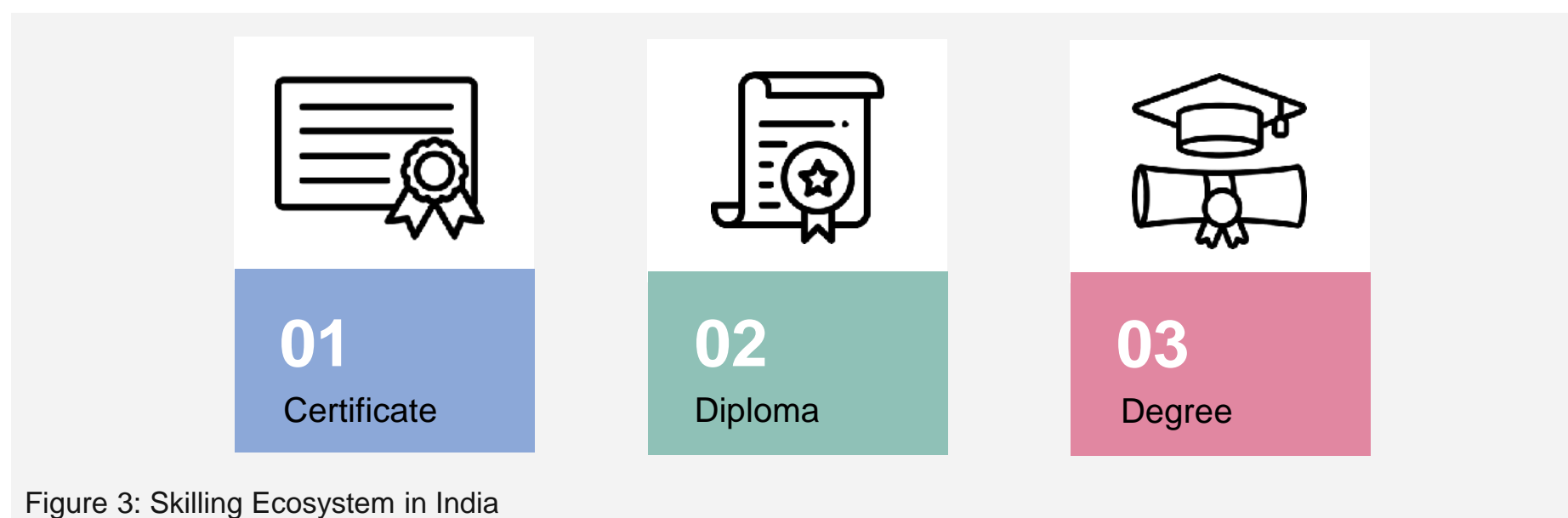| 01	02	03
Certificate	Diploma	Degree

Figure 3: Skilling Ecosystem in India

India is one of the youngest nations in the world with over 60% of the population in the working age group and about 46% of population below 25 years of age [47]. This highlights the need to enhance the skills of the available workforce to improve their employability and contribution to the economic growth of the country. India's National Education Policy (NEP 2020) has reset the existing system and has outlined the new structure of schooling; autonomy to colleges and independent institutions based on their performance. This will help to bring creative education and performing arts to the mainstream, and significantly impact the quality of talent and workforce needed for the AVGC sector. It will also pave way for apprenticeship programs and other multimodal training programs.

Employment Sub-sector wise	2019	FY 2020E	FY 2021E	FY 2022E	FY 2023E	FY 2024E	FY 2025E
Television	5,80,000	5,27,510	5,41,858	5,78,813	6,30,906	6,94,565	7,64,646
Film	2,56,000	2,38,080	2,42,842	2,57,412	2,78,005	3,03,026	3,30,298
Events & Live Performances	1,76,998	1,32,749	1,39,386	1,56,112	1,84,213	2,10,003	2,39,403
Art and Culture	1,21,450	97,160	1,02,989	1,11,229	1,20,127	1,29,737	1,40,116
Print	88,408	82,060	83,579	85,935	90,181	92,796	96,461
Advertisement & OOH	48,817	41,983	45,761	51,253	58,940	66,013	73,935
Radio	44,848	43,188	44,203	46,568	50,154	53,339	56,726
Sound and Music	36,800	30,147	32,860	37,247	42,722	48,019	53,782
Theme Park	30,751	23,063	25,369	28,413	32,249	36,119	40,092
Digital & OTT	29,298	38,673	49,502	61,878	80,441	1,00,551	1,25,689
Total	**15,11,610**	**13,81,080**	**14,64,394**	**16,19,671**	**18,14,704**	**20,31,274**	**22,90,686**

Figure 4: Details of employment in M&E Sector- FICCI Estimates

[47] https://indianexpress.com/article/explained/half-indias-population-under-age-30-nfhs-explained-7910458/

The skilling ecosystem in India currently offers 3 categories of courses: certificate, diploma, and degree. These courses are offered through a limited number of NSQF aligned institutions or the in-house training facilities started by AVGC companies.

Currently there are a total of 762 institutions offering different level degrees in animation, 374 in VFX, and 108 in Gaming [48]. Further, approximately 1,15,000 trainings are conducted annually in the sector with the estimated breakdown into government-incentivised (10,000-15,000), vocational institutes (60,000-70,000), institutions of eminence (8,000-10,000) and higher education institutes (18,000-20,000).

The key bodies in the skilling ecosystem include the MSDE, MHRD, MORD, and other central ministries. The essential enablers include NSDC, SSD, DSCs, SSCs, NCVET, among others, implementing bodies include ITIs, polytechnics, JSS, training providers, captive training by employers, schools, colleges, and universities. This skilling framework will benefit the youth, including people from marginalized societies, unemployed youth, low-income groups, school and college students with different educational backgrounds.

2.3 Challenges to AVGC Sector in India

The potential and reach of the AVGC sector in India is significant in terms of the employment opportunities it can create, coupled with industry development. The industry is in its nascent stage and is still overcoming certain challenges which may be broadly categorized as below:

Lack of authentic data for AVGC sector

Non availability of data such as employment, industry size, education intuitions, etc. for AVGC sector, makes decision making tougher for entities.

Skill Gap in Education and Employment sector

Creation of AVGC ecosystem within the country requires workforce with specialized skills for various roles such as animators, developers, designers, localization experts, product managers, etc. At present, the education system at school and university level does not have a dedicated curriculum focused on AVGC. With fast moving technologies expected to revolutionize the sector in the coming decades, it is expected that the demand for talent will only grow further in terms of both, the number of professionals required, and the specialization of skills. For skilling and vocational training too, there is a lack of dedicated vocational training modules for various other skills required by the sector.

Infrastructure Constraints

Quality of training infrastructure plays a vital role in the learning and development of a student. In the absence of adequate training infrastructure, there is deterioration in the quality of training being delivered to students, thus impacting the quality of output and human resource for the AVGC industry.

Less focus on Research Development

There is also a need to develop research related narrative for the AVGC-XR sector, so that dedicated focus can be given to it.

Absence of an AVGC academic reference point in India

There is no apex institute in India for the AVGC sector unlike other sectors such as engineering, design, management, packaging, etc. There is a need for an academic reference point in AVGC that shall help baseline the curriculum, provide access to latest infrastructure and technology, function as a think-tank and provide overall guidance to the AVGC industry. The number of universities providing courses have been increasing, but we have very few recognizable colleges like NID, IITs. Also, the intake for existing colleges is very low currently.

Need for Holistic Academic Curriculum

Most of the AVGC related programmes offered by various institutes in India are academic in nature. Thus, there is a need to develop a holistic curricula offering industry relevant programmes. This can be achieved through onboarding of industry players as trainers, integrating components of AVGC with the National Education Policy, promoting research & development and creating a strong academia-industry partnership for employment.

Regulatory Framework

At present there is no national level policy level framework for AVGC-XR Sector. Further, there is no principle-based uniform national level institutional framework for the online skill gaming industry in India to govern, regulate & enforce the gaming ecosystem, thus resulting in states enacting prohibitory legislations, creating regulatory uncertainty and negative perception of the gaming sector. It may be noted that GoI has rightfully constituted an inter-ministerial Task Force to look at gaming sector holistically.

Uncertainty regarding the GST on skill-based games has also been highlighted by the industry as a financial challenge.

Need to explore the Startup Ecosystem of India

Promotion of innovative ideas and entrepreneurship in the AVGC sector in India will act as an enabler for the entire industry. The National Design Business Incubator of NID or Centre for Innovation, Incubation & Entrepreneurship (CIIE) of IIM A has provided the necessary impetus in the field of design and numerous functional areas respectively. Aspiring entrepreneurs not only create various job opportunities but also foster economic growth of the industry. New inventions and disruptive innovations will enable the Indian AVGC industry to grow at a faster pace, matching the international standards. Hence, there is a need to promote an ecosystem of start-ups in the AVGC sector through incubation facilities.

Availability of funds for dedicated use by the AVGC sector

At present there is no dedicated fund available for the promotion of the AVGC sector which acts as an obstacle for the growth of the sector in India.

Lack of globally-popular Indian IPs

AVGC sector in general has suffered a lack of original Indian intellectual property as most work in this sector is outsourced. Animation industry is dominated by services to other countries and thus it is important to incentivize local production with additional concessions to increase local IP.

2.4 Critical Success Factors for AVGC Sector in India

Emerging key drivers of growth, leading to demand for high quality talent:

Majority of the incremental employment in the AVGC sector is expected to be in pre-production and marketing with highly skilled job roles such as storyboarding, content creation, design, planning and promotion that require NSQF (National Skills Qualifications Framework) levels 4 and above with a graduate degree. Further, as per some estimates, in the next 10 years, the AVGC sector will require 24,000 [49] professionals with a graduate degree or above and there will only be around 16,000 students graduating from recognized degree awarding institutes.

Dedicated investments in cutting edge technology is the need of hour:

The Indian animation and VFX segment has understood that export growth will be driven not by price arbitrage alone, but by accepting more complex projects and investing in cutting-edge animation and VFX technology. Taking these complex projects will also involve having access to latest digital post-production AVGC labs, post-production technologies such as motion capture, 2D & 3D animation, and high-speed rendering along with state-of-the-art hardware and software.

Need for a nodal ministry to drive the Animation VFX Gaming & Comics (AVGC) sector

Ministry of Information & Broadcasting is more suited to be the nodal ministry to drive the AVGC sector because it is the custodian of Audio/ Visual services in India and has taken several initiatives to promote the AVGC sector.

Increase in captive centers across India, leading to access to top international filmmakers:

International studios are expressing interest in either opening their own studios in India or investing in existing Indian companies. This is not only bringing in investments, but also adding to the creative and technological talent pool in India. Having an arrangement like this will also give Indian market direct access to top international film makers, directors & production houses.

More impetus to be given to R&D

R&D plays a very important role in driving the entire AVGC sector. Therefore, focused interventions need to be undertaken for the sector.

Dynamic AVGC industry requires governance and management through an industry driven collaboration:

The dynamic nature of this industry, needs an industry think tank, to guide drafting the policies for the growth of this sector, actively collaborate with industry and international AVGC institutes, and enhance the global positioning of the Indian AVGC sector.

On similar lines as the IT revolution, the Indian AVGC industry, enabled with right interventions can be another growth story for India and contribute to providing high quality talent to the industry.

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[49] https://www.newindianexpress.com/magazine/voices/2019/jan/20/animation-sector-is-the-future-of-jobs-1927228.html

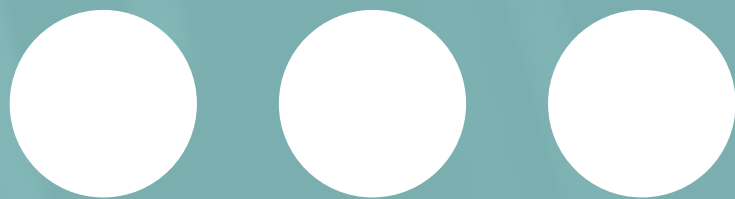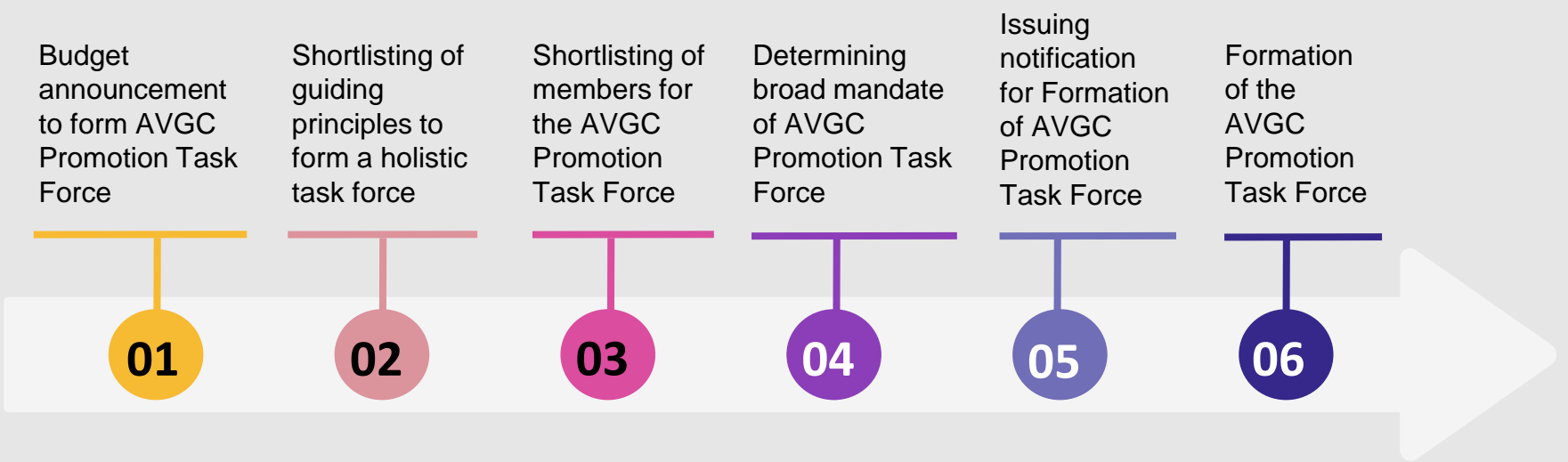Chapter 3

AVGC Promotion
Task Force

Figure 5:

Methodology followed for designing and development of the AVGC Promotion Task Force Report

Budget announcement to form AVGC Promotion Task Force	Shortlisting of guiding principles to form a holistic task force	Shortlisting of members for the AVGC Promotion Task Force	Determining broad mandate of AVGC Promotion Task Force	Issuing notification for Formation of AVGC Promotion Task Force	Formation of the AVGC Promotion Task Force
01	**02**	**03**	**04**	**05**	**06**

3.1 Announcement to form an AVGC Task Force

To realize the potential of the Indian AVGC industry, *in the Budget speech for the fiscal year 2022-2023, Hon'ble Finance Minister of India, Smt. Nirmala Sitharaman announced the formation of an Animation, Visual effects, Gaming, and Comic (AVGC) promotion Task Force.* The AVGC sector has the potential to present positive prospects for investors while also generating employment opportunities for the youth. Newer industry developments, such as discussions around metaverse and education digitization, could aid the AVGC sector's growth in India and prepare it to become a global leader. **Moreover, the larger thought supporting the formation was to unleash the scope and reach of AVGC sector in India to become a torch bearer of "Create in India" and "Brand India".**

The AVGC Promotion Task Force was formed to recommend strategies to provide impetus to the AVGC sector and increase domestic capacity to serve Indian and global markets. One of the major work areas for the AVGC task force was to set up robust policies to encourage capacities and capabilities of the Indian AVGC sector by creating employment opportunities which will eventually drive the economic growth of the country.

The first meeting of the AVGC Promotion Task Force was held on 4th May 2022, under the chairmanship of Secretary, MoI&B. The core task force had representation from the industry and government, and the discussions majorly revolved around AVGC academia in India, role of skilling in AVGC, gaming industry in India and the need for robust policies to boost the growth of AVGC sector. It was decided during the meeting that four sub task forces shall be constituted namely for, **Education, Skilling, Gaming, and Industry & Policy**. These identified sub task forces have worked towards devising strategies of growth through targeted interventions in their respective areas. The recommendations from these identified sub task forces may broadly be categorized in the area of policy formulation, capacity building, infrastructure development, technological access, Industry development, research and development, creating local IPs and enhancing export potential among other interventions.

3.2 Guiding Principles of Task Force Mandate and Composition

1. Public-Private Collaboration

The AVGC-XR sector, under the umbrella of Media and Entertainment has been categorized as a sunrise sector in India. While the industry stakeholders play an important role in defining the sector and creating employment opportunities for individuals, the role of the government in this regard is equally important in terms of drafting futuristic, business friendly policies.

For successful implementation of this policy, it is envisaged that the Government (Central and State) and the industry will work in close collaboration with each other to develop a roadmap of growth for the sector in India.

The AVGC task force has equal representation from industry stakeholders and government.

2. Inter-ministerial Convergence

The growth and development of the AVGC sector in India is a collaborative effort as it requires interventions from multiple ministries in the areas of education, skilling, co-production, promoting Indian content, technology, finance, infrastructure, etc. Hence, inter-ministerial convergence is of prime importance for the development of an action report and further, for realizing the broader mandate of the AVGC Task Force.

3. Integrated approach for sectoral development

To ensure overall growth of the AVGC sector in India, an integrated approach is required to be adopted to cater to the overall need of the sector. Key enablers for the sector are identified below:

- Skilling and Mentorship
- Capacity Building
- Education
- Access to Finance
- Access to Technology
- Infrastructure Development
- Creation of high-quality Content
- Promotion of Indian content
- Market access and Development
- Gender, Equality and Social Inclusion

3.3 Composition of Core AVGC Task Force

S.No	Members	Role
1	Sh. Apurva Chandra, Secretary, Ministry of Information and Broadcasting	Chairperson
2	Sh. Rajesh Aggarwal, Secretary, Ministry of Skill Development & Entrepreneurship	Member
3	Sh. K Sanjay Murthy, Secretary, Ministry of Education, Department of Higher Education	Member
4	Sh. K Rajaraman, Secretary, Ministry of Electronics, and Information Technology	Member
5	Sh. Anurag Jain, Secretary, Department for Promotion of Industry, and Internal Trade	Member
6	Smt. Neerja Sekhar, Additional Secretary, Ministry of Information and Broadcasting	Member
7	Administrative Secretary in charge of AVGC Policy, Government of Karnataka, Maharashtra, and Telangana	Member
8	Prof. Anil D. Sahasrabudhe, Chairperson, All India Council of Technical Education	Member
9	Dr. Dinesh Prasad Saklani, Director, National Council of Educational Research & Training	Member
10	Sh. Mohit Soni, Chief Executive Officer, Media, and Entertainment Skills Council	Member
11	Sh. Biren Ghose, Country Head, Technicolor India	Member
12	Sh. Ashish Kulkarni, Founder, Punaryug Artvision Pvt. Ltd.	Member
13	Sh. Jesh Krishna Murthy, Founder and CEO Anibrain	Member
14	Sh. Keitan Yadav, COO and VFX Producer, Redchillies VFX	Member
15	Sh. Chaitanya Chinchlikar, Chief Technology Officer, Whistling Woods International	Member
16	Sh. Kishore Kichli, Sr. Vice President and Country Head, Zynga India	Member
17	Sh. Neeraj Roy, Managing Director, and CEO of Hungama Digital Media Entertainment	Member
18	CII Nominee from AVGC sector	Member
19	FICCI Nominee from AVGC sector	Member
20	Sh. Prithul Kumar, Joint Secretary (Films), Ministry of Information and Broadcasting	Member Secretary

Figure 6: Members of AVGC Promotion Task Force

3.4 Terms of Reference of the AVGC Promotion Task Force

The AVGC Promotion Task Force has been bestowed with the responsibility of devising policies and strategies of growth for the AVGC sector in India. The mandate has been further outlined in the form of terms of reference as below:

- Recommend approaches for boosting employment and job creation opportunities for youth in this sector in urban and rural areas.

- Facilitate development of progressive policies, including a national AVGC Policy, that will promote growth of the sector.

- Give recommendations for a national curriculum framework for Graduation, Post-graduation and Doctoral courses in AVGC related sectors.

- Facilitate skilling programmes and initiatives in collaboration with academic institutions, vocational training centres & Industry.

- Recommend measures for uniformity and alignment to international best practices in skilling, education, and content delivery.

- Provide recommendations on developing Centre-State synergies in AVGC sector

- Promote creation of robust infrastructure in the form of Regional AVGC hubs across the nation.

- Facilitate concentrated promotion and market development activities to extend global reach of Indian AVGC Industry and also enhance the export potential of the sector.

- Support industry in carrying out Co-Innovation & Research activities, helping India create its IP depth in AVGC sector.

- Recommend incentives to attract FDI in AVGC sector to make India a favourable destination for ease of doing business.
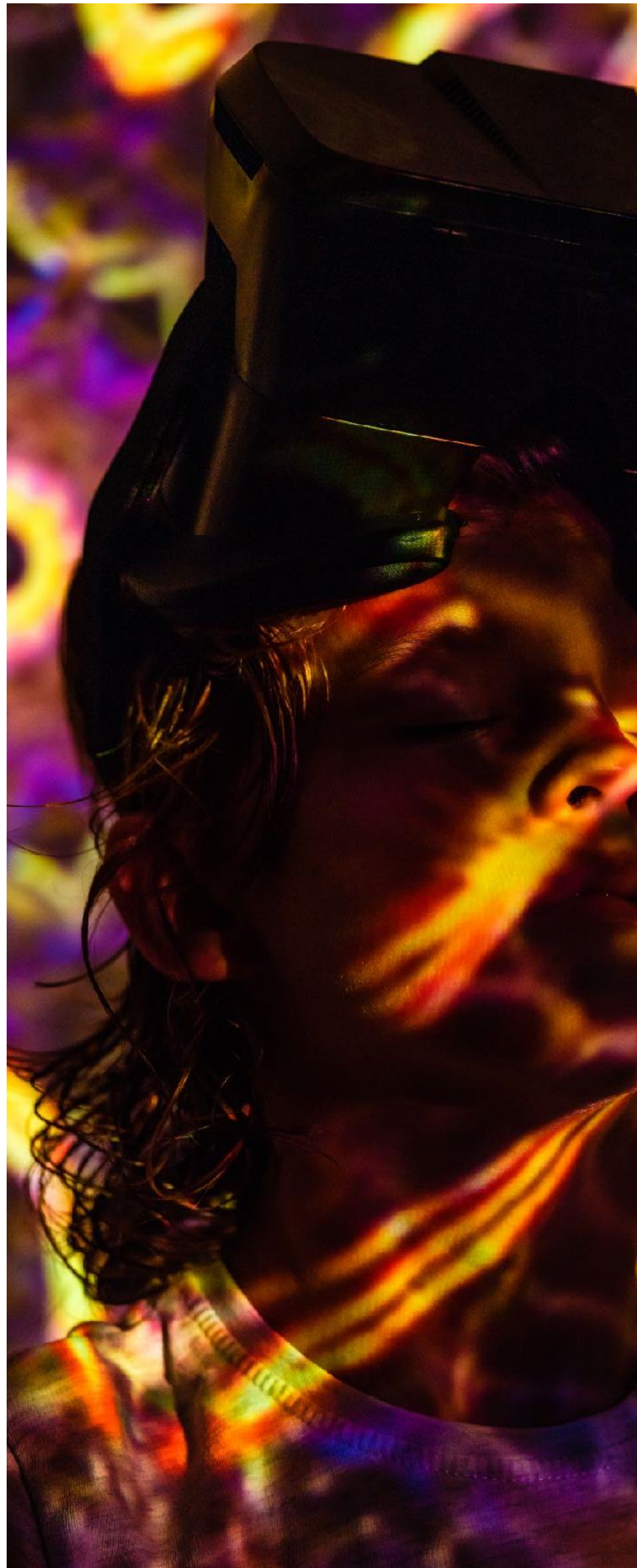
3.5 Formation of Sub Task Forces within AVGC Task Force
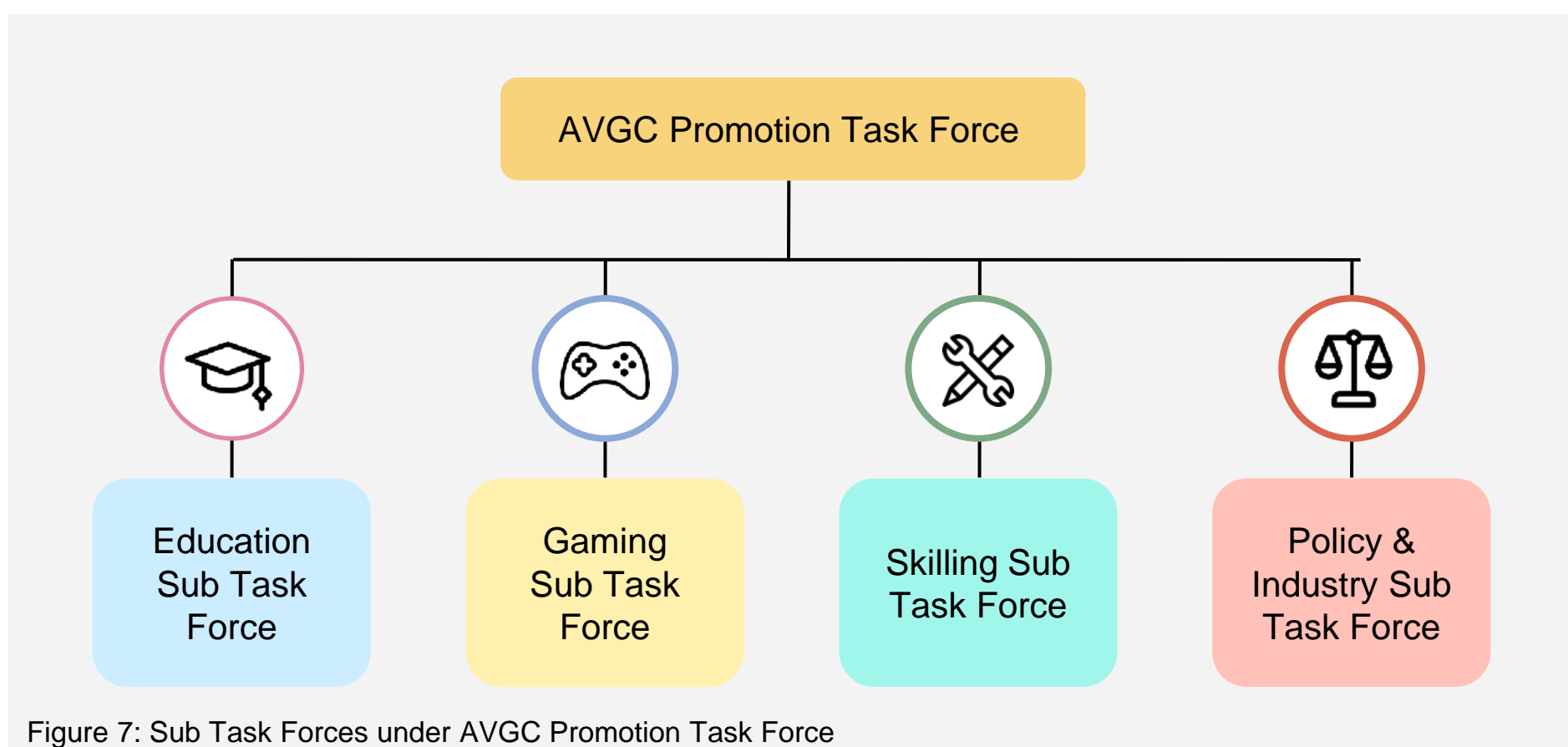
Figure 7: Sub Task Forces under AVGC Promotion Task Force

The core task force was broadly divided into **4 sub task forces.**

Each sub task force was given a set of Terms of Reference basis which stakeholder consultations were conducted with the sub task force members. The Terms of Reference can be referred to in Annexure A. The key discussion points were carried forward to subsequent stakeholder consultations as action items. All members of Sub Task Forces had 3-4 meetings with their members to discuss the terms of reference in detail.

Post the deliberations and consultations amongst sub task force members, each of the sub task forces prepared detailed reports with a set of recommendations, to be considered for incorporation in the core sub task force action report.

The recommendations received were further categorized across the **identified levers.**

Avatar was one of the most expensive movies ever made, with a budget of USD 133 Bn. 200+ VFX shots for this movie were done by an Indian company.

Chapter 4

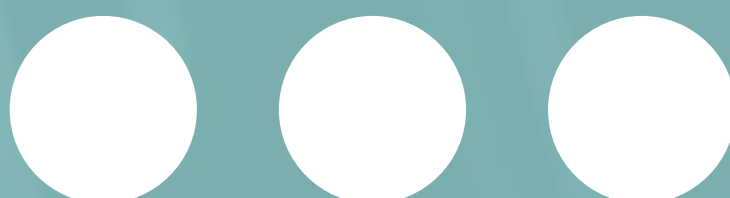# Recommendations of AVGC Promotion Task Force

Market Access and Development	IEC, Awareness & Outreach	Sector Potential Realization	Robust Infra-structure for AVGC					
Skilling and Mentor-ships	Defining AVGC related Job Roles, Qualific-ation packs & strong integration with the Education framework	Enhanced role of Industry in AVGC sector related Skilling & Mentorship	Focus on lifelong learning for profess-ionals in AVGC Sector	Expanding Geographic & content reach of Skilling, improving quality of content created	Focused attention to develop-ment of Train the Trainer models	AVGC related skilling courses in schools	Recognition of Prior Learning (RPL) in the AVGC sector	Capacity Building of profess-ionals working in the AVGC Sector for future readiness of the sector
Education	Standardiz-ation of Education focused on AVGC sector	Promoting Creative Thinking in schools	Promoting high quality and well-structured AVGC education across Under Graduation and Post-Graduation	Developing course content and delivering courses at par with International Standards				
Increasing Access to Technology	IP and Patent Related	R&D and Innovation	Techno-logy Access					
Creating Financial Viability								
Promoting high-quality Content	Launch of a 'Create in India' initiative with exclusive focus on content creation	Creating global-ready Content	Promoting India Content	Promoting children specific content in India				
Diversity, Equity and Inclusion								

4.1 Market Access and Development

4.1.1 IEC, Awareness & Outreach

- Government of India in collaboration with AVGC Industry may undertake a **National level IEC campaign to increase awareness regarding the AVGC sector** among parents, students, communities, and professionals across India with focus on socio-economic potential of the sector. The campaign may also include dedicated outreach activities for schools and colleges.

- **Government of India in collaboration with industry, may conduct an annual international AVGC Expo with regional events,** to establish India as a leading service and solution hub for AVGC sector globally. The Expo will focus on FDI in AVGC, market access creation, employment generation, new age technologies & knowledge exchanges, co-production partnerships & IPR. In the run up to the Expo, dedicated hackathons focusing on different themes, including gaming, creation of Indian content, new technology may be organized as well. For the regional chapters of the AVGC Expo, the respective State Governments may take leadership positions.

- For the purpose of developing AVGC market both, International and domestic, for the Industry, including for budding entrepreneurs, an AVGC Helpdesk maybe established within the Film Facilitation Office. The helpdesk (a portal), can also provide information on latest trends and opportunities in the sector.

- Government of India, in collaboration with Industry may also conduct an annual Gaming Expo. This outreach event can encompass the following :

  ✓ The Expo will focus on FDI in Gaming, market access creation, employment generation, new age technologies & knowledge exchanges, co-production partnerships & IPR.

  ✓ Gaming Startup Fests for showcasing innovation and providing a collaboration platform for gaming Startups.

  ✓ In the run up to the Expo, dedicated hackathons focusing on different themes.

  ✓ To encourage creation of high-quality Indian IPs by small businesses, start-ups and independent game developers, an annual competition "Game India Hackathon" may be organized to showcase games based on Indian themes.

- AVGC to be considered as **a dedicated sector while organizing State Business Promotion events and initiatives by Indian States**. To promote AVGC sector in the states, respective State Governments to plan dedicated workshops with the AVGC players present in their State, to increase awareness on Government schemes for all stakeholders, including MSME and Start Ups.

- Government of India, through sponsorships, **may ensure representation of sector's MSME and Start Ups**, accredited and affiliated institutions, Industry professionals, etc. in various national & international industry events.

- **Initiatives to showcase India's AVGC**

leadership and offerings on **many platforms including, Startup India, Make in India** and other global/national platforms may also be undertaken by Government of India. Other Ministries to be encouraged for having a dedicated AVGC pavilion in Global and India Expos.

4.1.2 Sector Potential Realization

- Government of India to **publish a Vision document** on promotion of AVGC Sector in domestic and international markets with focus on market potential for each sub sector, industry friendly policies, employment generation, content creation, center state partnership, promoting Indian heritage and culture among other areas.

- It is proposed that **Ministry of Information and Broadcasting in collaboration with other key Ministries, may take up the task of setting up country's first National Center of Excellence for AVGC.** The National Centre of Excellence (NCoE) on AVGC may offer degree courses in the field of AVGC. The NCoE has been envisioned to deliver mandate across Skilling, Education, Industry Development and Research and Innovation for the AVGC sector. Being the first of its kind institution in the AVGC sector, the NCoE will serve as a reference point for the AVGC industry across different areas. **AVGC NCoE to be established as a nodal agency** with focus on education and training standards, benchmarking practices to international standards, carrying out quality

assurance across industry, promoting industry access to domestic and international markets and defining various operational frameworks for AVGC industry and academia.

- It is proposed to formulate a **national framework for online skill gaming** that protects interests of the users at large and ensures structured growth of the industry. For various **classification of games** such as, casual games, real money games and e-sports, relevant regulatory and market development support may be provided by the Union Government.

- **Regional Centres of Excellence (RCoEs) on the lines of NCoE may be established in collaboration with State Governments.** These Centers to be established in association with studios and acclaimed universities to deliver high quality AVGC education. Centre of Excellence and creative entrepreneurship for AVGC, with focus on education and skilling may be developed on PPP model across the country, in collaboration with International, National and State level stakeholders in the sector.

4.1.3 Robust Infrastructure for AVGC

- **Industry may also be incentivized to invest in R&D centers at these COEs** through recognition of such funds within the Corporate Social Responsibility.

- **It maybe explored to establish dedicated Centers of Entrepreneurship focusing on AVGC in different SMART Cities** via public-private partnerships.

- Through **effective PPP models, existing COEs on AVGC to be strengthened and new ones to be conceptualized.** This will promote Industry's access to technology, R&D facilities, Incubation Centres.

- **Software Technology Parks of India (STPI) may establish Centres of Entrepreneurship (CoEs) and technology incubators focusing on AVGC** related technology for building India's leadership in the AVGC segment.

- Effective **implementation of the Digital Village Programme under Digital India initiative will promote the techno-economic viability of digital technology** by introducing initiatives for efficient applications in rural regions and capacity development activities related to information technology systems.
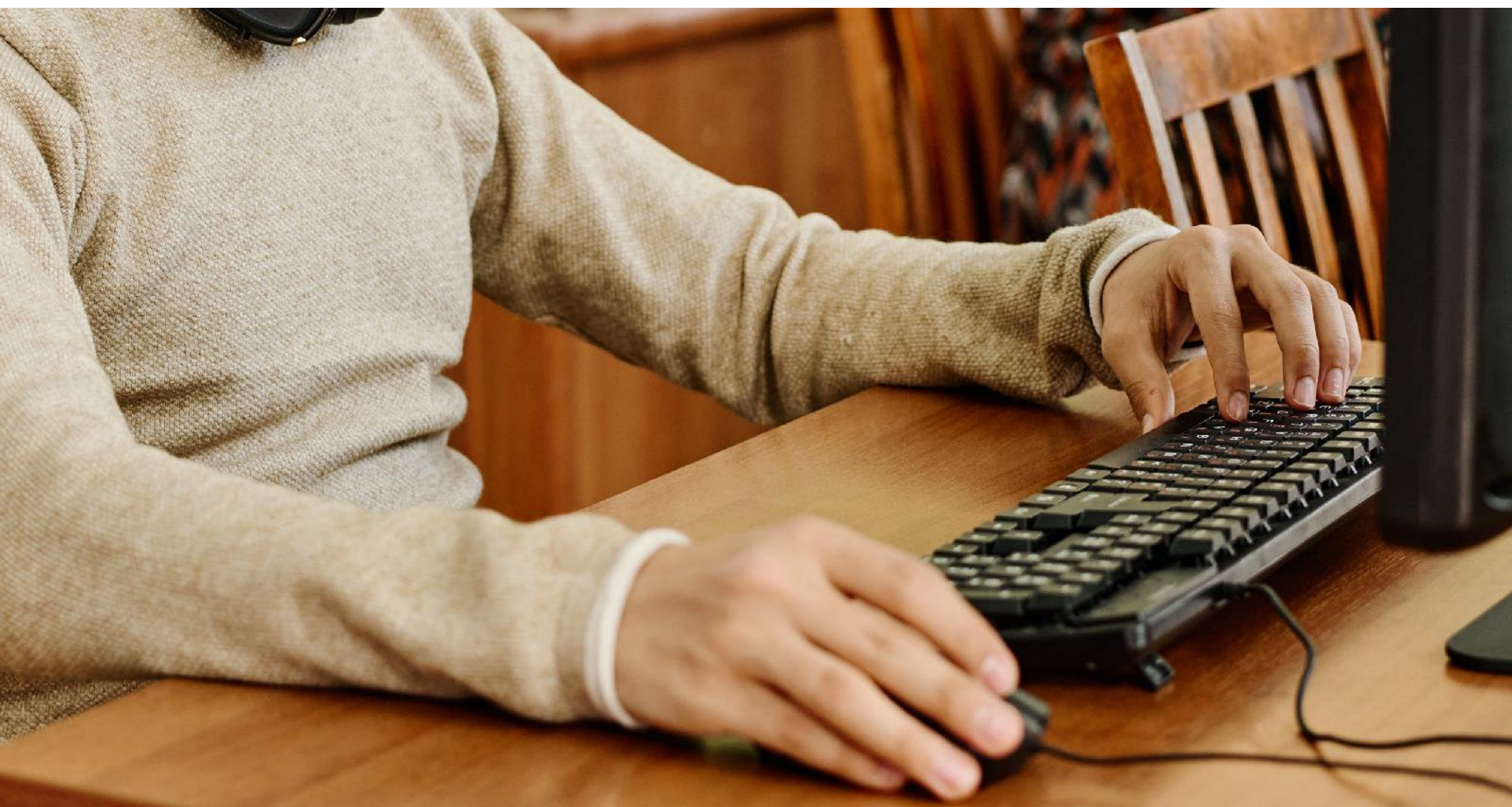
4.2 Skilling and Mentorships

4.2.1 Defining AVGC related Job Roles, Qualification packs & strong integration with the Education framework

- The unprecedented growth witnessed by the AVGC sector in India, has also led it to become a preferred choice of career for many in the country. Further, as has been highlighted by the industry, the scope of skilling and mentorship initiatives needs to be widened to also include lifelong learning. Therefore, there is a need for government's collaboration with the **industry to promote future ready frameworks for job roles in the sector, promote faculty development programs, develop qualification packs, etc.** Further, job roles need to be identified based on geographical clusters to define skill development opportunities across local, regional, national and international levels.

- To standardize skilling initiatives across the AVGC sector, the industry is advised to take up the activity of defining various job roles and their associated skill set in the sector. This will contribute to the standardization of skilling initiatives across the AVGC sector. For the same purpose, AVGC may be brought into the fold of National Skills Qualification Framework (NSQF) to augment learner capability and develop qualification packs comprising National Occupational Standards (NOS) aligned to job roles in consultation with the industry.

- Considering the growing market for applied gaming, and its application by industries to train and develop their workforce, it is suggested that **applied games may be included in the school curriculum, especially at upper primary and secondary levels**, in line with the National Education Policy 2020. This would not only create a permanent demand source for the non-Pay2Play gaming sector in India, but also create opportunities for expansion of Indian educational games in the global market. **Special financial incentives for enterprises developing educational games and other form of applied games** may also be considered.

- A **UGC-recognized curriculum for Undergraduate and Postgraduate degrees may be established** with a dedicated and significant component of practical skills which may be imparted through a mix of in-house training by faculty as well as mentorship by industry recognized mentors. Mapping and upgrading existing curriculum of educational institutions (Short- & Long-term trainings or courses) may be done as per NSQF guidelines to meet industry and international standards.

4.2.2 Enhanced role of Industry in AVGC sector related Skilling & Mentorship

- As UGC has already formed a committee which is looking into **hiring of industry professionals as faculty members, the recommendations and plan of implementation may also be adopted for the AVGC sector**. This will help the sector to be more industry focused and produce job-ready graduates. The following may be undertaken as part of the above recommendation:

  ✓ Working professionals as teachers (Professor of Practice and Assistant Professor) to be included in the Department of Arts & Sciences.

  ✓ Formal Job description structures to be constituted where the professionals start as lecturer & go onto become Senior Professor/ Dean/ Head of Department.

  ✓ Encourage vertical mobility among faculty. For the same purpose, faculty certification norms to be laid out at entry level and for every promotion, to ensure adequate upskilling is undertaken by each faculty regularly.

  ✓ Industry participation to be sought by 'secondment' of professionals by organizations as faculty in HEIs/ schools. Organizations can continue to pay such personnel's salaries and that amount to be considered as part of Corporate CSR contribution.

- It is also recommended for **industry partners to work closely with formal and vocational training institutions to ensure linkages between skilling demand & supply**. The training content for AVGC to be developed with inputs received from the industry including from studios working with international clients, to bridge the gap between curriculum and actual job.

- **A job aggregation platform to be developed by AVGC Industry** associations and consortiums, showcasing all relevant contractual and permanent jobs for the AVGC sector.

4.2.3 Focus on lifelong learning for professionals in AVGC Sector

- The mentorship components in education in aspects which may not involve high level of physical interaction between the mentors and the mentees may be delivered through Massive Open Online Courses (MOOCs) in which one trainer may simultaneously train students from multiple educational institutions. Promoting lifelong learning in AVGC Sector, Ed-Tech companies to be encouraged to tie up with international Institutions to run AVGC specific courses in India.

- **Best practices** may be drawn from the various schemes of the Ministry of Skill Development & Entrepreneurship involving industry partnership for training and mentoring.

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4.2.4 Expanding Geographic & content reach of Skilling, improving quality of content created

- **NSDC to promote AVGC centric courses in PMKK and PMKVY** centers in the urban and rural areas throughout the country.

- **Mobilization of DSCs** in order to identify the demand and opportunities at the district level.

- Like the Technical Intern training Program (TITP), **Memorandum of Cooperation (MoCs) may be signed between India and other developed global AVGC markets** – US, Japan, South Korea, Germany, for providing internships (six months to a year) to Indian AVGC professionals. This will provide Indian professionals an opportunity to get exposure to the AVGC skillset of the developed countries and sharpen their skills accordingly.

- Signing of focused **MoUs between global technology vendors and Government recognized Indian AVGC industry associations** maybe encouraged to facilitate the following:

  ✓ Contracts may include subsidized versions of their products and services for meritorious students, awarded startups and independent developers, etc.

  ✓ Discounted/ Subsidized training programs.

  ✓ Showcase Indian gaming IPs as 'best in class' in terms of how their products and services are being used.

  ✓ Showcase usage of their technologies for gamification or extended use of their products & services.

- To promote entrepreneurship and innovation among AVGC Industry players, **it is suggested to find convergence opportunities with Atal Innovation Mission**. The AVGC industry can benefit from the already established network of over 8,700 Atal Tinkering Labs that focus on fostering curiosity, creativity, and inculcating skills such as design mindset, computational thinking, adaptive learning, physical computing etc.

4.2.5 Focused attention for development of Train the Trainer models

- The AVGC Industry shall collaborate to develop a Trainer's portal. The portal will have the following features:

  ✓ Availability of latest learning material at subsidized rates.

  ✓ Training Courses to promote cross-sectoral learnings.

  ✓ Courses having joint certification by global companies like Adobe, Autodesk etc.

  ✓ Facilitation of a trainer exchange programme.

  ✓ The portal should facilitate knowledge sharing sessions with stakeholders in the Indian IT Industry to learn about arrangements for technology transfer, co-production, and outsourcing of work between Indian and foreign companies.

  ✓ Facilitate train the trainer courses to ensure trainers are up to date with real time demand in the industry as per international standards.

4.2.6 AVGC related skilling courses in schools

- **Vocational education in schools to be expanded and streamlined** to include courses from the AVGC sector. This will also be aligned to the NSQF guidelines.

- AVGC Sector may also **be introduced in schools through Hackathons, Gaming design competitions,** etc. This will provide an opportunity to students to hone their design and creative skills

- As giving exposure to students in school to the AVGC sector is a key awareness generation element of outreach, **it is important to focus on the quality of teachers available at the level of schools**. Particularly for AVGC sector, the following is recommended:

  - ✓ Requirement of at least 2 faculty (one for K-5 & other for 6-12) well educated & trained teachers for delivery of the curricular content and for mentorship & identification of talent among students in each school.
  - ✓ Additional subject-matter-specific faculty to be brought in on a per-class on-demand basis.

  - ✓ Special 'train the high school teacher' program to be created by all HEIs for training teachers to teach AVGC subjects at the high school level.

- Apprenticeship embedded training programs should be encouraged in both formal and vocational skilling system in schools.

- Incremental learning - based NSQF aligned vocational courses to be embedded in the schools affiliated to the various boards, including Central Board of Secondary Education (CBSE), Council for the Indian School Certificate and State Secondary Boards/Councils.

- All formal and vocational training institutions to follow accreditation guidelines and should also be affiliated to an awarding body regulated under National Council of Vocational Training and education (NCVET).

4.2.7 Recognition of Prior Learning (RPL) in the AVGC sector

- There is a need to **promote Recognition of Prior Learning** in the sector. Recognition of Prior Learning is a key component of PMKVY Scheme and refers to an assessment process used to evaluate a person's existing skill sets, knowledge and experience gained either by formal, non-formal or informal learning. To **promote Recognition of Prior Learning, the certificates currently issued by MESC need to be broken down into credits & mapped to the credits of the UG programs** which can then be stored in the Students' Credit Bank.
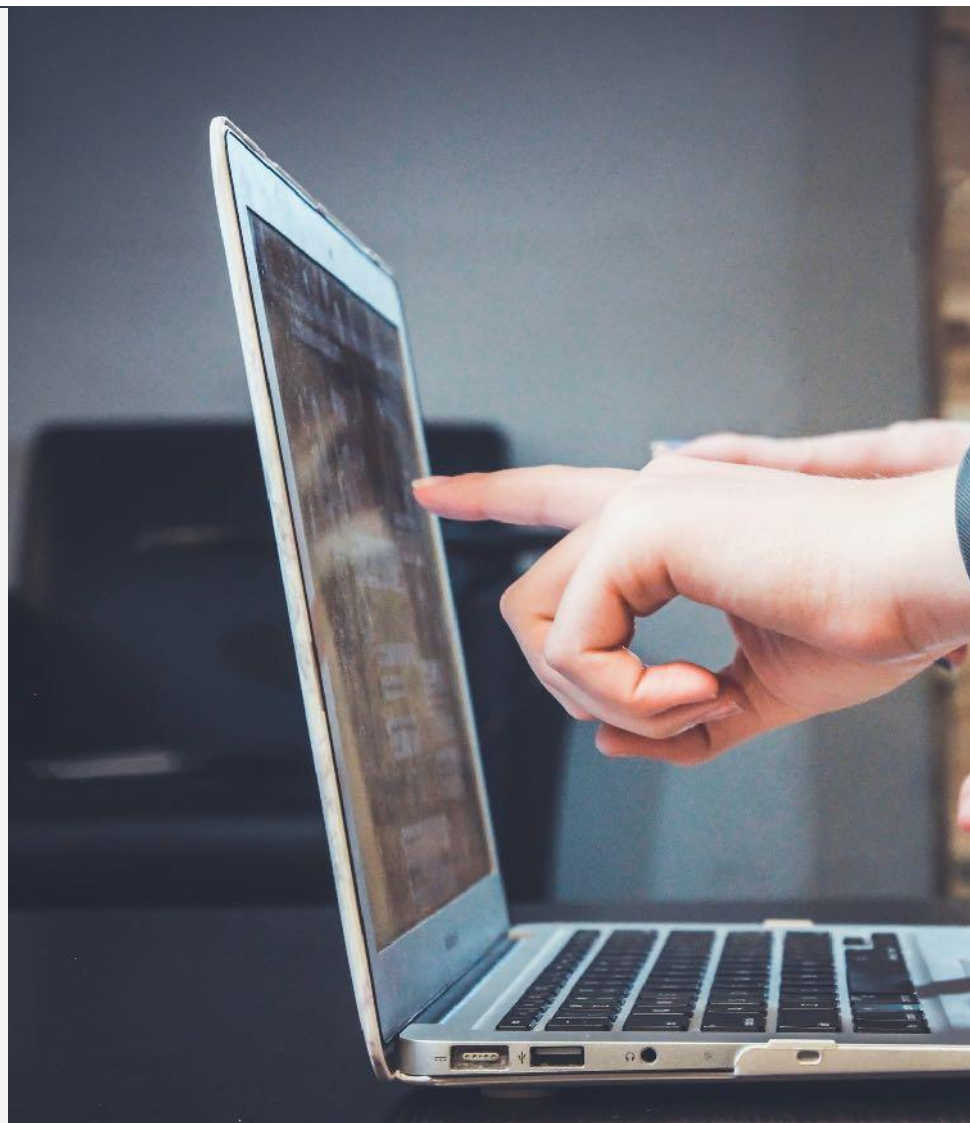
4.2.8 Identifying, encouraging and skilling individuals, groups and cultural organisations engaged in performing, visual and literary arts etc.

- India is home to one of the world's largest collections of songs, music, dance, theatre, folk traditions, performing arts, rites and rituals, paintings and writings, known as the 'Intangible Cultural Heritage' (ICH) of humanity. In order to preserve these elements and promote Indian artisans, AVGC maybe looked as a medium to promote it globally. Therefore, Governments (both center & state) should offer a platform to identify, encourage and skill individuals, groups and cultural organizations engaged in performing, visual and literary arts, etc.

4.2.9 Capacity Building of professionals working in the AVGC Sector for future readiness of the sector

- Officials from key government departments responsible for promoting AVGC at the National and State level may undergo curated training programs for AVGC sector provided either by AVGC NCOE or MESC.

- To make the AVGC sector future ready, **a study for assessing the future skill and competency requirement by the industry** may be undertaken. Such a study may also undertake the task of identifying and defining multiple roles in the AVGC Ecosystem.

4.3 Education

4.3.1 Standardization of Education focused on AVGC sector

- It is proposed for Ministry of Information and Broadcasting to closely work with Ministry of Education in **drafting a holistic framework for AVGC education in India**. The framework should consider teaching methodologies, core areas of teaching, new subjects, mode of examination for creative fields etc. to ensure complete representation of the stakeholders in the AVGC ecosystem. An endeavour should also be made for **standardizing course curriculum** and delivery, establishing linkages with learning outcomes for AVGC and alignment with NSQF.

- To facilitate admissions into animation, visual effects, gaming, film making or any other career program in AVGC sector, **Media & Entertainment Creative Aptitude Test (MECAT) or similar tests may be considered/ administered**. Tests will be standardized to effectively measure the creativity, aptitude and readiness of a candidate seeking admission in programs running in the Media & Entertainment Sector. Tests may also be administered in multiple languages to facilitate its acceptance among all regions of the country. A **customized version of MECAT has already been launched in schools in the name of MECAT- Jr**. The same may be propagated widely to give students in school an opportunity to analyze their creative aptitude and skills at an early age.

- Ministry of Education may advise **NCERT to create books focusing on subjects relevant to AVGC**. Industry may also support schools in designing curriculum to introduce students to the sector at a young age.

- For standardization of AVGC education, there is a need of a **uniform nomenclature for degrees**. The Skill Sector Councils are also recommended to adopt this nomenclature and add to it for future needs. Ministry of Education may plan for transition of all existing AVGC education programs from all universities into the new nomenclatures and new structure, through a mandate, preferably by 2025. The recommended degrees include:

  - ✓ Bachelor/ PG in Experiential Arts (Gaming, XR etc)
  - ✓ Bachelor in Graphic Arts (Comics and Animation Design)
  - ✓ Bachelor in Cinematic Arts (Comics/Animation/VFX)
  - ✓ Bachelor of Creative Arts & Sciences
  - ✓ Bachelor in Visual Arts - Game Art Design
  - ✓ Bachelor in Visual Arts - Visual Effects
  - ✓ Bachelor in Visual Arts - Animation Art and Design
  - ✓ Bachelor of Science - Game Development
  - ✓ Bachelor in Visual Arts - AR-VR
  - ✓ Bachelor in Visual Arts - Digital Film Making

4.3.2 Promoting Creative Thinking in schools

- The **students at school level may be given exposure to subjects that help them sharpen their creative skills.** The Skills to be taught at Primary School level (5+3 as per National Education Policy) from KG to Grade 5, may include the following: Observation Skills, Understanding Moving Images, Understanding Visual Language, Color Theory, Intro to Art & Design, Intro to Performing Arts, Music awareness, Introduction to Creative thinking.

- Adequate exposure to be given to students at High School (3+4 as per NEP) from Grade 6 to Grade 12. The subject pool may include following courses: Foundational M&E learning, **Creative Thinking**, Local and Folk Art forms, Communication Education, Narrative Arts, Performing Arts, Foundational Learning in Media Ethics.

- Schools in consultation with Ministry of Education may permit **practical assessment pattern** instead of a written exam for certain subjects involving creativity.

- The schools may be encouraged to **establish Media and Entertainment studio/ labs**, in addition to Computer Labs, within their premises to give students exposure to the sector. Adequate guidelines accounting for such provision maybe drafted at a later stage.

4.3.3 Promoting high quality and well-structured AVGC education across Under Graduation and Post-Graduation

- To ensure standardization of AVGC Curriculum structure, the **UG education in the sector may be a 4-yr program,** being offered in a full Choice-Based-Credits-System structure. Ministry of Education may **also draft guidelines on the concept of credit bank as has been outlined in the National Education Policy**. This will be beneficial for forming a mechanism to transfer credit of a 3-yr Diploma after 10th grade into UG programs for students seeking admission to degree courses. Central and Deemed Universities may provide high quality vocational education by awarding Diploma, Advanced Diploma and Degree in the relevant field of M&E, focusing on AVGC sector, also to students who are getting trained in SSC's Affiliated Training Centers.

- **Government of India may assist in development of faculty for the gaming sector**. Further, to develop certain skills which are currently not available in the Indian gaming ecosystem, Indian entities maybe encouraged to invite industry experts from abroad which may be appropriately incentivized.

- To encourage cross-sectoral skilling and learning, AVGC courses may be offered as electives and formulated as per the credit framework.

- To promote AVGC in Universities and Colleges, the following initiatives may be undertaken:

  ✓ Formation of a Department of Creative Arts & Sciences (CAS)

  ✓ Subjects such as 2D Animation, 3D Animation, Interdisciplinary Animation, Comics, Game Design, Game Art, Immersive content, Virtual Production & Previsualization, etc. may be introduced as part of AVGC Curriculum.

  ✓ Government of India may also deliberate upon approving Hybrid degree programs (theory online, practical on-campus) under the 40% online education as approved in the NEP.

  ✓ Final written exams may not be mandatory for all subjects. For creative subjects, it is recommended, that Final evaluation for learning to be application-based, based on what the instructor(s) choose, through a jury evaluation/ making of content in parameters that are as close to real-world situations as possible.

- For **Postgraduate/ Masters Learning**, the following interventions may be undertaken:

  ✓ Individual Masters programs (2-yrs) in each specific area such as 2D Animation, 3D Animation, stop motion Animation, Comics, Game Design, Game Art, Immersive Content to be conceptualized. The curriculum and delivery of such programs should be at par with international standards.

  ✓ Masters' programs to lay additional focus on IP creation & Entrepreneurship and a higher level of theory / pedagogical approach to the subject at hand.

  ✓ Ministry of Education may deliberate upon format for conducting examination in creative subjects. For creative subjects, written exams may not be mandatory. Instead, it is recommended that for creative subjects, the Final evaluation for learning may be application-based, basis what the instructor(s) choose, through a jury evaluation / making of content in parameters that are as close to real-world situations as possible.

  ✓ The AVGC Masters curriculum to consider the following subjects- Basic Story, Narrative & Filmmaking skills, uniquely Indian narrative traditions, Indian Traditional & Folk Art related General Education.

  ✓ Institutions to endeavor to create an additional specialization in Instructional Design to enable Animation & Comics professionals to get into creating Academic Content.

  ✓ A Train the Trainer Diploma program can be run by all institutions running master's programs. Such a program maybe made attractive for students through various incentives, such as tie-ups with foreign universities.

- Ministry of Education may encourage delivery of apprenticeship embedded degree programs to offer hands-on training to candidates making them industry ready.

- With the recognition of specializations in AVGC at post-graduate and doctoral level, a mechanism for scholarships and grants for research in the AVGC sector may be institutionalized. A mechanism for easy access to funding and support from the industry to research scholars in the gaming sector may also be facilitated for talented students and researchers. A dedicated fund for scholarships to meritorious students enrolled in the AVGC courses may be established.

4.3.4 Developing course content and delivering courses at par with International Standards

Curriculum may be developed and upgraded as per the international standards on periodic basis. Credit banking and integration as per ABC (Academic Bank of Credits) may be established. A study of existing AVGC courses in countries such as Canada, Germany, UK, South Korea & Australia maybe undertaken to align curriculum and delivery with international standards in AVGC.

4.4 Increasing Access to Technology

4.4.1 IP and Patent Related

- Awareness among gaming companies regarding the **IP ecosystem** may be increased:

    ✓ A single window portal for all information, programs, and guidance in relation to IPR may be established.

    ✓ Encourage/ Enable gaming start-ups to file applications for patents, designs, and trademarks under Start-Ups Intellectual Property Protection (SIPP) scheme.

    ✓ State-wide awareness Workshops may be organized on IPR procedures and methodologies specifically for gaming in collaboration with academic institutions, industry bodies, etc.

- A **Model Intellectual Property Licensing Agreements (IPLAs)** may be developed by the AVGC promotion nodal agency for the AVGC sector to promote collaboration and standardization and unlock the industry potential.

- **Collective licensing agreements** should be promoted among the existing players to create individual intellectual property and prevent IP rights infringements.

- To promote technology innovation and creation of Intellectual Property, Ministry of Electronics and Information Technology has set up an entity called 'MeitY Start-up Hub' (MSH) under its aegis. MSH may also focus on AVGC sector.

- It is also recommended that Indian AVGC companies should initiate conversations with **Global AVGC companies to offer their servers for small Indian developers** for creating their own games, thereby generating revenue for the company in exchange for offering patents and protection against legal disputes.

- A platform for **pro bono legal and technical consultation on IP protection for developers and designers**, like the Patent Facilitation Program under the Department of Science & Technology may be established in coordination with the industry-led incubators and accelerators.

- **An incubation fund** may be provisioned for intellectual property (IP) and content development for projects. It may be funded in aggregation or partnership with a university or a group of investors, to promote the creation of new IPs.

- Institutions to constitute mechanisms for students to seek Incubation funding / IP development funding within the parameters of their master's Programs.

- Financial support through institutional means may be provided to MSME developers and designers in relation to filing IPR claims.

4.4.2 R&D and Innovation

- **Technology Incubation and Development of Entrepreneurs (TIDE)** scheme may also focus on AVGC segment to ensure transformation of research output to practical usage, promoting product-oriented research and development in institutions of higher learning, strengthening their Technology Incubation Centres, encouraging, and accelerating development of indigenous products and packages, bridging the gap between R&D and commercial usage of products.

- **R&D grant scheme** for industry-led consortiums comprising lead industry partners, academic institutions, and startups, may be funded through the National Research Foundation set up under The Prime Minister's Science, Technology, and Innovation Advisory Council (PM-STIAC),

  - Development of Public-Private Partnership (PPP) models or co-innovation models for research into new technologies

  - A concerted effort is required to boost the number of **AVGC and design specific R&D labs** at various Institutes of Eminence in the country like IITs, NITs, IISc, and Institutes of Eminence. These labs may be run in partnership with experts from the AVGC industry.
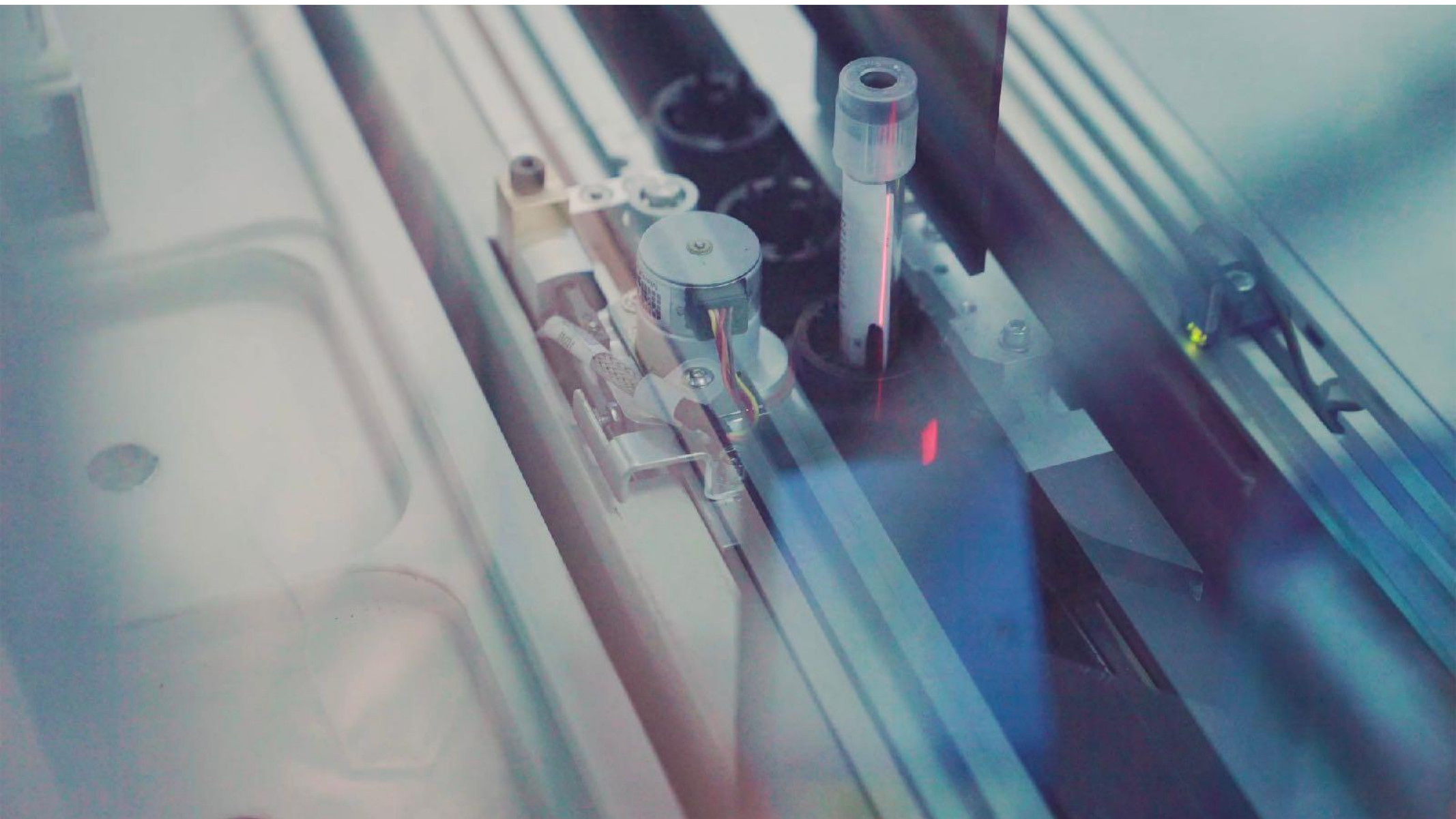
4.4.3 Technology Access

- **Democratizing technology through use of subscription models:** Companies offering AVGC technology products, including software, may be requested to move from a traditional license and maintenance model to a subscription-based model. The companies may also be advised to make it easy for customers to purchase with try-before-you-buy programs and some add-on capabilities. The subscription model is envisaged to provide better entry-level pricing and the ability to add features as customers mature and gain value from the initial experience. This will lead to expensive software not becoming a financial barrier to adoption of new AVGC-XR technology.

- **Providing incentives for development of software and hardware designed especially for Indian market and price point**: India's population has moved along an exponential technology curve, seeing development across different buckets of technology, including software development. The AVGC-XR companies must therefore be encouraged to develop their software locally to meet the needs of India AVGC-XR industry. Government of India should also determine a Production Linked Incentive (PLI) scheme to attract AVGC-XR sector related hardware manufacturers to the country. Government of India, in collaboration with global players can develop an **open-source stack** particularly for game development.

- **Government of India should also take adequate steps to curb piracy of software in the AVGC-XR sector**. This should be inclusive of raising awareness among Indian public on Intellectual Property Rights (IPRs) and threats posed by pirated software.

- A **comprehensive plan to fund Higher Education Institutions to set up labs to evangelize new and emerging technologies** into academics as well as industry practices. Adequate measures may be taken to minimize the cost of acquisition of software. Further, the equipment grants from international technology companies to educational institutions for educational purposes may be exempted from Customs duty or the duration of stay of the equipment brought into the country for educational demo purposes on a temporary basis under ATA Carnet rules of Customs that may be extended from 3 months to 3 years for educational institutes

- There is a need to **encourage industry to establish incubators and accelerators for early stage-startups in different cities**. These incubators and accelerators may be incentivized through mechanisms such as incentivizing FDIs, tax incentives, and other institutional support for establishing labs for research and development, among others.

- **Facilitate financial support for technology acquisition**. This could be done thorough some low-rate acquisition contracts, creation of dedicated funds, etc.

4.5 Creating Financial Viability

- Government of India has acknowledged Audio Visual services as one of the 12 Champion Service Sectors in India.

- Measures required for **promotion of the Indian AVGC industry may be clubbed under an umbrella initiative/ scheme namely "India AVGC Mission", supported by a holistic financial package**. The umbrella initiative may be designed in coordination with the Ministry of Finance, and other Ministries such as Ministry of Electronics and Information Technology (MeitY), Ministry of Education (MoE), Ministry of Skill Development and Entrepreneurship (MSDE), etc.), and the industry.

- Given the significant focus on content, ie. Intangible assets that the AVGC companies create from revenue generation and IP perspectives, it is recommended that Government of India may evaluate categorization of IPs that have a monetization track record (substantiated by signed contracts) as intangible assets that can be offered to banks as a collateral.

- **State level scholarship funds / CSR programs to be set up through State governments.** The funds set up may be used to carry out the following activities:
  - ✓ Giving Scholarships to meritorious students at the UG / PG level.
  - ✓ Setting up Faculty Chairs in the Departments of Arts & Sciences in State and Central Universities on a 3-yr basis.

- ✓ Funding Folk Artists to bring in trainees for continued expansion of their art, and for integrating technology into the art.

- ✓ Integration of Tier 2 and Tier 3 cities, tribal areas into mainstream AVGC industry.

- ✓ Funding Higher Education Institutions to set up labs to evangelize new / emerging technologies into academics as well as industry practices.

- ✓ Easing Infrastructure & software cost for Education (Mobile phones, computers, VR, consoles, LED walls, software)

- ✓ Setting up of virtual labs (Skill e-Labs) for skilling people in rural areas, tribal areas, and aspirational districts.

- ✓ Setting up Incubation labs for development of IP.

- **Funds towards development & continuous upgradation of curriculum & content to be provisioned under the National AVGC policy.** Funds may be provisioned towards development of e-content, conducting workshops, events and expositions inviting international experts and trainers.

- A **one-time special AVGC based skilling fund may be provisioned as a special incentive** for people and businesses to donate to the fund, which will then be eligible for CSR contributions and 80G certification.
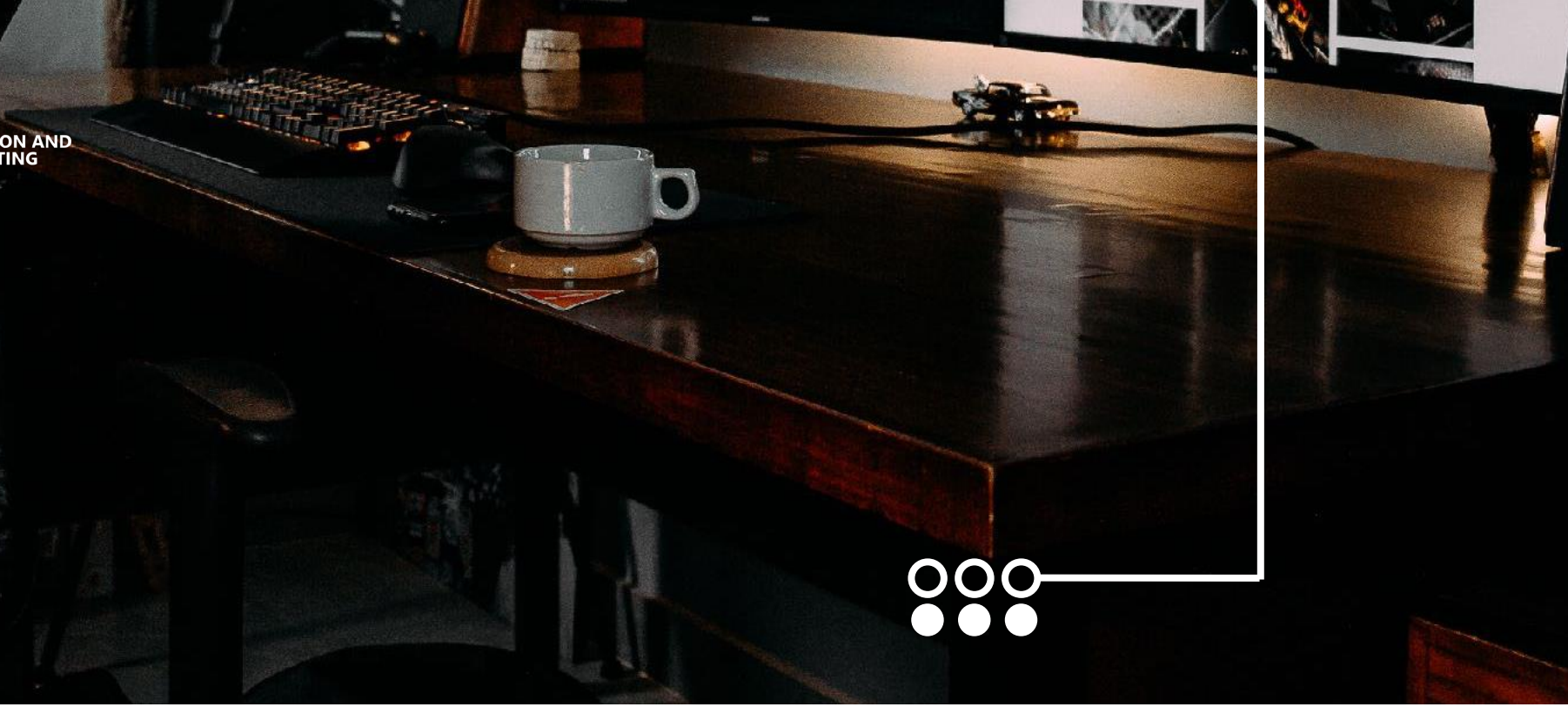
- **Government of India may commission a 'Game Development Fund' along with Industry to promote and educate consumers/players on responsible gaming,** wherein the companies contribute 1% of their annual net profits to promote and educate stakeholders.

- Government of India **may include AVGC courses in its policy to mandate banks to provide educational loans with no collateral or margin money to students from low-income-families** for studying UG/PG programs.

- To encourage entrepreneurship in the **AVGC sector and enable access to more funds, Government of India may undertake the following initiatives**:
  - ✓ Easing availability of Micro Loans for AVGC sector.
  - ✓ **Schemes** applicable to other sectors may also be made applicable to the AVGC sector.

- Under International agreements, **such as co-production treaties and other Trade agreements, AVGC should be considered as a priority sector** to gain access to focused incentives. This will also give domestic AVGC companies an opportunity to operate competitively in international markets.

- **Taxation related incentives such as tax breaks, tax holidays, etc. may be devised to boost local IP production, R&D, and investment** in the AVGC industry. There is also a requirement to rationalize various taxes (including GST) for Animation, Visual Effects, Gaming and Comics sectors to reduce the cost to users, enhance financial viability and make the sectors more competitive. It may be noted, that for the gaming sector, Group of Ministers (GoM) under the GST Council is already deliberating on the matter.

- Attracting foreign gaming companies for co-production in and relocation to India:
  - ✓ Additional/Special Tax breaks up to 3-5 years for global companies willing to locate in India.
  - ✓ Incentives to foreign companies for outsourcing of work to India, or employment of Indian game developers

4.6 Promoting high-quality Content

4.6.1 Launch of a 'Create in India' initiative with exclusive focus on content creation 🚀

- Government of India may also evaluate launch of a 'Create in India' initiative to give the needed impetus to content creation in India. Some key focus areas of 'Create in India' initiative can be as follows:

  ✓ Creation of high-quality content in vernacular languages for promotion of Indian culture, heritage, and folk arts globally.

  ✓ Promotion of international co-productions to help Indian Films and AVGC services get global audiences.

  ✓ Creation of global content in the country, making India a Global hub for the AVGC sector.

  ✓ Creation of child friendly content to promote learning and development among children. For online gaming, creation of healthy gaming content enabling positive behaviour and protecting child rights will be encouraged.

  ✓ Creation and protection of Intellectual Property in the AVGC-XR sector.

  ✓ Engaging AVGC-XR software/ product developing companies to reduce cost of acquisition of software.

4.6.2 Creating global-ready Content 🌐

- Entertainment and Gaming Industry producers should be encouraged to convert successful films (box office/ critically acclaimed/ popular character etc.) into games through a dedicated mechanism of cooperation between the entertainment and gaming industry.

- Transparent mechanisms for knowledge sharing may be established through collaboration among industry associations in the film and entertainment industry, and the gaming industry.

  ✓ **Global studios may be incentivized** to tap into stories from India for gaming content and local IPs.

  ✓ The existing **co-production treaties** with nations may be amended to also include AVGC sector.

4.6.3 Promoting Indian Content

- To promote creation and consumption of indigenous animation content and to give an opportunity to domestic players to compete with international players in the domestic as well as international markets, there should also be provisions for **mandating content reservation** for local animation content.

- In cooperation with the Ministry of Culture, digital and authentic resources of Indian literature may be made available. Similar approach may also be adopted in respect of historical and folklore-based narratives.

- Mechanisms for promotion of indigenous comics, movies and animation ecosystems may be established to build a strong pipeline of ideas for gaming

- States may also consider reimbursing a portion of investment made by companies to create content based on Indian themes.

The visual effects for Tenet - an Oscar-winning movie for best VFX was done in India.

4.6.4 Promoting children specific content in India

- With a large children's population and high television penetration, there is an opportunity for launch of a channel focused on content delivery for children to educate them and raise their awareness on rich culture, history and traditions of the country.

- It is therefore recommended for Government of India to **create a DD Kids channel through the Public Broadcaster**.

- Private Broadcaster should also be encouraged to take up the activity of developing children only content by actively engaging with the industry.

4.7 Diversity, Equity and Inclusion

- The National AVGC Policy and the policies being developed by States should focus on giving equal weightage to skilling, re-skilling, and upskilling of people across gender, economic background and Geography.

- A framework may be developed f**or identification of model districts for establishing AVGC industry.** The framework may also comprise a minimum identification criteria for choosing a district.

- The following steps maybe undertaken to promote AVGC as a sector in Tier 2 and Tier 3 cities:

  - ✓ Conceptualizing dedicated centers with hi-tech infra, including facilities such as Digital post-production labs, incubation centers and virtual labs.

  - ✓ Providing AVGC oriented education in vernacular language

  - ✓ **Identification of partners to set up incubation facilities for start-ups** working in domains such as virtual reality, digital compression, gamification of educational content and other such niche areas in each state, especially focusing on AVGC hubs.

  - ✓ Formation of **AVGC centric ITIs & polytechnic colleges which may be used by academia and industry for optimum use of infrastructure and development of regional industry.** Further, existing ITIs may also be strengthened for their AVGC related capabilities. AVGC centric ITIs may also be enabled with Job oriented Diploma & Certificate programs for AVGC segment (course like Prep (Roto, Paint), Asset Development, Compositor, graphic designer etc.). Existing infrastructure in multiple shifts should be used for training and production.

- Adequate policies may be drafted by States to encourage AVGC companies to establish offices in Tier 2 and Tier 3 Cities with necessary incentives.

- Through effective **PPP models, differentiated zones, especially in Tier 2 and Tier 3 cities with focus on AVGC may be created**. This will promote Industry's access to technology, R&D facilities, Incubation Centers. Such an initiative will also ensure country wide growth and not one that is concentrated in a few regions.

- Tier 2 / 3 institutions can apply for support / scholarship / State funding to set up infrastructure and run programs in coordination with established universities / institutions. State Governments to give hand holding support to such an entity.

- **Twinning programs between towns & cities** across educational institutions may be established.

- To facilitate integration of **Tier 2 and 3 Cities in the AVGC industry, the stakeholders may be adequately incentivized**. A similar model, like the one existing in medical field may be adopted. i.e., discounts / fee waivers in PG education may be given to teachers if they teach in a Tier 2/3 town / city or in a school for 2-3 years after completing undergraduate education.

- Carrying out a **survey in collaboration with the local industry to recognize the clusters with AVGC talent in rural or tier 2 & 3 areas**, for focused interventions.

- Identification of rural talent to be made **through various existing programs as well as through the teachers.** Some of the current Talent Identification models include:

  ✓ Karnataka Arts School model - digital art centres

  ✓ National Innovation Foundation (Shodh yatra) - talent scouting

  ✓ Smart India Hackathon

- Adequate linkages **between skilling demand and supply should be established across Tier 2 and 3 cities**. For the same purpose, a one-time assessment of skill supply in these cities can be ascertained.
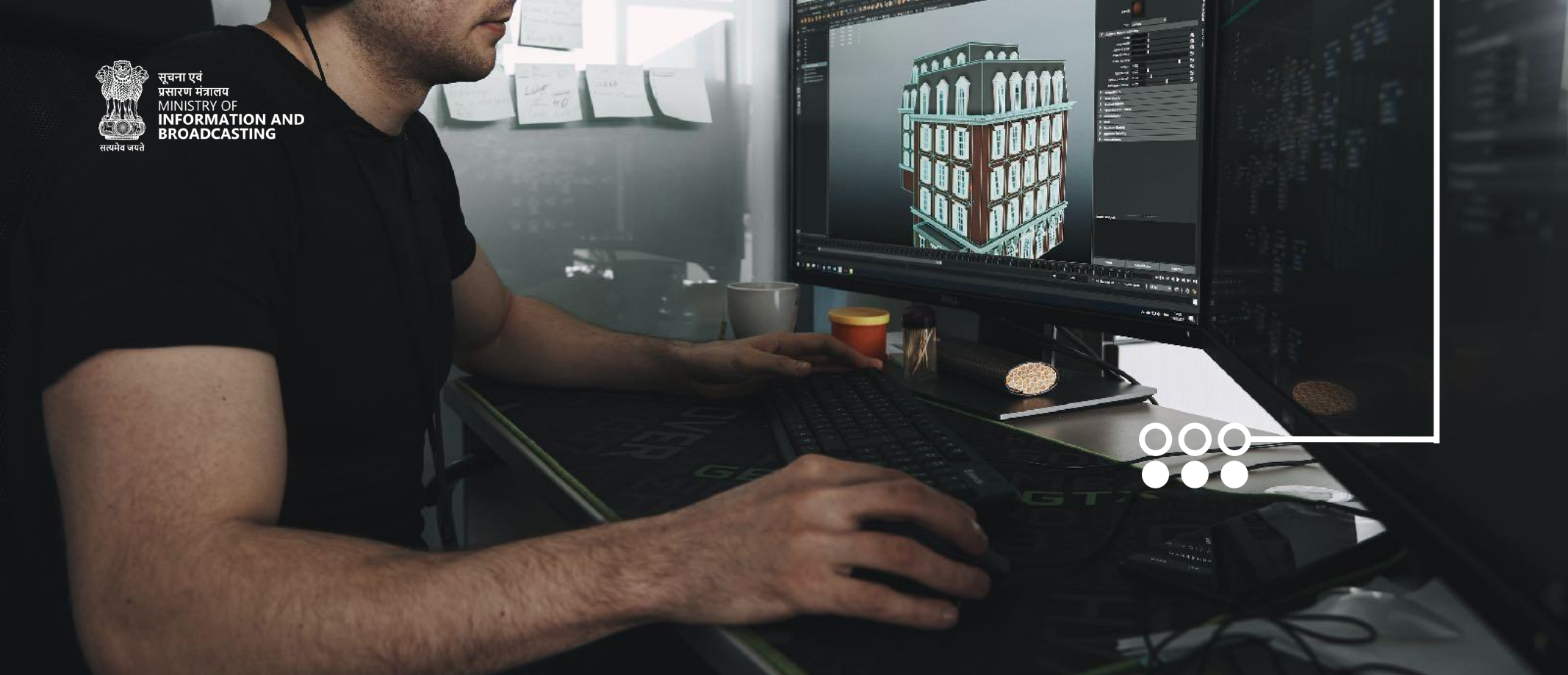
Cross Cutting Intervention Themes for AVGC Sector
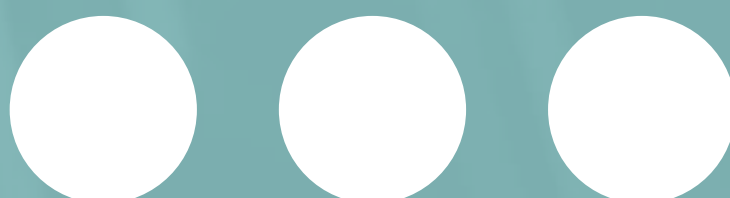
Certain areas emerged as cross cutting themes among recommendations received from the industry and the Sub-Task Forces. These themes are as follows:

Development of progressive policies, including a National AVGC Policy, to define the growth trajectory of AVGC sector in India

The AVGC sector has witnessed unprecedented growth rate in the recent times, with the global market size of the AVGC sector estimated at around $800 billion. [50] India has also witnessed tremendous growth in this sector. It is envisioned that with the right set of interventions, India has the potential to capture 5% (~$40 billion) of the global market share by the year 2025, with an annual growth of around 25-30% and create over 1,60,000 new jobs annually. There is therefore a need for a dynamic National AVGC policy which will serve as a guidebook, focusing on the growth of the AVGC Sector within the country.

Setting up of a National Center of Excellence for AVGC in collaboration with Industry and Academia

Dynamic nature of the AVGC industry has led to a need for establishing an Industry led body, to guide policies for the growth of this sector, establish frameworks for AVGC education in India, actively collaborate with industry and international AVGC institutes, and enhance the global positioning of the Indian AVGC industry. It has been recommended to establish a National Center of Excellence for the AVGC sector. The NCOE has been envisioned to deliver mandate, across Skilling, Education, Industry Development and Research and Innovation for the AVGC sector. Being the first of its kind institution in the AVGC sector, the NCoE will serve as a reference point for the AVGC industry, across areas such as AVGC education, skilling, research, and development. The NCOE will also be useful in providing policy advisory services, industry consulting services, focused research, and development among other activities. A National Centre of Excellence (NCOE) for AVGC in India shall serve as the driver for AVGC promotion and act as a mentoring institution for the industry to guide the policies for growth of this sector, establish standards for AVGC education in India, actively collaborate with industry and international AVGC institutes, and enhance the global positioning of the Indian AVGC industry.

50   https://www.businesstoday.in/opinion/columns/story/the-avgc-sector-how-a-holistic-vision-here-can-make-india-a-global-content-leader-336784-2022-06-08

सूचना एवं
प्रसारण मंत्रालय
MINISTRY OF
INFORMATION AND
BROADCASTING
सत्यमेव जयते

Development of Centers of Excellence across the country in collaboration with State Governments

It has been recommended to set up Regional Centers of Excellence to provide increased access to infrastructure to the stakeholders of the AVGC industry. This will give an opportunity to the sector to ensure country wide growth and not one that is concentrated in a few regions. This may be developed in collaboration with State Governments and can function as the spokes of the National Center of Excellence.

Representation of Tier 2 and Tier 3 towns and cities in the AVGC landscape of the country

To facilitate integration of Tier 2 and Tier 3 towns and Cities in the AVGC industry, the stakeholders may be adequately incentivized. AVGC specific Institutions running in these cities and towns can apply for support / scholarship / state funding to set up infrastructure and run programs in coordination with established universities / institutions. It has also been recommended for State Governments to give hand holding support to such institutions. Further, twinning programs between towns & cities across educational institutions may be established. Adequate impetus may also be given to identification of rural talent through various existing programs as well as through the teachers.

Overall increased access to AVGC technology to all stakeholders of the sector

There is a need to establish infrastructure to ensure increased access to technology for the stakeholders

of the AVGC sector. Assistance is required in setting up institutions equipped with latest state of the art infrastructure such as digital post-production AVGC labs, post-production technologies such as motion capture, 2D & 3D animation, and high-speed rendering along with state-of-the-art hardware and software that companies can use on pay-per-use basis. Adequate steps may also be taken to reduce the cost of acquisition of technology.

Standardization and alignment to international standards in skilling, education, and content delivery for AVGC sector

Policies for standardization of curriculum and delivery mechanisms maybe adopted by the industry. The Government in collaboration with the AVGC industry and academia may establish frameworks for AVGC education in India, actively collaborate with industry and international AVGC institutes, and enhance the global positioning of the Indian AVGC sector. Standardization of nomenclature for degrees may also be taken up on priority by the Government of India.

AVGC sector, a medium to promote Indian culture and heritage

With focus on Indian heritage and culture, the AVGC sector has potential to have a greater impact on the society – fostering creativity at grassroots level and being a medium to communicate Indian values to the next generation. The Animation, Comics and Gaming segments have tremendous potential to present Indian mythological content, culture, values and traditions to children and youth of India.

Annexure C: Draft National Policy framework for Growth of AVGC-XR sector in India

The trends highlighted in the AVGC Promotion task force report indicate that the AVGC-XR sector in India has immense potential for industry development, coupled with right interventions. The sector today is in its nascent stage and is still overcoming certain challenges for which there is a requirement of a holistic policy framework.

Attached with this report as **Annexure C is a draft National policy framework for promoting growth of AVGC-XR sector in India**. By way of this policy, interventions are suggested for bringing, Indian talent, products, culture and content to the world stage and also increase the sector's contribution to the country's GDP.

Annexure D: Model State Policy on AVGC-XR

The Animation, Visual Effects, Gaming, Comics and Extended Reality (together termed the AVGC-XR Sector) has shown steady growth in recent years and has emerged as a sunrise sector.

The AVGC-XR sector has the potential to produce powerful content and Intellectual Property, it has immense potential to contribute to India's Exports and GDP growth, besides disseminating rich cultural heritage and generating quality employment.

To give the right impetus to the AVGC-XR sector, the the Task Force has also drafted a guidance document in the form of a **Model State Policy on AVGC-XR Attached as Annexure D**, for the states to draft their own policies for the sunrise sector of AVGC-XR.
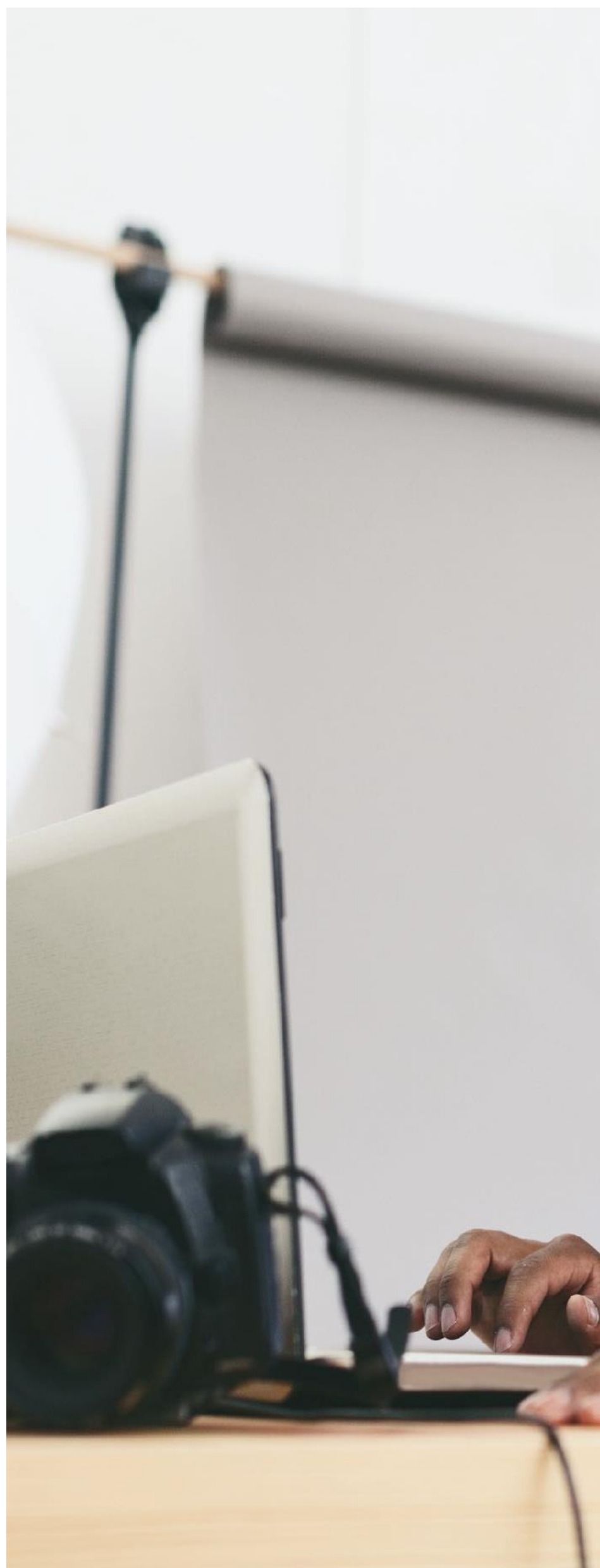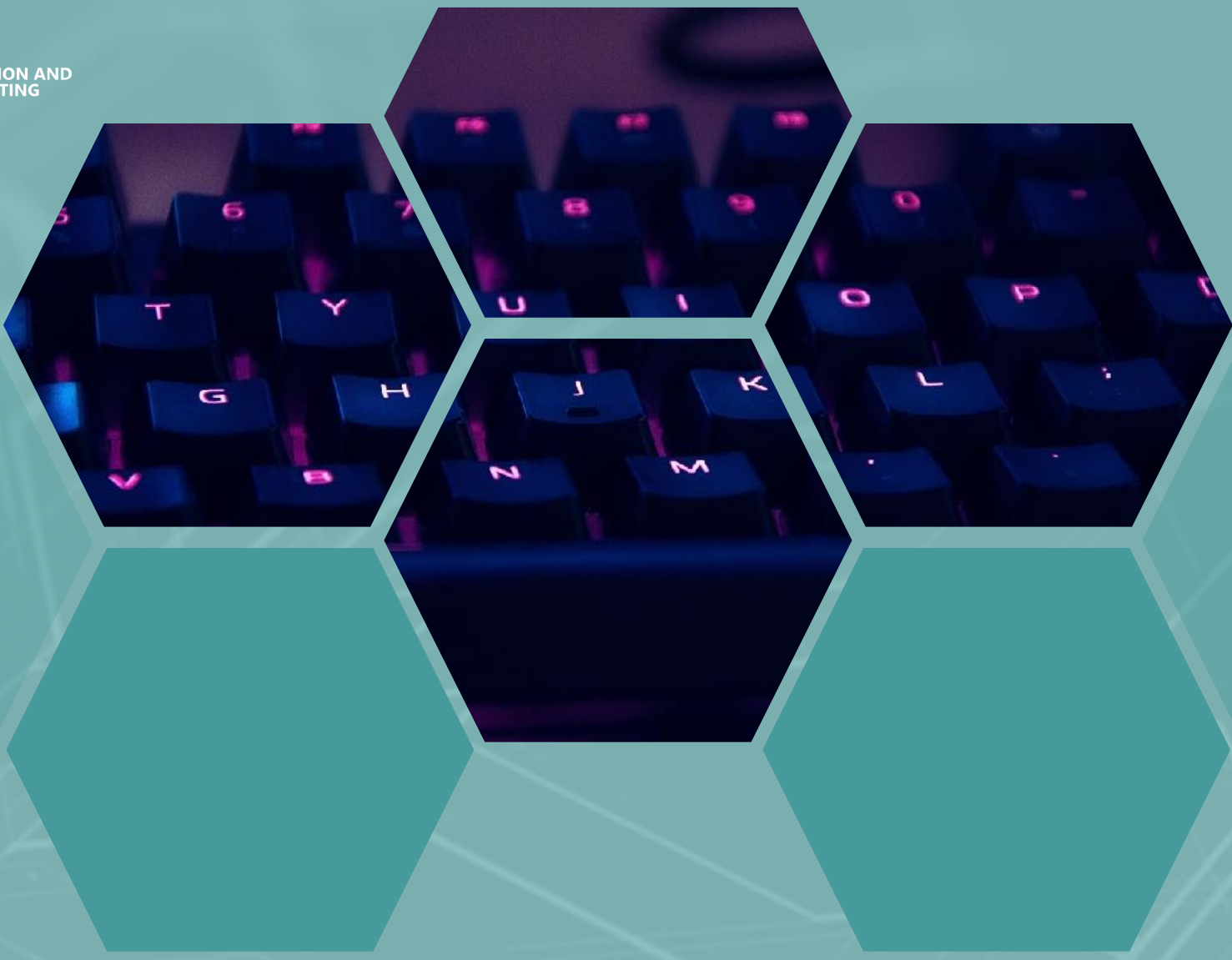
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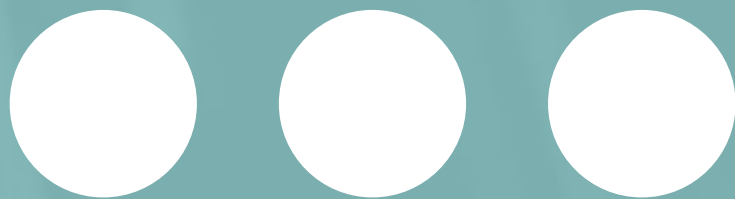
.FNo. M-35020/5/2022 – DO (FI)
GOVERNMENT OF INDIA
MINISTRY OF INFORMATION & BROADCASTING
"A' Wing Shastri Bhawan, New Delhi-110001.

Dated: 08.04.2022

OFFICE ORDER

In pursuance of the announcement made in the Union Budget 2022-23, it has been decided to constitute an Animation, Visual Effects, Gaming and Comics (AVGC) Promotion Task Force to promote the AVGC sector in the country under the aegis of Ministry of Information and Broadcasting. The composition of the AVGC Promotion Task Force is as under:-

1.	Secretary, Ministry of Information and Broadcasting	**Chairperson**
2.	Secretary, Ministry of Skill Development and Entrepreneurship	Member
3.	Secretary, Ministry of Education, Department of Higher Education	Member
4.	Secretary, Ministry of Electronics and Information Technology	Member
5.	Secretary, Department for Promotion of Industry and Internal Trade	Member
6.	Additional Secretary, Ministry of Information and Broadcasting	Member
7.	Administrative Secretary in charge of AVGC Policy, Government of Karnataka, Maharashtra and Telangana	Member
8.	Chairperson, All India Council of Technical Education.	Member
9.	Director, National Council of Educational Research and Training	Member
10	Chief Executive Officer, Media & Entertainment Skills Council	Member
11.	Sh. Biren Ghosh, Country Head, Technicolor India	Member
12.	Sh. Ashish Kulkarni, Founder, Punaryug Artvision Pvt. Ltd.	Member
13.	Sh. Jesh Krishna Murthy, Founder and CEO Anibrain	Member
14.	Sh. Keitan Yadav, COO and VFX Producer, Redchillies VFX	Member
15.	Sh. Chaitanya Chinchlikar, Chief Technology Officer, Whistling Woods International	Member
16.	Sh. Kishore Kichili, Sr. Vice President and Country Head, Zynga India	Member
17.	Sh. Neeraj Roy, Managing Director and CEO of Hungama Digital Media Entertainment	Member
18.	CII nominee from AVGC sector	Member
19.	FICCI nominee from AVGC sector	Member
20.	Joint Secretary (Films), Ministry of Information and Broadcasting	Member Secretary

2. The Terms of Reference of the AVGC Promotion Task Force shall be:-

(i) Recommend approaches for boosting employment and job creation opportunities for youth in this sector in urban and rural areas.

(ii) Facilitate development of progressive policies, including a national AVGC Policy, that will promote growth of the sector.

(iii) Give recommendations for a national curriculum framework for Graduation, Post-graduation and Doctoral courses in AVGC related sectors.

(iv) Facilitate skilling programmes and initiatives in collaboration with academic institutions, vocational training centres & Industry.

(v) Recommend measures for uniformity and alignment to international best practices in skilling, education and content delivery.

(vi) Provide recommendations on developing Centre-State synergies in AVGC sector

(vii) Promote creation of robust infrastructure in the form of Regional AVGC hubs across the nation.

(viii) Facilitate concerted promotion and market development activities to extend global reach of Indian AVGC Industry and also enhance the export potential of the sector.

(ix) Support industry in carrying out Co-Innovation & Research activities, helping India create its IP depth in AVGC sector.

(x) Recommend incentives to attract FDI in AVGC sector to make India a favourable destination for ease of doing business.

(xi) Any other matter relating to AVGC with the permission of the Chairman of the Task Force.

3. **Term of Members on the AVGC Promotion Task Force**: The term of official members on the AVGC Task Force shall be coterminus with their posting. The non-official members shall be nominated for a period of two years, extendable by Ministry of Information and Broadcasting.

4. **Secretarial assistance**: Secretarial assistance to the AVGC Promotion Task Force shall be provided by the Ministry of Information and Broadcasting, Government of India.

5. **Power to Co-opt additional members**: The AVGC Promotion Task Force shall have powers to co-opt additional members/special invitees as and when need arises. Further, the AVGC Promotion Task Force shall have the power to create time-bound and target sub-task forces with focus on specific matters, such as, Education, Skilling, Innovation, Job Creation, sub-sectors, etc.

6. **Frequency of Meetings**: The AVGC Promotion Task Force meetings shall be held at least once every quarter.

7. **Timelines for submission of Report**: The AVGC Promotion Task Force shall submit its first action plan including key milestones to the Ministry of Information and Broadcasting within 90 days from the date of issue of order.

8. The Committee Members will be entitled to travelling expenses, local transport and sitting fees in connection with the meetings as per extant rules.

9. This issues with the approval of the competent authority.

(**S Vijay Gopal**)
Under Secretary to the Government of India
Tel.: 011-2338 2487

Copy to:-

1. All members of the Task Force.
2. PPS to HMIB
3. PPS to HMOSIB
4. PPS to Secretary (I&B)/ PPS to AS&FA/PPS to AS/ PPS to JS(P&A)/ PPS to JS (B)/PPS to JS(EW)/ Dir(Films)
5. CEO, NITI Aayog, Parliament Street, New Delhi.
6. Under Secretary (Coordination), Department of Economic Affairs, Ministry of Finance.
7. PAO, Main Secretariat, M/o I&B

(**S Vijay Gopal**)
Under Secretary to the Government of India

No. M-35020/5/2022-DO(FI)
Government of India
Ministry of Information & Broadcasting
A Wing, Shastri Bhawan, New Delhi

Dated 1st June, 2022

OFFICE ORDER No. 1/2022

The first meeting of newly announced AVGC Promotion Task Force was held on 4th May 2022 in Ministry of Information and Broadcasting. In the meeting, it was decided that four Sub-Task Forces shall be constituted namely, for Education, Skilling, Gaming and Industry & Policy. These sub-groups will work towards devising strategies of growth through targeted interventions in their respective areas. The recommendations from the Sub-Task Forces will be in areas of policy formulation, capacity building, infrastructure development, technological access, research and development, creating local IPs, enhancing export potential, etc. Further, all recommendations shall adhere to the principles of inclusion, equity, diversity, and sustainability.

The composition of the Sub Task Force on Industry & Policy is as under: -

Sl.No.	Name	Designation &Organization	Role
1	Apurva Chandra	Secretary, Ministry of Information & Broadcasting	Chairperson
2	Neerja Sekhar	Additional Secretary, Ministry of Information & Broadcasting	Member
3	Manmeet Nanda	Joint Secretary, DPIIT	Member
4	Darpan Jain	Joint Secretary, Department of Commerce	Member
5	State Representative-Maharashtra	Administrative Secretary, Government of Maharashtra	Member
6	State Representative-Karnataka	Administrative Secretary, Government of Karnataka	Member
7	State Representative-Telangana	Administrative Secretary, Government of Telangana	Member
8	State Representative- UP	Administrative Secretary, Government of UP	Member
9	Ashish Kulkarni	Founder, Punaryug Artvision Pvt Ltd.	Member
10	Biren Ghose	Country Head – Technicolor India	Member
11	Leena Jaisani	Assistant Secretary General, FICCI	Member

1

6. **Frequency of meetings:** The Sub Task Force should convene as required to adhere to the timelines of the AVGC Promotion Task Force.

7. **Timelines for submission of reports:** The Sub Task Force shall submit the final action plan to the Ministry before 31st July 2022.

8. The Sub Task Force Members will be entitled to travelling expenses, local transport and sitting fees in connection with the meetings as per extant rules.

9. This issues with the approval of the competent authority.

(S Vijay Gopal)
Under Secretary to the Government of India
Tel.: 011-2338 2487

Copy to:-

1. All members of the Sub Task Force on Industry & Policy.
2. PPS to HMIB
3. PPS to HMOSIB
4. PPS to Secretary (I&B)/ PPS to AS&FA/PPS to AS/ PPS to JS(P&A)/ PPS to JS (B)/PPS to JS(EW)/ Dir(Films)
5. CEO, NITI Aayog, Parliament Street, New Delhi.
6. Under Secretary (Coordination), Department of Economic Affairs, Ministry of Finance.
7. PAO, Main Secretariat, M/o I&B

(S Vijay Gopal)
Under Secretary to the Government of India

3

No. M-35020/5/2022-DO(FI)
Government of India
Ministry of Information & Broadcasting
A Wing, Shastri Bhawan, New Delhi

Dated 1st June, 2022

OFFICE ORDER No. 2/2022

The first meeting of newly announced AVGC Promotion Task Force was held on 4th May 2022 in Ministry of Information and Broadcasting. In the meeting, it was decided that four Sub-Task Forces shall be constituted namely, for Education, Skilling, Gaming and Industry & Policy. These sub-groups will work towards devising strategies of growth through targeted interventions in their respective areas. The recommendations from the Sub-Task Forces will be in areas of policy formulation, capacity building, infrastructure development, technological access, research and development, creating local IPs, enhancing export potential, etc. Further, all recommendations shall adhere to the principles of inclusion, equity, diversity, and sustainability.

The composition of the Sub Task Force on skill development is as under:

S.No.	Name	Designation & Organization	Role
1.	Rajesh Aggarwal	Secretary, MoSDE	Chairperson
2.	Atul Kumar Tiwari	Special Secretary & DG, Directorate General of Training	Member
3.	Ashish Kulkarni	Founder Punaryug Artvision Pvt. Ltd.	Member
4.	Ajjay Parge	Founder Director, Digital Art VRe	Member
5.	Anuj Kacker	Wholetime Director, Aptech	Member
6.	Keitan Yadav	COO - VFX Producer, Redchillies.vfx	Member
7.	Prajay Kamath	Co-Founder & Tech Advisor, AiSolve	Member
8.	Rajesh Turakhia	Founder & Director, Frameboxx	Member
9.	Vikas Kumar	Founder & CEO, Digitoonz	Member
9.	Sasikumar Raman	Director, Toonz Animation	Member
10.	Sathish Narayanan	Founder Director & CEO, Design Media & Entertainment Solution Pvt. Ltd.	Member
11.	Shalini S Sharma	Principal, M&E, CII	Member
12.	Srikant Sinha	CEO, Telangana Animation Skills	Member
13.	Manvendra Shukul	CEO, Lakshya Digital	Member

1

14	Anil Kumar	Director, Curriculum Development, DGT, MSDE	Member
15	– (to be invited by the Convenor of the Sub Task Force)	Representative from PSSCIVE, Bhopal	Member
16	Mohit Soni	CEO, Media & Entertainment Skill Council	Member-Convenor

2. The terms of reference of the Sub Task Force on Skilling for Promotion of Animation, Visual-effects, Gaming and Comics (AVGC) Sector in India are as under:

i. Recommend an approach for boosting skill development and employment opportunities for youth in this sector in urban and rural areas.

ii. Recommend measures to enable uniformity and alignment of Indian courses to international standards in AVGC skilling and education.

iii. Suggest course curriculum for short and long term NSQF-aligned AVGC courses to be introduced at skilling and educational institutions.

iv. Identify CSR collaboration routes for skilling in AVGC sector.

v. Engage with stakeholders from Media and Entertainment sector including educational institutions and those operating in the vocational education ecosystem.

vi. Introduce and develop a strong and robust Training of Trainers (ToTs) (including faculty and teachers) mode in collaboration with industry for job roles in AVGC sector.

vii. Any other matter relating to AVGC skilling ecosystem with permission of the Chairperson of the Sub Task Force.

3. AVGC Cell in the Ministry of Information and Broadcasting may provide necessary support for functioning of the Sub Task Force.

4. The Sub Task Force may consult experts from academia and industry to realize its mandate during its functioning.

5. **Term of members of the Sub Task Force:** The members shall be nominated for such period as decided by the AVGC Promotion Task Force.

6. **Frequency of meetings:** The Sub Task Force should convene as required to adhere to the timelines of the AVGC Promotion Task Force.

2

7.   **Timelines for submission of reports:** The Sub Task Force shall submit the final action plan to the Ministry before 31st July 2022.

8.   The Sub Task Force Members will be entitled to travelling expenses, local transport and sitting fees in connection with the meetings as per extant rules.

9.   This issues with the approval of the competent authority.

(S Vijay Gopal)
Under Secretary to the Government of India
Tel.: 011-2338 2487

Copy to:-

1.   All members of the Sub Task Force on skill development.
2.   PPS to HMIB
3.   PPS to HMOSIB
4.   PPS to Secretary (I&B)/ PPS to AS&FA/PPS to AS/ PPS to JS(P&A)/ PPS to JS (B)/PPS to JS(EW)/ Dir(Films)
5.   CEO, NITI Aayog, Parliament Street, New Delhi.
6.   Under Secretary (Coordination), Department of Economic Affairs, Ministry of Finance.
7.   PAO, Main Secretariat, M/o I&B

(S Vijay Gopal)
Under Secretary to the Government of India

3

No. M-35020/5/2022-DO(FI)
Government of India
Ministry of Information & Broadcasting
A Wing, Shastri Bhawan, New Delhi

Dated 1st June, 2022

OFFICE ORDER No. 3/2022

The first meeting of newly announced AVGC Promotion Task Force was held on 4th May 2022 in Ministry of Information and Broadcasting. In the meeting, it was decided that four Sub-Task Forces shall be constituted namely, for Education, Skilling, Gaming and Industry & Policy. These sub-groups will work towards devising strategies of growth through targeted interventions in their respective areas. The recommendations from the Sub-Task Forces will be in areas of policy formulation, capacity building, infrastructure development, technological access, research and development, creating local IPs, enhancing export potential, etc. Further, all recommendations shall adhere to the principles of inclusion, equity, diversity, and sustainability.

The composition of the Sub Task Force on Education is as under: -

Sno.	Name	Designation & Organization	Role
1.	Anil Sahasrabudhe	Chairperson, AICTE	Chairperson
2	Rakesh Ranjan	Additional Secretary, Higher Education, MoE	Member
3	Amaresh Chakrabarti	Prof. & Chairman, Centre for Product Design & Manufacturing, Indian Institute of Science	Member
4	Dinesh Prasad Saklani	Director, NCERT	Member
5	Nidhi Chibber	Chairperson, CBSE	Member
6	Ashish S Kulkarni	Founder, Punaryug Artvision Pvt. Ltd.	Member
7	Austin Davis	Assistant Professor, National Institute of Design	Member
8	Biren Ghose	Country Head, Technicolor India	Member
9	Phani Tetali	Professor & Head, Industrial Design Centre, IIT Bombay	Member
10	Jesh Krishnamurthy	Founder & CEO, Anibrain	Member
11	Chaitanya Chinchlikar	Vice President- Business Development, Whistling Woods International	Member-Convenor

1

2. The terms of reference of the Sub Task Force on Education are as under: -

i) Recommend ways to collaborate with the National Education Policy in terms of specific policies and recommendations relevant for the AVGC sector. Also, suggest innovations in education pedagogy including gamification, experiential learning, soft-hard skill linkages.

ii) Recommend ways to collaborate with institutions like AICTE/UGC/NCERT/CBSE and others to jointly develop comprehensive curriculum for schools and other educational institutions.

iii) Contribute in designing rural talent scouting programmes for AVGC education.

iv) Identify capacity building interventions for district and block level education departments with a focus on Tier 2 and Tier 3 cities.

v) Develop recommendations for a National Integrated Curriculum Framework, including degree/diploma/elective courses and faculty development in AVGC sector.

vi) Develop an industry-academia collaboration platform with focus on internships, scholarships, industrial training, industry-as-faculty, placements, and technology access.

vii) Develop frameworks for ensuring sustainable scholarships to meritorious students.

viii) Develop partnerships with international academia and faculty in school/higher education and recommend measures for uniformity and alignment to international best practices.

ix) Any other matter relating to AVGC education with permission of the Chairperson of the Task Force.

3. AVGC Cell in the Ministry of Information and Broadcasting may provide necessary support for functioning of the Sub Task Force.

4. The Sub Task Force may consult experts from academia and industry to realize its mandate during its functioning.

5. **Term of members of the Sub Task Force:** The members shall be nominated for such period as decided by the AVGC Promotion Task Force.

2

6. **Frequency of meetings:** The Sub Task Force should convene as required to adhere to the timelines of the AVGC Promotion Task Force.

7. **Timelines for submission of reports:** The Sub Task Force shall submit the final action plan to the Ministry before 31st July 2022.

8. The Sub Task Force Members will be entitled to travelling expenses, local transport and sitting fees in connection with the meetings as per extant rules.

9. This issues with the approval of the competent authority.

(S Vijay Gopal)
Under Secretary to the Government of India
Tel.: 011-2338 2487

Copy to:-

1. All members of the Sub Task Force on Education.
2. PPS to HMIB
3. PPS to HMOSIB
4. PPS to Secretary (I&B)/ PPS to AS&FA/PPS to AS/ PPS to JS(P&A)/ PPS to JS (B)/PPS to JS(EW)/ Dir(Films)
5. CEO, NITI Aayog, Parliament Street, New Delhi.
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7. PAO, Main Secretariat, M/o I&B

(S Vijay Gopal)
Under Secretary to the Government of India

3

No. M-35020/5/2022-DO(FI)
Government of India
Ministry of Information & Broadcasting
A Wing, Shastri Bhawan, New Delhi

Dated 1st June, 2022

OFFICE ORDER No. 4/2022

The first meeting of newly announced AVGC Promotion Task Force was held on 4th May 2022 in Ministry of Information and Broadcasting. In the meeting, it was decided that four Sub-Task Forces shall be constituted namely, for Education, Skilling, Gaming and Industry & Policy. These sub-groups will work towards devising strategies of growth through targeted interventions in their respective areas. The recommendations from the Sub-Task Forces will be in areas of policy formulation, capacity building, infrastructure development, technological access, research and development, creating local IPs, enhancing export potential, etc. Further, all recommendations shall adhere to the principles of inclusion, equity, diversity, and sustainability.

The composition of the Sub Task Force on Gaming is as under: -

Sl.No.	Name	Designation & Organization	Role
1	Vikram Sahay	Joint Secretary, MoIB (Chairperson, Sub Task force)	Chairperson
2	Anna Roy	Senior Adviser, NITI Aayog	Co-Chairperson
3	Vinay Thakur	COO, NeGD, MeitY	Member
4	Kishore Kichili	Country Head, Zynga India	Member
5	Manish Agarwal	CEO, Nazara Technologies	Member
6	Manvendra Shukul	CEO, Lakshya Digital	Member
7	Neeraj Roy	Founder and Chief Executive Officer, Hungama Digital Media	Member
8	Sameer Barde	CEO, E-Gaming Federation	Member
9	Ramesh A	Founding Partner, A Plus Associates	Member
10	Sumit Mehra	Principal Group Manager, Microsoft	Member
11.	Kshitij Agarwal	Assistant Director, Ministry of Information & Broadcasting	Convenor

1

2.   The terms of reference of the Sub Task Force on Gaming are as under: -

i)   Recommend tangible action plan for boosting R&D in development of gaming content and suggest ways to boost creation of local IPs in the sector.

ii)   Develop a framework for a mentorship programme that can serve as a platform for industry mentors to engage with the young talent seeking career opportunities in the gaming sector.

iii)   Recommend policies to ease access to best-in-class technology for creation of high-quality gaming content within the country.

iv)   Recommend ways to encourage co-production between Indian and global gaming companies to reduce the technology cost and have a wider audience coverage.

v)   Any other matter relating to the gaming sector with permission of the Chairperson of the Task Force.

3.   AVGC Cell in the Ministry of Information and Broadcasting may provide necessary support for functioning of the Sub Task Force.

4.   The Sub Task Force may consult experts from academia and industry to realize its mandate during its functioning.

5.   **Term of members of the Sub Task Force:** The members shall be nominated for such period as decided by the AVGC Promotion Task Force.

6.   **Frequency of meetings:** The Sub Task Force should convene as required to adhere to the timelines of the AVGC Promotion Task Force.

7.   **Timelines for submission of reports:** The Sub Task Force shall submit the final action plan to the Ministry before 31st July 2022.

8.   The Sub Task Force Members will be entitled to travelling expenses, local transport and sitting fees in connection with the meetings as per extant rules.

9.   This issues with the approval of the competent authority.

(S Vijay Gopal)
Under Secretary to the Government of India
Tel.: 011-2338 2487

2

Copy to:-

1. All members of the Sub Task Force on Gaming.
2. PPS to HMIB
3. PPS to HMOSIB
4. PPS to Secretary (I&B)/ PPS to AS&FA/PPS to AS/ PPS to JS(P&A)/ PPS to JS (B)/PPS to JS(EW)/ Dir(Films)
5. CEO, NITI Aayog, Parliament Street, New Delhi.
6. Under Secretary (Coordination), Department of Economic Affairs, Ministry of Finance.
7. PAO, Main Secretariat, M/o I&B

(S Vijay Gopal)
Under Secretary to the Government of India

3

Notes

MINISTRY OF
INFORMATION AND
BROADCASTING
सूचना एवं
प्रसारण मंत्रालय
सत्यमेव जयते

AVGC Promotion Task Force Report: Annexure C

Draft National Policy for Growth of Animation, Visual Effects, Gaming, Comic & Extended Reality sector in India

Table of Contents

Glossary of Terms

2D	2 Dimensional
3D	3 Dimensional
5G	5th Generation mobile network
AR	Augmented Reality
ASSOCHAM	Associated Chambers of Commerce and Industry of India
AVGC	Animation, Visual Effects, Gaming & Comics
CAGR	Compound Annual Growth Rate
CG	Computer Graphics
CGPDTM	Controller General of Patents, Designs, and Trade Marks
CII	Confederation of Indian Industry
CKD	Complete Knocked Down
COE	Centre of Excellence
CoE-IP	Centre of Excellence in Intellectual Property
CST	Central Sales Tax
DBK	Duty Drawback
DD	Doordarshan
DEPB	Duty Entitlement Passbook
DFIA	Duty Free Import Authorisation
DIC	Design Innovation Centres
DPIIT	Department for Promotion of Industry and Internal Trade
DTA	Domestic Tariff Area
DTH	Department of Higher Education
E&IT	Electronics and Information Technology
ECGC	Export Credit Guarantee Corporation
EdTech	Education Technology
ELCINA	Electronic Industries Association of India
EPCG	Export Promotion Capital Goods
FDI	Foreign Direct Investment
FICCI	Federation of Indian Chambers of Commerce and Industry
GDP	Gross Domestic Product
GIAN	Global Initiative of Academic Network
ICT	Information and Communications Technology

Glossary of Terms

IEC	Information, Education & Communication
IESA	India Electronics and Semiconductor Association
IISc	Indian Institute of Science
IIT	Indian Institute of Technology
INR	Indian Rupee
IP	Intellectual Property
IPR	Intellectual Property Rights
IT	Information Technology
IT-BPM	Information Technology - Business Process Management
M&E	Media & Entertainment
MAI	Market Access Initiative
MAIT	Maharaja Agrasen Institute of Technology
MeitY	Ministry of Electronics and Information Technology
MESC	Media and Entertainment Skills Council
MHRD	Ministry of Human resource Development
MOC	Memorandum of Cooperation
MoC	Ministry of Commerce and Industry
MoE	Ministry of Education
MOOC	Massive Open Online Course
MR	Mixed Reality
MSDE	Ministry of Skill Development and Entrepreneurship
MSIPO	Modernisation and Strengthening of Intellectual Property Office
NASSCOM	National Association of Software and Services Companies
NCOE	National Centre of Excellence
NDIN	National Design Innovation Network
NEP	National Education Policy
NFDC	National Film Development Corporation
NIDI	National Initiative for Design Innovation
NIT	National Institute of Technology
NOS	National Occupational Standards
NSDC	National Skill Development Corporation
NSQF	National Skills Qualification Framework

Glossary of Terms

ODS	Open Design School	
OTT	Over-the-Top	
PG	Postgraduate	
PMKK	Pradhan Mantri Kaushal Kendra	
PMKVY	Pradhan Mantri Kaushal Vikas Yojana	
PPP	Public Private Partnership	
PRISM	Promoting Innovations in Individuals, Start-ups and MSMEs	
QP	Qualification Packs	
QS	Quacquarelli Symonds	
R&D	Research & Development	
RCOE	Regional Centre of Excellence	
SC	Schedule Caste	
SIPP	Scheme for Facilitating Start-ups Intellectual Property Protection	
SKD	Semi Knocked Down	
SME	Small and Medium Enterprises	
SPARC	Scheme for Promotion of Academic and Research Collaboration	
SPRIHA	Scheme for Pedagogy and Research in IPRs for Holistic Education and Academia	
ST	Schedule Tribe	
STP	Software Technology Park	
STPI	Software Technology Parks of India	
SWAYAM	Study Webs of Active-Learning for Young Aspiring Minds	
TITP	Technical Intern Training Program	
TV	Television	
UAY	Ucchatar Avishkar Yojana	
UG	Undergraduate	
UGC	University Grants Commission	
US	United States	
USD	United States Dollar	
VFX	Visual Effects	
VR	Visual Reality	
XR	Extended Reality	

1 Current Landscape of AVGC-XR Sector in India

Sector Overview

The Indian Media and Entertainment sector is expected to grow at 8.8% CAGR to reach USD 53.75 billion in 2026. [1]

The Animation, VFX, Gaming, Comics and Extended Reality (together termed the AVGC-XR Sector) has evolved as an important growth engine of this sector and of the Indian economy. The sector has shown steady growth in recent years and has emerged as a sunrise sector, both at the national level as well as globally. With the right set of interventions, the AVGC-XR sector has the potential to become the backbone of the Media and Entertainment industry in the country. The sector has the potential to make Indian culture accessible to the world, connect the Indian diaspora to India, generate direct and indirect employment, and benefit tourism and other allied industries.

The AVGC-XR industry has witnessed unprecedented growth rates in recent times, with many global players expressing interest in the Indian talent pool to avail offshore delivery of services as India is now seen as the primary destination for high-end, skill-based activities in the AVGC-XR sector.

India possesses the necessary ingredients to become a major contributor to the global AVGC sector. India's AVGC sector had an overall market size of USD 2.3 billion in 2019, which was about 0.7% of the global market size. [2] The sector is expected to grow 2.2 times over the next four years driven by market forces and constitute about 1.5% of the global AVGC market. [3]

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[1] *https://www.outlookindia.com/business*
[2] *As per NITI Aayog estimates*
[3] *As per NITI Aayog estimates*

Current Landscape of AVGC-XR Sector in India

सूचना एवं
प्रसारण मंत्रालय
MINISTRY OF
INFORMATION AND
BROADCASTING
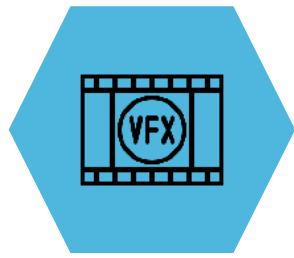
Animation and VFX Sector

🌐 Global Market Context

The **global animation and visual effects market** size was estimated at USD 168 billion in 2021 and is projected to grow to USD 290 Bn by 2024 at a CAGR of 10.94% between 2020 and 2026 .[4]

Television and OTT largely dominate the use of animation and VFX, followed by films. Between 2020 and 2024, gaming is expected to be the fastest growing segment of animation and VFX services with a CAGR of 12%. [5] Apart from this, some other segments that make use of animation and VFX are EdTech, medical and architecture. In terms of market share, North America is the largest market with a share of 31.4%, followed by Europe at 28%. [6] Asia Pacific is the fastest growing market amongst the region, growing at a CAGR of 13.2% between 2020 and 2024. [7]

Domestic Market Context

The increasing number of animated series and features being produced in India have attracted global audiences, with many of India's works getting distributed globally. The demand for animation has expanded with the increase in children's broadcasting viewership, availability of low-cost internet access, and growing popularity of OTT platforms. According to estimates by NITI Aayog, the animation and VFX sector in India was valued at USD 1.131 Bn. [8]

The Indian VFX industry has been gradually making progress with adaptation of world-class techniques and innovative technology. Content creators are experimenting storytelling with high-quality VFX advancements. VFX & Animation can be the next IT-BPM boom for India and has the potential to play a fundamental role in India becoming a USD 100 billion M&E industry by 2030.

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[4] As per NITI Aayog estimates
[5] As per NITI Aayog estimates
[6] As per NITI Aayog estimates
[7] As per NITI Aayog estimates
[8] As per NITI Aayog estimates

Gaming Sector

Global Market Context

The global gaming market was valued at USD 198.4 Bn. in 2021 and it is expected to reach USD 314.4 billion by 2026, growing at a CAGR of 9.64% between 2021 and 2026. [12] As of 2020, the Asia Pacific region had the largest market share accounting for 48.5% of the market, followed by North America with 25.5% and Europe with 18.8%. [13]

Domestic Market Context

The online gaming segment grew by 28% in 2021 to reach USD 1.9 billion. [14] This exceptional growth is fuelled by demographic factors, change in media consumption habits, as well as innovations in the industry during the past few years. Further, the COVID-19 pandemic has led to a long-lasting shift towards digital means of entertainment, which has resulted in an exponential growth of the gaming industry during the pandemic.

India is expected to become one of the world's leading markets in the gaming industry. Growing steadily for the last five years, it is expected to be 3 times in value and reach USD 3.9 billion by 2025. [15]

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[12] As per NITI Aayog estimates
[13] As per NITI Aayog estimates
[14] As per NITI Aayog estimates
[15] https://economictimes.indiatimes.com/jobs/is-indias-gaming-industry-set-to-take-off-and-create-jobs-for-gen-z/articleshow/89644615.cms?from=mdr

Comics Sector

Global Market Context

The global comic market size was USD 15.2 billion in 2020 and is expected to reach USD 23.9 billion by 2028, growing at a CAGR of 5.8% between 2021 and 2028. [16] The dominant market share is held by the Asia Pacific region, mainly due to the flourishing anime industry in Japan. [17]

Domestic Market Context

With the Indian economy opening in 1991 and major changes in satellite television market, Indian comic readers were introduced to a plethora of international characters in mainstream media. The industry now has a host of new players which tapped into the India artist pool to come up with the new generation of Indian comics. The genres vary from Superhero, Mythology, Folklore to many other social segments.

The comic book industry is a well-recognized part of Indian popular culture, having produced many familiar cultural icons like, Suppandi, Chacha Chaudhary, Tenali Raman, Detective Moochhwala, Shikkari Shambhu, Mayavi, and Akbar-Birbal. The industry was at its peak during the late 1980s and 1990s, when it flourished with a record number of sales.

Year 2021 witnessed the acquisition of many comic book characters which will eventually be turned into animated series, films or shorts. Social media has been a turning point for this segment, as the surge of comics being published on Instagram has been the biggest gamechanger for individual publishers.

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[16] *As per NITI Aayog estimates*
[17] *As per NITI Aayog estimates*

Trends driving Growth in India's AVGC-XR Sector

The AVGC-XR sector in India is expected to grow exponentially in coming years driven by natural market forces. [18] Below are some key trends that can be outlined for each of the sub-sectors:

Animation and VFX Sector

- **Growth of immersive content:** VR and AR are entering rapid development stage and rise of the metaverse concept could generate an additional 300% demand for new jobs over the next five years. [19]

- **Real time 3D technology:** Build-up of the metaverse ecosystem is expected to boost the adoption of real time 3D technology. There is huge potential in its application beyond Gaming in areas such as education, ecommerce, entertainment, and industry.

- **Migration of Production workflows to the Cloud:** The cloud offers an elastic and scalable solution as well as a shift from a traditional capital expenditure model to an operational expense one. Transition to cloud-based workflows will enhance collaboration, creativity, and efficiency.

- **Increasing demand from both domestic and international clients:** Approx. 65% of revenues were from international clients, while the domestic market accounted for about 35%. [20] In terms of volume of work (quantum of content created), the domestic market represented 60-65%. [21]

- **Increased original content for OTT platforms:** To accelerate growth, global leading OTT players are increasingly commissioning original content. This has created a demand for VFX, post-production, and animation services.

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[18] *As per FICCI estimates*
[19] *As per NITI Aayog estimates*
[20] *As per FICCI estimates*
[21] *As per FICCI estimates*

Gaming Sector

- **Significant growth of gamers in India:** Approximately 60% of India's online gamers are aged 18-24 [22]; this makes India a prime country for the advancement of online gaming. India is amongst the top five mobile gaming markets in the world.

- **Rising smartphone growth:** The number of smartphone users in India is expected to reach 859 Mn by 2022 [23]. Currently, India has ~500 Mn active internet users [24] which is much higher than those in developed countries. India continues to be the world's second-largest internet market and this reflects the potential of growth in the AVGC-XR sector.

- **Gaming companies embracing cloud gaming:** Most of the gaming companies now offer games through cloud-based subscription services. Cloud gaming helps remove barriers associated with hardware costs and software downloads. It is expected to benefit from 5G rollout and cloud edge- location implementations across the globe. [25]

- **Education, training made immersive by gamification & XR:** Gamification in education is creating more engaging content for students and is expected to deliver better learning outcomes. AR/ VR tech combined with gamification is being adopted by businesses and companies as an effective mode of training.

- **Rising affordability:** The growth in India's consumer market is primarily driven by a favourable population composition and increasing disposable income.

[22] *As per FICCI estimates*
[23] *As per FICCI estimates*
[24] *As per FICCI estimates*
[25] *As per NITI Aayog estimates*

Comics
Sector

- **Rising Consumer Demand for Graphic Novels:** Overall, graphic novel sales in 2021 were up 65% from 2020 and 21 million more graphic novels were sold in 2021 than 2020. [26] The increase is due to the strong sales of graphic novels online which provides ample scope for growth.

- **Adoption of Digital Technology:** The industry is increasingly releasing digital books and leveraging digital platform to sell comic books across formats. The rising number of children possessing smartphones is likely to propel the consumption of digital comics. The global digital publishing and content streaming market is expected to grow from USD 69.6 billion in 2019 to USD 112.0 billion in 2023 at a CAGR of 12.6 % with physical book market, 31% of the overall comics market, contributed to 87% of comics sales revenue. [27]

- **Self-Publishing Comics:** Self-publishing is gaining popularity since it offers faster publishing times, complete creative control, and a bigger return on a creative project. Another significant shift has been the surge of web-comics being published on social media – enabling almost anyone to publish and reach a wider audience.

Extended Reality
Sector

- **Increasing penetration of XR services across industries:** The number of use cases for Extended Reality (XR) technologies is rising rapidly across industries. The impact of these technologies— augmented reality (AR), virtual reality (VR), and mixed reality (MR)—is being felt across a myriad of industries, notably healthcare, hospitality, education, and retail. XR will continue to expand its presence in such sectors in addition to gaining a foothold in other industries.

- **Growth of start-ups:** The start-up ecosystem is still in a nascent stage and is projected to grow significantly over the next 10 years. According to Invest India, venture capital funding for Indian gaming startups stood at USD 0.35 billion between 2014-2020, and is growing at a CAGR of 22%. [28]

Similar to the IT revolution, the Indian AVGC-XR sector, enabled with right interventions can be a growth story for India and contribute to providing high quality talent to this industry. As the sector is developing on various pillars, including local Intellectual Property (IP), creations and outsourcing work for western studios, among others, India's global position will depend on collaborative efforts, and industry initiatives coupled with government's support. Therefore, a holistic and forward-looking AVGC-XR policy is the need of the hour for this sector.

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[26] As per NITI Aayog estimates
[27] As per NITI Aayog estimates
[28] As per FICCI estimates
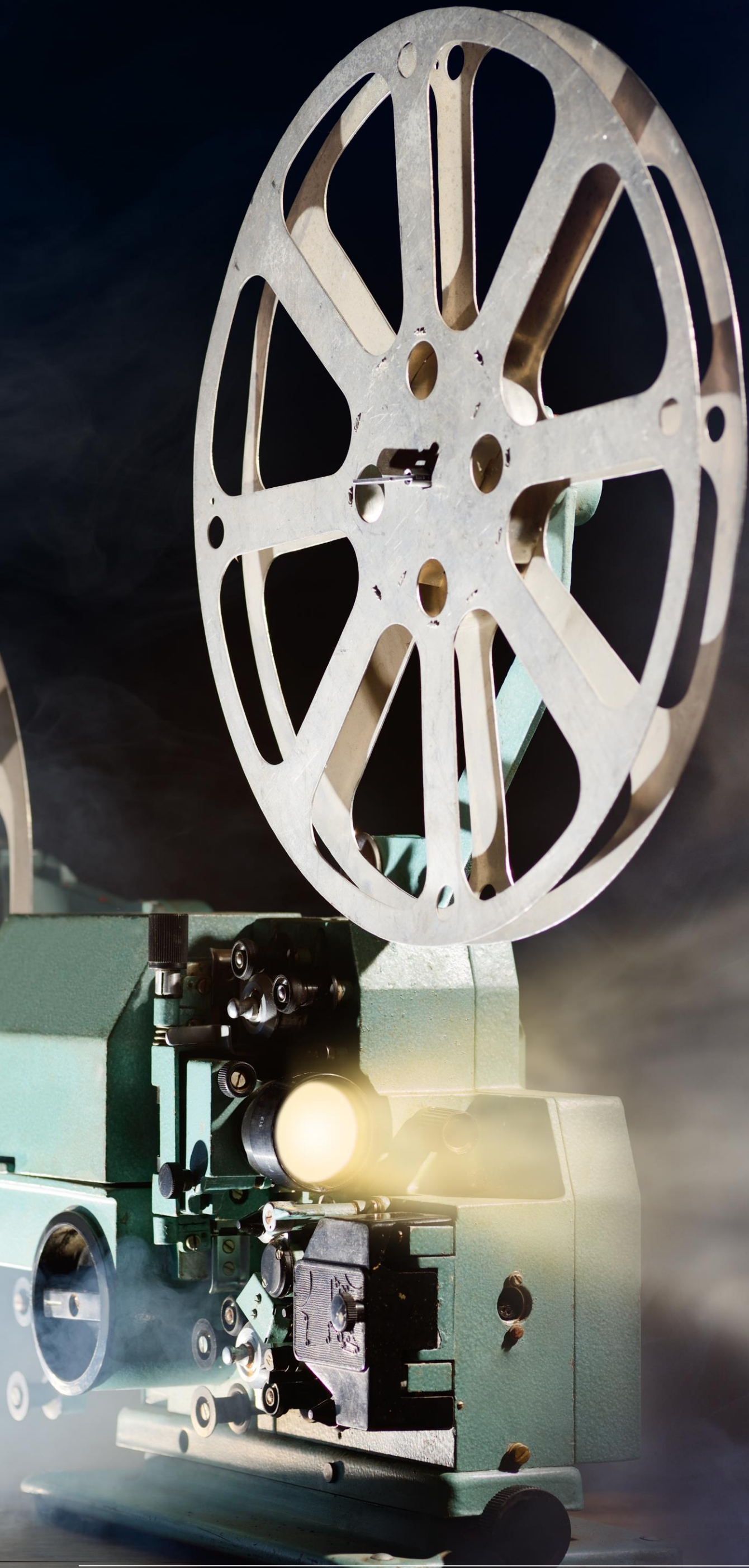
Promoting AVGC-XR sector in India:
A Policy Framework

2

Need for a holistic and futuristic AVGC-XR policy

The trends highlighted in the above sections indicate that the AVGC-XR sector in India has immense potential for industry development, coupled with right interventions. The sector today is in its nascent stage and is still overcoming certain challenges for which there is a requirement of a holistic policy framework.

The AVGC-XR sector encompasses a number of services. Therefore, there is need for a defined vision for growth of this sector. The needs of every stakeholder in the industry needs to be facilitated through this policy.

To realize the potential of India's AVGC sector, Hon'ble FM Nirmala Sitharaman announced the formation of an AVGC Task Force during her Budget Speech for the fiscal year 2022-2023. The AVGC Task Force was formed under the Chairpersonship of the Secretary, Ministry of Information & Broadcasting in April 2022.

To propagate the employment potential of the sector, both demand and supply need to be stimulated by creating more employment opportunities and simultaneously increasing the number of employable professionals working within the sector. Therefore, there exists a critical need to implement a holistic policy to support the AVGC-XR sector in realising its true potential and making India a leading global player.

The Government of India, by way of this policy, will work towards bringing, Indian talent, products, culture and content to the world stage and also increase the sector's contribution to the country's GDP.

Ambitions and Objectives of the Policy

Ambitions

The National Policy for growth of AVGC-XR Sector in India aims to provide an all-encompassing policy framework catering to the needs of different stakeholders of the sector. The policy aims to:

1   Make India a global hub for products and services being delivered in the AVGC-XR sector

2   Increase the share of the Indian AVGC-XR sector in the international market.

3   Generate employment opportunities in a sunrise sector for youth in the country.

4   Promote and preserve Indian culture, heritage, and folk art globally.

5   Enhance India's soft power and create iconic Indian character brands globally.

6   Increase employability of already existing AVGC-XR professionals.

7   Enhance export potential of Indian AVGC-XR sector.

8   Promote Indian content worldwide

Objectives

The following have been identified as the objectives of the National Policy for growth of AVGC-XR sector in India:

1 Focus on developing talent by offering courses of international standards in Indian educational institutions to aid in the creation of world class animators, illustrators, CG artists, game developers, etc.

2 Facilitate awareness and education regarding the AVGC-XR sector among students through creation of curriculums and develop uniform content delivery mechanisms across the sector.

3 Provide quality education by setting up a National Center of Excellence for AVGC- XR and laying down the vision for Regional COEs on AVGC-XR.

4 Promote skill development via creation of specialized finishing schools and training institutes across the country.

5 Promote concept of lifelong learning and mentorship for AVGC-XR professionals in the country.

6 Encourage high quality research and development in the sector, with focus on creation of IP.

7 Promote Ease of Doing Business in the AVGC-XR sector.

8 Create supporting infrastructure such as plug-and-play labs, AVGC-XR incubators, etc. to encourage startups and new players.

9 Focus on developing supporting facilities in tier-2 cities to aid their development as AVGC-XR hubs and enable them to become preferred destinations to promote employment and economic development of Tier 2 and 3 cities and towns.

10 Promote development & popularisation of Indian content globally.

11 Support Indian artists and their local arts.

Policy framework for growth of Animation, Visual effects, Gaming, Comics & Extended Reality Sector in India

The policy framework has been developed to accomplish the vision for AVGC-XR sector in India by adhering to the objectives mentioned above.

The framework outlines **5 pillars** to achieve these objectives of the policy.

5 PILLARS for developing AVGC-XR Sector in India

Sector Potential Realization — **01**

02 — Education, Skilling, Mentorship & Capacity Building

Access to Technology — **03**

04 — Enhancing Sector's Financial Viability

Diversity and Sustainability — **05**
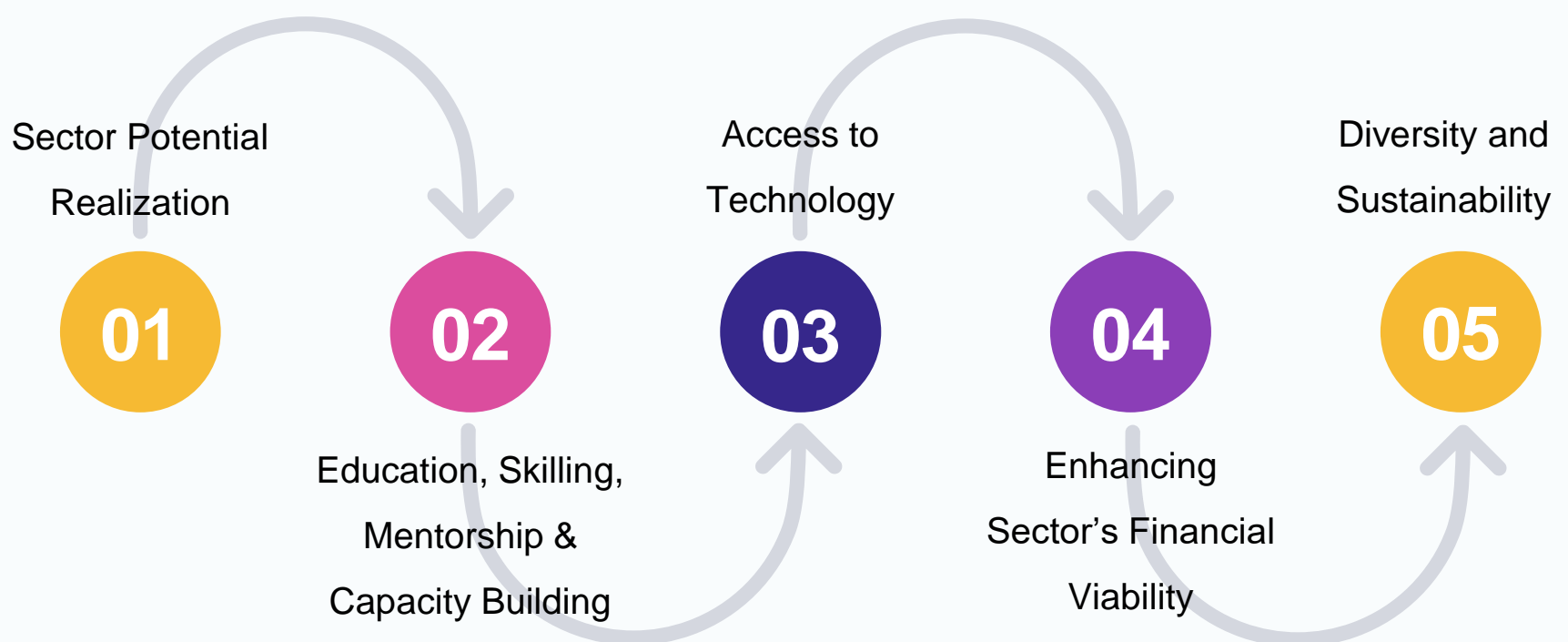
Further, three areas have been identified as critical factors for successful implementation of this policy to meet above mentioned objectives:

1

An Integrated Approach

To ensure an integrated approach is taken towards development of the AVGC-XR sector in India, the above 5 pillars, together represent interventions across the following:

Sector Potential Realization	Education, Skilling, Mentoring and Capacity Building	Access to Technology	Enhancing Sector's financial viability	Diversity and Sustainability
Market access and Development	Skilling and Mentorship for professionals	Innovation in technology	Access to finance	Gender, Equality and Social Inclusion
Infrastructure development	Capacity Building of Officials and Decision makers	Increased access to technology	Enhanced financial outlay	Climate First approach
Creation of high-quality Content	Education (School, Higher Education)	Research and Development		
Promotion of Indian Content		Intellectual Property and Patents		
IEC and Outreach		MSME and Start Ups		

2

Public-Private Collaboration

The AVGC-XR sector, under the umbrella of Media and Entertainment has been categorized as a sunrise sector in India. While industry stakeholders play an important role in defining the sector and creating employment opportunities for individuals, the role of the government in this regard is equally important for drafting futuristic, business friendly policies.

For successful implementation of this policy, it is envisaged that the Government (Central and State) and the industry will work in close collaboration with each other to develop a roadmap of growth for the sector in India.

3

Inter-Governmental Collaboration

The growth and development of the AVGC-XR sector in India is a collaborative effort as it requires interventions from multiple ministries in education, skilling, co-production, promoting Indian content, technology, finance, infrastructure, among others. Hence, inter-ministerial convergence is of prime importance for the development of an action report and further, for realizing the true potential of this sector. At the same time, extensive collaboration is required between Governments at the center and states, for ensuring action in their respective domains. Some states have taken noteworthy steps for growth of the sector. These States can provide guidance to other states, including assisting them in drafting state-level AVGC-XR policies, raising requirement for extensive collaboration among states, among other such measures.

AVGC Promotion Task Force Report: Draft National Policy for Growth of AVGC-XR sector in India

3

Sector Potential Realization

3.1

In past, Government of India has already acknowledged Audio Visual services as one of the 12 Champion Service Sectors in India. As part of the Champion Services Sector Scheme, key policy measures aimed at sustained growth have been taken along with dedicated financial outlay. Under this scheme, the following incentives have been launched since April 2022 -

3.1.1 Incentives for shooting foreign films in India include:

For all qualifying projects, the international film production company can claim a payable cash incentive of up to 30% on Indian qualifying expenditure subject to a maximum of INR 2 crore (USD 2,60,000). An additional 5% bonus up to a maximum of INR 50 lakhs (USD 62,500) as additional reimbursement would be granted for employing 15% or more human resource in India.

3.1.2 Incentives for Audio Visual Co-production with Foreign countries include:

For all qualifying projects, the film production company can claim a payable cash incentive of up to 30% on Indian qualifying expenditure subject to a maximum of INR 2 crore (USD 2,50,000). The Government of India will further leverage the Champion Services Sector Scheme to develop AVGC-XR sector on a mission mode.

3.2

Government of India will consider to set up a National AVGC-XR Mission to handhold the promotion and growth of the sector. Development of the sector on a mission mode will ensure conceptualization and delivery of projects with clearly defined objectives, scope, implementation timelines and milestones, as well as measurable outcomes and service levels.

The key focus areas of the mission are proposed to be as follows:

- Promote an integrated education and skilling ecosystem in India to enhance employability and bridge demand and supply talent gap in the sector.

- Establish a platform to showcase India's thought leadership and offerings in the AVGC-XR sector to the global markets.

- Incentivize research and development, innovation and entrepreneurship action in the AVGC-XR sector.

- Preserve and promote Indian culture, heritage, and folk art globally.

- Enhance access to capital and long-term viability of the sector.

- Promote collaboration among global technology players to democratize AVGC-XR technology.

It is proposed to create a dedicated fund for AVGC-XR. The qualifying use of proposed fund can be for:

- Modernization of AVGC infrastructure (physical/ technology) in academia, public production facilities, setting up of incubation hubs and R&D facilities.

- Creation of high-quality content for promotion of Indian culture, heritage, and folk art globally.

- Establish Start-up seed fund to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry, and commercialization.

- Provide capital and operational support to PPP projects by way of Viability Gap Funding, like setting up of NCoE for AVGC-XR.

- Carry out Capacity Building programs for multiple stakeholders in the sector.

- Scholarships for meritorious students.

- Carry out awareness and outreach related activities such as IEC and Hackathons, Career fairs for promotion of Indian AVGC-XR sector.

- Funding for New technology pilots and Proof of Concept demonstrating AVGC-XR related product design

- Support for executing projects as part of co-production treaties.

- Giving incentives for various initiatives under education, skilling, content creation, and providing market access to the budding entrepreneurs of the country.

3.3

The mission will give the needed impetus to content creation in India. The "Make in India" vision would get fuelled by the "Create in India" initiative. Some key focus areas of **'Create in India'** will be as follows:

- Creation of high-quality content for promotion of Indian culture, heritage, and folk art globally.

- Promotion of international co-productions to help Indian productions get global audiences

- Creation of global content in the country, making India a Global hub for the AVGC sector

- Creation of child friendly content to promote learning and development and positive behaviour among children, protecting child rights at the same time.

- Creation and protection of Intellectual Property in the AVGC-XR sector

- Engaging AVGC-XR software/ product developing companies to reduce cost of acquisition of software.

- Encourage & promote Indian artisans, by offering a platform to identify, encourage and skill individuals, groups and cultural organizations engaged in performing, visual and literary arts.

3.4

Ministry of Information and Broadcasting along with key Ministries, will conduct an annual international AVGC-XR Expo with regional events, in collaboration with Industry. The Expo will focus on FDI in AVGC-XR, market access creation, employment generation, new age technologies & knowledge exchanges, co-production partnerships & IPR. In the run up to the Expo, dedicated hackathons focusing on different themes, including, Gaming, creation of Indian Content, new technology etc. to be organized as well.

3.5

Government of India, in collaboration with Industry will also evaluate feasibility of conducting an annual Gaming Expo. This outreach event will encompass the following:

- The Expo will focus on FDI in gaming, market access creation, employment generation, new age technologies & knowledge exchanges, co-production partnerships & IPR.

- Gaming Startup Fests for showcasing innovation and providing a collaboration platform for gaming Startups. In the run up to the Expo, dedicated hackathons focusing on different themes.

- To encourage creation of high-quality Indian IPs by small businesses, start-ups and independent game developers, an annual competition "Game India Hackathon" may be organized to showcase games based on Indian themes.

3.6

A nodal agency will be constituted under the chairpersonship of Secretary, Ministry of Information and Broadcasting, to closely monitor growth of the sector. The proposed nodal agency, that will be housed under Ministry of Information and Broadcasting, will have dedicated sub-groups focusing on Education, Skilling and Industry Development under Ministry of Education, Ministry of Skill Development and Entrepreneurship and Ministry of Commerce, respectively.

It will work closely with the State Governments and NCOE to establish Regional Centres of Excellence (RCOEs) on the lines of NCOE. Centre of Excellence for AVGC-XR, with focus on education and skilling will be developed on PPP model across the country, in collaboration with International, National and State level stakeholders in the sector. The agency will also design and implement the AVGC National Mission.

3.7

Ministry of Information and Broadcasting in collaboration with other key Ministries, will set up country's first National Center of Excellence for AVGC-XR. The NCOE has been envisioned to deliver mandate, across Skilling, Education, Industry Development and Research and Innovation for the AVGC-XR sector. Being the first of its kind institution in the AVGC-XR sector, the NCOE will serve as a reference point for the AVGC-XR industry across different areas.

Below will be the key value proposition of the proposed NCOE:

- Increase in number of degree holders to meet industry demand.

- Increase employability of existing workforce through skilling initiatives.

- Strengthen AVGC-XR start-up ecosystem through provisioning of high-end incubation labs.

- Support strengthening of AVGC-XR infrastructure (physical and technology).

- Enhance export potential of the sector and increased contribution to GDP.

- Position India as an emerging hub of AVGC-XR by way of Patents/ Copyrights/ IP.

The NCOE will undertake initiatives across the following identified areas; Skilling, Education, Industry Development, R&D, and Innovation.

3.7

1. Education

   ▸ NCOE will act as a mentoring institution for the industry to guide the policies for growth of this sector, establish frameworks for AVGC-XR education in India, actively collaborate with industry and international AVGC-XR institutes, and enhance the global positioning of the Indian AVGC-XR industry.

2. Skilling

   ▸ As part of its skilling mandate, the NCOE in collaboration with MESC will take up activities including, drafting of training standards, benchmarking practices to international standards, conducting quality assurance across industry, promoting industry access to India and international markets, and defining various operational frameworks for AVGC-XR industry and academia.

3. Industry Development

   ▸ The suggested NCOE will provide latest state of the art infrastructure such as digital post-production AVGC labs, post-production technologies such as motion capture, 2D & 3D animation and high-speed rendering along with state-of-the-art hardware and software that companies can use on pay-per-use basis. This, in the long-term will also provide a consistent revenue to the NCOE and will ensure that it moves in the direction of self-sufficiency.

   ▸ For NCOE to serve as a reference point in the AVGC-XR industry, it will provide policy advisory services, industry consulting services in terms of setting up of management clinics for national and international partnerships, curriculum design for institutes, training of experts and in the long term, will serve as an employment exchange for the industry as well as for individuals seeking career opportunities in AVGC-XR sector.

4. R&D and Innovation

   ▸ The NCOE will assist the industry in being able to pursue research objectives that benefit the industry through development of practical solutions which could be tested, piloted and rolled out for the advancement of technology. It will focus on improving its research base and will form partnerships with several Industry players to support research initiatives in specific areas.

   ▸ The proposed NCOE will provide incubation facilities for start-ups and small production houses, this will encourage individuals with business ideas to build their base in the AVGC-XR industry.
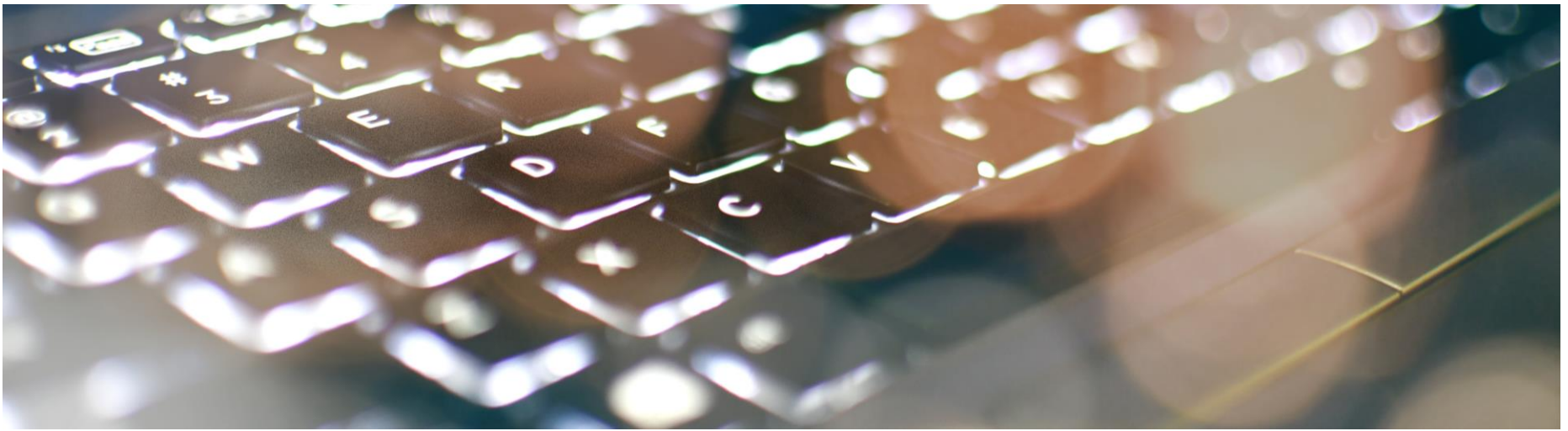
3.8 To promote content developers in India, Ministry of Information and Broadcasting will set up a Production fund with the National Film Development Corporation of India. Along with above, the Government of India will also strengthen the mechanisms for companies to access institutional funds for development of indigenous and globally competitive content.

3.9 To promote creation and consumption of indigenous animation content, provisions for reservation in broadcasting for content made in India, will be evaluated.

3.10 With a large children's population and high television penetration, there is an opportunity for launch of a channel focused on content delivery for children to educate them and raise their awareness on rich culture, history and traditions of the country. Government of India will therefore, examine the feasibility of creating a DD Kids channel through the Public Broadcaster. The content for this channel will:

- be sourced from local independent creators, to promote skill and capability building within the country.

- focus primarily on Indian icons, characters of rich Indian heritage, and seek to provide education with entertainment.

- will not just be for the purpose of entertainment, it will also promote education through gamification of curriculum.

- will also be relevant for global audience.

Private Broadcasters will also be encouraged to take up the activity of developing children only content.

3.11

To promote India as a preferred hub for AVGC-XR services, enable cross-cultural pooling of expertise and extend Indian AVGC-XR industry's reach to new markets, favourable co-production treaties will be signed with leading countries. The existing co-production treaties will also be strengthened to include AVGC-XR related products and services.

Film Facilitation Office, housed under NFDC, will be equipped adequately to play a larger role in this process. The feasibility of listing out Media and Entertainment as a priority sector in various international treaties and agreements, such as, Free Trade Agreements between countries, will also be examined.

For the purpose of developing AVGC market for the Industry, including for budding entrepreneurs, it will be evaluated to establish an AVGC Helpdesk within the Film Facilitation Office.

3.12

To showcase India's thought leadership in AVGC-XR sector, Government of India in collaboration with AVGC-XR Industry will undertake a National level IEC Campaign to increase awareness on the AVGC-XR sector among parents, students, communities, and professionals across India with focus on the socio-economic potential of the sector.

The campaign will also have dedicated outreach activities in schools and colleges. As part of this National campaign, a sub-campaign focusing on educating and increasing awareness on the larger potential of gaming among various strata of society will also be undertaken.
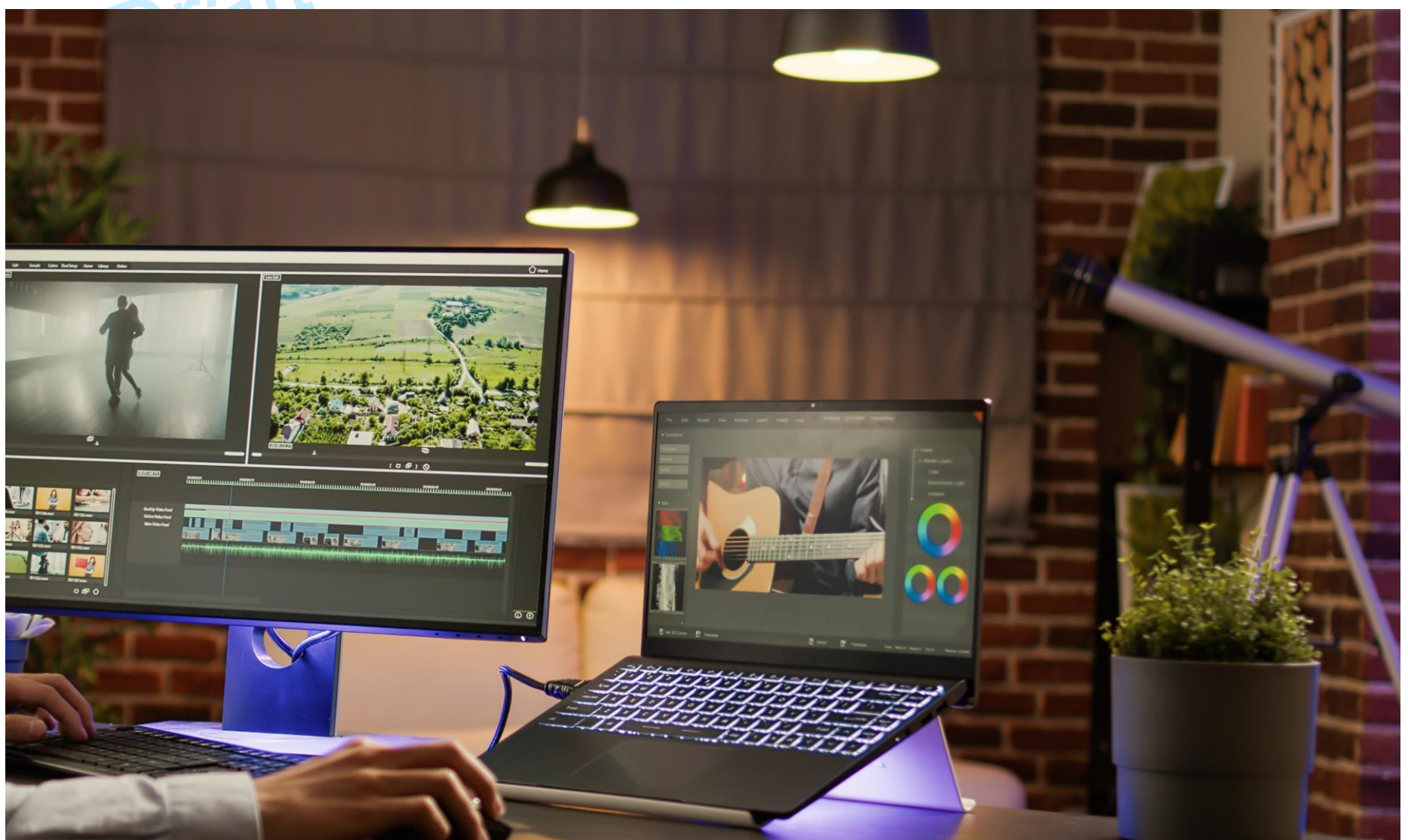
Education, Skilling, Mentorship and Capacity Building

4

4.1

Ministry of Information and Broadcasting will closely work with Ministry of Education to draft a holistic framework for AVGC-XR education in India. The framework will comprise:

- nomenclature for degrees

- course duration

- teaching methodologies

- core areas of teaching

- new subjects

- mode of examination for creative fields etc.

4.2

Ministry of Information and Broadcasting will work closely with Ministry of Education to evaluate ways of consciously developing creative thinking among students in school. This will also involve introduction of new subjects pertaining to AVGC-XR in schools. The students at school level to be given exposure to subjects that help them sharpen their creative skills. Adequate frameworks in alignment with National Education Policy 2020 to be formulated. AVGC-XR Industry will also be encouraged to promote periodic exchange programs for school children and teachers to give them exposure to the AVGC-XR Industry.

For the same purpose, it may also be evaluated to advise NCERT for introduction of books on subjects relating to AVGC-XR sector. Considering the growing market for applied games and its application by industries to train and develop their workforce, it will also be evaluated to include applied games in the school curriculum, especially at upper primary and secondary levels.

4.3

Government of India will also evaluate feasibility of conducting a standardised admission test for facilitating admissions into animation, visual effects, gaming, film making or any other career program in AVGC-XR sector. The tests will be standardized to effectively measure the creativity, aptitude and readiness of a candidate seeking admission in programs running in the Media & Entertainment Sector. For the same purpose, admissibility of Media & Entertainment Creative Aptitude Test (MECAT), conducted by MESC will be evaluated.

4.4

For the purpose of education, adequate interlinkages will be established between this policy and National Educational policy 2020. By way of the National Education Policy 2020, school children will be given exposure to subjects that will help them sharpen their creative skills.

The below areas have already been outlined in the National Education Policy 2020.

- Promotion of Recognition of Prior Learning: Recognition of Prior Learning is a key component of PMKVY Scheme and refers to an assessment process used to evaluate a person's existing skill sets, knowledge and experience gained either by formal, non-formal or informal learning

- Development of full Choice-Based-Credits-System structure for the sector: The concept of credit banks has already been outlined in the National Education Policy 2020. .

4.5

A UGC-recognized curriculum for Undergraduate and Postgraduate degrees will be established with a dedicated component of practical skills that will be imparted through a mix of in-house training by faculty as well as mentorship by industry recognized mentors.

Mapping and upgrading existing curriculum of educational institutions (Short- & Long-term trainings or courses) as per NSQF guidelines to meet industry and international standards will also be undertaken. For the same purpose, uniformity in course content and delivery will also be ensured as part of the standardization process.

4.6

Ministry of Information and Broadcasting will examine feasibility of recommendations of the UGC committee which is looking into hiring of industry professionals as faculty members. After due consideration, the recommendations and plan of implementation for bringing in professors of practice may also be adopted for the AVGC-XR sector. This will help the sector to be more industry focused and produce job-ready graduates.

4.7

To standardize skilling initiatives across the AVGC-XR sector, Government of India, in collaboration with the AVGC-XR industry will take up the activity of defining various job roles and their associated skill set in the sector. This will contribute to standardization of skilling initiatives across the AVGC-XR sector.

For the same purpose, AVGC-XR will be brought into the fold of National Skills Qualification Framework (NSQF) to augment learner capability and develop qualification packs comprising, National Occupational Standards (NOS) aligned to job roles in consultation with the industry.

4.8

Government of India through, National Skill Development Corporation, will take up the exercise of providing scale and standardization to AVGC-XR related skilling content and delivery. This will be done through dissemination of AVGC-XR centric courses in PMKK and PMKVY centers in the urban and rural areas throughout the country.

4.9

Like the Technical Intern Training Program (TITP), Government of India will explore opportunities to sign Memorandum of Cooperation (MoCs) between India and other developed global AVGC-XR markets – US, Japan, South Korea, Germany, for providing internships (six months to a year) to Indian AVGC-XR professionals. This will provide Indian professionals an opportunity to get exposure to the AVGC-XR skillset of the developed countries and sharpen their skills accordingly.

4.10

Government of India will also evaluate various financial and non-financial assistance including tax benefits and import duties to education and skilling providers in the AVGC ecosystem.

5

Access to Technology

5.1

The Government of India will evaluate the feasibility of developing AVGC-XR infrastructure (including technological infrastructure) in a hub and spoke model to improve efficiencies and provide wider reach.

The NCOE being developed for AVGC-XR sector will provide latest state of the art infrastructure such as digital post-production AVGC-XR labs, post-production technologies such as motion capture, 2D & 3D animation and high-speed rendering along with state-of-the-art hardware and software that companies can use on pay-per-use basis. This, in the long-term will also provide a consistent revenue to the centre and will ensure that it moves in the direction of self-sufficiency.

The proposed NCOE will provide incubation facilities for start-ups and small production houses, this will encourage individuals with business ideas to build their base in the AVGC-XR industry.

The opportunity to develop Regional Centre of Excellence for AVGC-XR in collaboration with respective State Governments will also be explored. For the same purpose, allocation of dedicated funds by Centre to states will also be considered.

5.2 Democratizing technology through use of subscription models: Government of India will take adequate steps to encourage companies offering AVGC technology products, including software, to move from a traditional license and maintenance model to a subscription-based model. The companies will also be advised to make it easy for consumers to purchase with try-before-you-buy programs and some add-on capabilities.

The subscription model is envisaged to provide better entry-level pricing and the ability to add features as users mature and gain value from the initial experience. This will lead to expensive software not becoming a financial barrier to adoption of new AVGC-XR technology especially by MSMEs and start-ups.

5.3 Providing incentives for development of software and hardware designed especially for Indian market and price point: India's population has moved along an exponential technology curve, seeing development across different buckets of technology, including software development. The Government of India will therefore encourage, AVGC-XR companies to develop their software locally to meet the needs of India AVGC-XR industry.

Government of India will also determine a Production Linked Incentive (PLI) scheme to attract AVGC-XR sector related hardware manufacturers to the country. Government of India, in collaboration with global players can develop an open-source stack particularly for game development. The PLI scheme will also focus on Gaming related hardware, such as Gaming consoles etc.

5.4 Adequate steps to curb piracy of software in the AVGC-XR sector, will be taken. This will also be inclusive of raising awareness among Indian public on Intellectual Property Rights (IPRs) and threats posed by pirated software.

5.5 A robust R&D pipeline and investment are critical for the long-term growth of the Indian AVGC-XR industry. Therefore, feasibility of an annual R&D grant for the sector will be examined.

The Ministry of Information and Broadcasting will also take up the exercise for development of a framework for implementation of the above grant. Implementation frameworks of existing R&D grants in other sectors will also be leveraged for this purpose.

5.6

Recognising the need for creation and protection of Intellectual Property in the AVGC-XR sector, the Government of India with inputs from AVGC-XR Industry will develop a program focused on growth of IP in the sector. The program will comprise:

- Establishment of a Centre of Excellence for IP in AVGC-XR sector, as part of the NCOE

- IP facilitation support to Indian companies in collaboration with Startups Intellectual Property Protection scheme

- IPR awareness programs across different media

- Financial aid to Startups and SMEs for International Patent Filing

To promote registration of original IP in India, the Ministry of Information and Broadcasting will develop an incentive scheme for all original IP products that have been either fully created or hosted/parked in India. This incentive scheme will be administered by the Center of excellence for IP that will be developed as part of NCOE for the AVGC-XR sector.

5.7

A platform for pro bono legal and technical consultation on IP protection for developers and designers, like the Patent Facilitation Program under the Department of Science & Technology, may be developed in coordination with the industry-led incubators and accelerators.

5.8 It will require concentrated and sustained effort to provide increased access to AVGC-XR specific technology in colleges. Government of India will explore measures to set up labs in Higher Education Institutions to introduce new and emerging technologies into academics as well as industry practices. Various operating models for above, including, running these labs in partnership with experts from the AVGC-XR industry professionals will be explored.

This will also promote Academia and Industry linkages in the sector. Adequate measures will also be taken to minimize the cost of acquisition of software. Feasibility to set up AVGC-XR and design specific R&D labs in various Institutes of Eminence like IITs, NITs, IISc, in the country, will be evaluated.

5.9 Various ways to encourage industry to establish incubators and accelerators for early stage-start-ups in different cities will be explored. The Government will also look at incentivizing these incubators and accelerators through mechanisms such as incentivizing FDIs, tax incentives, and other institutional support for establishing labs for research and development, etc. Feasibility of utilizing existing Government of India's production and post production infrastructure will also be assessed.

5.10 As gaming industry is growing at an exponential growth rate in the country and India is emerging as one of the largest gaming markets in the world, the proposal for making dedicated gaming infrastructure will be explored.

5.11 The Government of India, will also evaluate feasibility of establishing Centres of Entrepreneurship (COEs) and technology incubators focusing on AVGC related technology at Software Technology Parks of India (STPI) to ensure widespread reach of technology.

5.12 A robust R&D pipeline and investment are critical for the long-term growth of the Indian AVGC-XR industry. Therefore, feasibility of an annual R&D grant for the sector will be examined.

The Ministry of Information and Broadcasting will also take up the exercise for development of a framework for implementation of the above grant. Implementation frameworks of existing R&D grants in other sectors will also be leveraged for this purpose.

Development of Public-Private Partnership (PPP) models or co-innovation models for research into new technologies, especially for gaming, will also be promoted.

Enhancing Financial Viability

6

6.1 The Government will take up development of the AVGC-XR sector on a mission mode. For the same purpose, the Government will evaluate setting up a National AVGC-XR Mission. The mission will also be supported by a holistic financial package. The umbrella initiative will be designed in collaboration with the Ministry of Finance, and other Ministries such as Ministry of Electronics and Information Technology (MeitY), Ministry of Education (MoE), Ministry of Skill Development and Entrepreneurship (MSDE), and the industry. Details of various activities that can be undertaken as part of the fund are mentioned in the document.

6.2 To promote content developers in India, Ministry of Information and Broadcasting will be setting up a Production fund with the National Film Development Corporation of India. The fund will be utilised to give assistance to talented small and medium scale Indian content developers. The Production funding mechanism will be designed in such a way that it will become a self–sustaining fund over a period of time by recouping its investments.

6.3 A robust R&D pipeline and investment are critical for the long-term growth of the Indian AVGC-XR industry. Therefore, feasibility of an annual R&D grant for the sector will be examined.

6.4 Various ways to encourage industry to establish incubators and accelerators for early stage-start-ups in different cities will be explored. The Government will also look at incentivizing these incubators and accelerators through mechanisms such as incentivising FDIs, tax incentives, and other institutional support for establishing labs for research and development, etc

6.5 Adequate steps to provide increased access to finances will also be undertaken. Some interventions whose feasibility will be evaluated by Government of India include:

- Getting banks on board for providing educational loans with no collateral or margin money to students from low-income-families for studying UG/PG programs in AVGC-XR, in accordance with the RBI guidelines. This facility today is available for education in premier engineering and management colleges.

- Easing availability of Micro Loans for AVGC-XR sector.

- Applicability of Pradhan Mantri Mudra Yojna to the AVGC-XR sector. The same may also be explored for fulfilling skilling requirements through NSDC.

7

Diversity and Sustainability
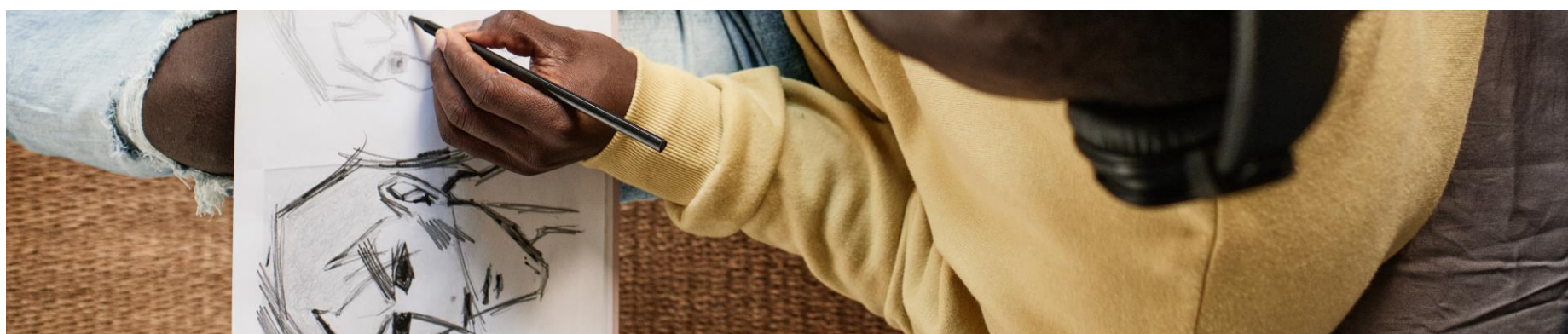
7.1

To promote reach of AVGC-XR industry across the country, the Government of India will undertake the following steps:

- Promotion of AVGC-XR as a sector in Tier 2 and Tier 3 cities of the country by way of:

  ▸ Identification of partners to set up incubation facilities for start-ups working in domains such as virtual reality, digital compression, gamification of educational content and other such niche areas in each state, especially focusing on AVGC-XR hubs.

  ▸ Conceptualizing dedicated centers with hi-tech infra, including facilities such as Digital post-production labs, incubation centers and virtual labs.

  ▸ Through this policy, an endeavour will also be made to promote education the AVGC-XR sector in regional/local languages to promote inclusion.

- Formation of AVGC-XR centric ITIs which may be used by academia and industry for optimum use of infrastructure and development of regional industry. Further, existing ITIs may also be strengthened for their AVGC-XR related capabilities. AVGC-XR centric ITIs may also be enabled with Job oriented Diploma & Certificate programs for AVGC-XR segment.

- Government of India will evaluate creation of differentiated Zones, through effective PPP models, in Tier 2 and Tier 3 cities with focus on AVGC-XR. This will promote Industry's access to technology, R&D facilities, Incubation Centers. Such an initiative will also ensure country wide growth of the AVGC-XR sector.

7.2

Ministry of Information and Broadcasting will assist States in preparing their AVGC-XR policy. The State AVGC-XR Policies will enable the states to provide attractive incentives to the AVGC-XR Industry to set up base in their respective States.

7.3 To promote women entrepreneurship in AVGC-XR sector, Ministry of Information and Broadcasting, in its Model State Policy for AVGC-XR, will propose a pool of incentives for states to choose as per their priorities. These incentives will be especially designed to promote diversity among entrepreneurs in the AVGC-XR sector.

7.4 By way of the AVGC-XR sector, the Government of India will also take up the task of communication to general public on climate change and its impact. Ministry of Information and Broadcasting, along with Ministry of Education and Ministry of Environment, Forests and Climate Change, will also evaluate education on sustainability through Gamification. Various aspects of sustainability education, including delivering information, raising ethical awareness, and promoting conscious decision-making and behavioural change maybe covered as part of the education module.

7.5 The AVGC-XR industry will be encouraged to include reporting on Environment, Social and Governance into their existing reporting processes. This will enable the regulators, investors, and other stakeholders to get a fair picture of a company's overall stability, sustainability, and growth and will also contribute towards protecting and preserving environment.

7.6 Government of India will also deliberate upon setting up an incentive structure for promoting use of renewable energy in the sector to reduce the sector's Green House Gas emissions.

7.7 The AVGC-XR industry will be encouraged to follow the 3R: Reduce, Reuse and Recycle principle of waste management and contribute to creation of a circular economy within the AVGC-XR sector. By way of this policy, the AVGC-XR industry will also be encouraged to ensure compliance to adequate Waste Management Rules, such as Solid Waste Management Rules 2016 and Electronic Waste Management Rules 2016.

The purpose of above interventions will be to create a circular economy within the AVGC-XR industry and reduce its overall Carbon footprint.

7.8 Government of India, may evaluate introduction of applied games in preparation for disaster and crisis management. Information, Education and communication material prepared for outreach and training of public maybe gamified for enhanced engagement and learning.

Convergence with Other Schemes

8

In India, the Media and Entertainment industry is transforming into a key driver of economic growth, both domestically and internationally, while simultaneously employing a significant section of the population. In order to be the next big growth story from India, an integration of educational, cultural, social, institutional, and economic infrastructure must occur while focusing on policy initiatives.

Successful implementation of this policy demands a long-term vision and convergence among Central and State Government departments such as Ministry of Education (MoE), Ministry of Electronics and Information Technology (MeitY), Ministry of Skill Development and Entrepreneurship (MSDE), Ministry of Commerce and Industry (MoC), among others.

Schemes	Department	Convergence
Software Technology Park Scheme	MeitY	• A company can set up STP unit anywhere in India • Jurisdictional STPI authorities clear projects costing less than Rs.100 million with Indian Investment • 100% Foreign Equity is permitted • Re-Export of capital goods is also permitted • Simplified Minimum Export Performance norms i.e., "Positive Net Foreign Exchange Earnings • The sales in the Domestic Tariff Area (DTA) shall be permissible up to 50% of the export in value terms • The capital goods purchased from the Domestic Tariff Area (DTA) are entitled for benefits like exemption of excise Duty & reimbursement of Central Sales Tax (CST) • Capital invested by Foreign Entrepreneurs, Know-How Fees, Royalty, Dividend etc., can be freely repatriated after payment of Income Taxes due on them
Support IPR Awareness Workshops/Seminars in E&IT Sector	MeitY	Sensitizing and disseminating awareness about Intellectual Property Rights among various stakeholders especially in E&IT sector. The Grant-in-Aid will be provided to the organization(s) as specified below, for organizing IPR workshops/seminars. The funding will be restricted as per following criteria: • Educational Institutes – INR 2L • Industry bodies like MAIT, ELCINA, CII, NASSCOM, FICCI, IESA, ASSOCHAM etc. – INR 3L • Meity Society(s) or Meity Autonomous Body(s) – INR 5L
Credit Guarantee Trust Fund for Micro & Small Enterprises (CGTSME)	MoMSME & SIDBI	Under this Government scheme, a collateral-free loan of up to Rs 1 crore is provided to eligible startups and MSMEs. Interest rate as per RBI guidelines
Duty Exemption and Remission Scheme	MoCI	• Duty exemption schemes enable duty free import of inputs required for export production. Duty exemption schemes consist of: ◦ Advance Authorisation scheme ◦ Duty Free Import Authorisation (DFIA) scheme • A Duty Remission Scheme enables post export replenishment / remission of duty on inputs used in export product. Duty Remission Schemes consist of: ◦ Duty Entitlement Passbook (DEPB) Scheme ◦ Duty Drawback (DBK) Scheme

Schemes	Department	Convergence
Export Promotion Capital Goods (EPCG) scheme	MeitY	The Zero duty EPCG Scheme is available to exporters of electronic products. It allows import of capital goods for pre-production, production and post-production (including CKD/SKD thereof as well as computer software systems) at zero customs duty, subject to an export obligation equivalent to 6 times of duty saved on capital goods imported under EPCG scheme, to be fulfilled in 6 years reckoned from Authorization issue-date.
Promoting Innovations in Individuals, Start-ups and MSMEs (PRISM)	Department Of Science & Industrial Research (DSIR)	Aims at supporting individual innovators to enable them to achieve inclusive development. It would also provide support to institutions or organizations set up as Autonomous Organization under a specific statute or as a society registered under the Societies Registration Act, 1860 or Indian Trusts Act, 1882 leading to development of state-of-art new technology solutions aimed at helping MSME clusters.
Centre of Excellence in Intellectual Property (CoE-IP)	MeitY	- To encourage the growth of IP in ICT by way of providing various IP related services - Creating awareness and facilitating IPR support to Start-ups/ SMEs/academia/inventors - Sensitizing about intellectual property protection and avoidance of infringement - Facilitation of know-how on various facets of IPR filing (patents, copyrights, trademark, etc.) - Providing IPR assistance to MeitY supported R&D projects
International Patent Protection in Electronics and & Information Technology (SIP-EIT)	MeitY	- Providing financial support for international patent filing in Information Communication Technologies sector - Reimbursement up to maximum of Rs 15 Lakhs per invention or 50 % of the expenses incurred in filing patent, whichever is less - The applicant can apply for the support at any stage of international patent filing - One application for foreign filing in all countries for a particular invention is considered under the scheme - Option of 5 applications per financial year from a single entity - This is a pure grant subject to approval by MeitY and no stake in the supported patent is envisaged under the scheme
Pradhan Mantri Kaushal Vikas Yojana	MSDE	- Encourage standardization in the certification process and initiate a process of creating a registry of skills - Enable and mobilize a large number of Indian youths to take up skill training and become employable and earn their livelihood. Increase productivity of the existing workforce and align the training and certification to the needs of the country. - Reward candidates undergoing skill training by authorized institutions at an average monetary reward of Rs.8,000 (Rupees Eight Thousand) per candidate. - Benefit 24 lakh youth at an approximate total cost of Rs. 1,500 crores

Schemes	Department	Convergence
National Skill Certification & Monetary Reward (STAR scheme)	MSDE	The scheme is for encouraging skill development among the youth by providing monetary rewards for successful completion of approved training programmes
Swayam Prabha	Department of Higher Education	Group of 22 DTH channels devoted to telecasting of high-quality educational programmes on 24X7 basis using the GSAT-15 satellite. • Higher Education: Curriculum-based course contents at post-graduate and under-graduate level covering diverse disciplines such as arts, science, commerce, performing arts, social sciences and humanities, engineering, technology, law, medicine, agriculture, etc. All courses would be certification-ready in their detailed offering through SWAYAM, the platform being developed for offering MOOCs courses. • School education (9-12 levels): modules for teacher's training as well as teaching and learning aids for children of India to help them understand the subjects better and also help them in preparing for competitive examinations for admissions to professional degree programmes. • Curriculum-based courses that can meet the needs of life-long learners of Indian citizens in India and abroad. • Assist students (class 11th & 12th) prepare for competitive exams
UAY (Ucchatar Avishkar Yojana)	Department of Higher Education *(Funding model: 50% MoE + 25% industry + 25% other ministries)*	• To promote innovation in areas that are of direct relevance to the manufacturing and design industry. • To spur innovative mindset in the students and faculty in premier technological institutes. • To bring a coordinated action between academia and the industry. • To strengthen the laboratories and research facilities in the premier technological institutions. • To have outcome-based research funding
GIAN (Global Initiative of Academic Network)	MoE	Aimed at tapping the talent pool of scientists and entrepreneurs, internationally to encourage their engagement with the institutes of Higher Education in India so as to augment the country's existing academic resources, accelerate the pace of quality reform, and elevate India's scientific and technological capacity to global excellence
SPARC (Scheme for Promotion of Academic & Research Collaboration)	MHRD, MoE	Research collaboration with foreign institutes in top-500 QS-2020 World University Ranking or in the top-200 QS-2019 World University Ranking

Schemes	Department	Convergence
NIDI (National Initiative for Design Innovation)	Department of Higher Education	Scheme to set up Design Innovation Centers (DICs), Open Design School (ODS)& National Design Innovation Network (NDIN) for making Indian industry globally competitive.
Modernisation and Strengthening of Intellectual Property Office (MSIPO)	DPIIT	The objective of the scheme is to strengthen the capabilities of the Intellectual Property Offices in India; to develop a vibrant Intellectual Property regime in the country; and also, to develop modern infrastructure for the Indian Patent Offices to function as an International Search Authority and International Preliminary Examining Authority in order to meet the requirements for international registration of Trademark.
Scheme for Facilitating Start-ups Intellectual Property Protection (SIPP)	DPIIT	The "Scheme for Facilitating Start-ups Intellectual Property Protection (SIPP)" was launched in 2016 to encourage and facilitate IPR protection by Start-ups and the same has been extended up to March 2023. The Scheme is implemented by the office of CGPDTM.
Scheme for Pedagogy and Research in IPRs for Holistic Education and Academia (SPRIHA)	DPIIT	SPRIHA seeks to create public awareness about the economic, social and cultural benefits of IPRs amongst all sections of the society and to strengthen Intellectual Property (IP) Chairs in educational institutes of higher learning to provide quality teaching and research, develop teaching capacity and curricula and to evaluate their work on performance-based criteria.
Market Access Initiative (MAI)	Department of Commerce	The scheme is formulated on focus product-focus country approach to evolve specific market and specific product through market studies/survey. Assistance would be provided to Export Promotion Organizations/Trade Promotion Organizations/National Level Institutions/Research Institutions/Universities/Laboratories, Exporters etc., for enhancement of exports through accessing new markets or through increasing the share in the existing markets.
Micro Exporters Policy	Department of Commerce	The Small Exporter's Policy is basically the Standard Policy, incorporating certain improvements in terms of cover, in order to encourage small exporters. • 12-month insurance policy • Premium payable will be determined on the basis of projected exports on an annual basis subject to a minimum premium of INR 5000 for the policy period. No claim bonus in the premium rate is granted every year at the rate of 5%. • For shipments covered under the Small Exporter's Policy ECGC will pay claims to the extent of 95% where the loss is due to commercial risks and 100% if the loss is caused by any of the political risks.

Notes

Notes

सूचना एवं
प्रसारण मंत्रालय
MINISTRY OF
**INFORMATION AND
BROADCASTING**

AVGC Promotion Task Force Report: Draft National Policy
for Growth of AVGC-XR sector in India

AVGC Promotion Task Force Report: Annexure D

Draft Model State Policy for Growth of Animation, Visual Effects, Gaming, Comic & Extended Reality sector in India

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Guidance Note:
To Formulate State Policy
for AVGC-XR Sector

1. Guidance Note: To Formulate State Policy for AVGC-XR Sector

The Animation, Visual Effects, Gaming, Comics and Extended Reality (together termed the AVGC-XR Sector) has shown steady growth in recent years and has emerged as a sunrise sector. The AVGC-XR sector has the potential to produce powerful content and Intellectual Property, it has immense potential to contribute to India's Exports and GDP growth, besides disseminating rich cultural heritage and generating quality employment.

To give the right impetus to the AVGC-XR sector, Ministry of Information and Broadcasting, Government of India, is hereby releasing this guidance document in the form of a **Model State Policy on AVGC-XR** for the states to draft their own policies for the sunrise sector of AVGC-XR.

To use this Guidance Document effectively, it is recommended that the following may be taken into consideration.

1. **Understanding the structure of this Draft Modal State Policy on AVGC-XR**

   It may be noted that this document is a guidance document that has been developed to assist States in drafting a State policy to promote the growth of the AVGC-XR sector in the State. The document is divided into various sections, each focusing on different aspects of the policy. While drafting the policy, States are advised to refer to guidance notes outlined in each section.

2. **Assessing the local context of AVGC-XR Sector in the State before drafting the policy**

   Conducting an initial assessment to understand the context and stage of development of the AVGC-XR sector in the State is of paramount importance at this stage. This assessment will prove helpful in determining the objectives of this policy and relevant policy measures to benefit the industry. Dedicated consultations should be carried out with diverse cohorts of stakeholders to understand the requirements of the industry, including academia.

   While considering the local context, it is important for the State to ensure that the provisions of this policy are in accordance with those mentioned in several Central and State laws.

   The State is advised to implement the policy in accordance with governing Union and State Laws and Policies, including but not limited to:

   - The Factories Act, 1948
   - The Shops & Establishments Act,1988
   - The Contract Labour (Regulation & Abolition) Act,1970
   - The Payment of Wages Act,1936

- The Minimum Wages Act,1948
- The Employment Exchanges (Compulsory Notification of Vacancies) Act,1959
- Various Labour Codes

3. Drafting a framework for the purpose of implementation of this policy

The States are advised to draft an implementation framework for the purpose of effective implementation of their policy. The framework among other sections, may also comprise details of:

- nodal body which will be the custodian of the policy
- department/s which will play an active role in the implementation of this policy
- various resources that may be linked to policy, such as, human, financial, legal aspects etc.
- procedural formalities for availing benefits under this policy
- tools for effective monitoring of the policy being implemented.

4. Evaluation of the State AVGC-XR Policy

At a later stage, the States may also undertake the exercise of evaluating the design and implementation of this policy to assess whether the intended outcoes were achieved.

5. Maintenance of this policy

This stage involves maintenance of the policy by keeping it up to date with latest trends in the sector. It is important to carry out periodic revisions with various identified cohorts of stakeholders and assess the global and national context of the AVGC-XR sector to ensure the policy is updated and is touching upon areas of Global and National importance in the sector, alongside mentioning priority areas and actions for the State.
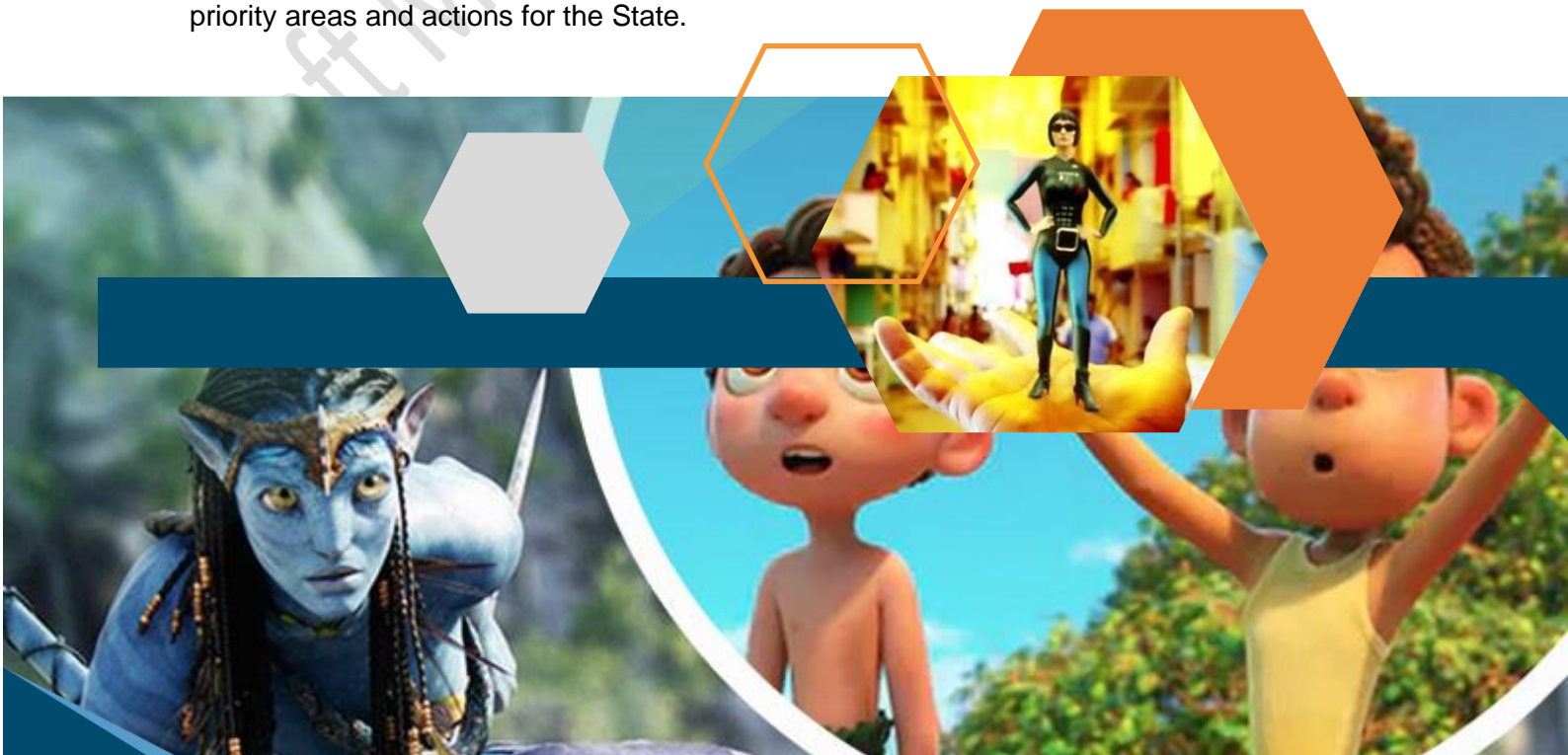
2.1 Background

> *The section may include information:*
> - *Global and Indian landscape of the AVGC-XR sector*
> - *Key growth drivers for AVGC-XR in India*
> - *Sectoral analysis of each sector in A-V-G-C and it's growth potential by 2025*
> - *Demographics of the State – Percentage of working population, Sunshine sectors, M&E sector in the State, employment scenario etc.*
> - *Market size of AVGC-XR in the State: An overview of the last decade*

The Animation, VFX, Gaming, Comics and Extended Reality (together termed the AVGC-XR sector) has emerged as an important growth engine of the Indian economy. It has shown steady growth in recent years and has emerged as a highly promising sector. The AVGC-XR sector has the potential to produce powerful content and Intellectual Property that can contribute to India's GDP growth and employment.

The AVGC-XR sector has witnessed unprecedented growth rates in recent times, with many global players expressing interest in the Indian talent pool to avail offshore delivery of services. Further, the Media and Entertainment (M&E) Industry is expected to grow at an 8.8% CAGR by 2026[1], as per a report on Global Entertainment and Media Outlook. India is now seen as the primary destination for high-end, skill-based activities in the AVGC-XR sector.

The sector has the potential to disseminate Indian culture to the world, connect the Indian diaspora to India, generate direct & indirect employment and benefit the tourism & other allied industries.

The AVGC-XR sector has been on the rise both globally and in India. India possesses the necessary ingredients to become a major contributor to the global AVGC-XR sector.

Animation Sector

The Indian animation sector is growing fast and with an increasing number of animated series and features being produced in India; some of it has attracted global audiences. The demand for animation expanded with the increase in children's broadcasting viewership, availability of low-cost internet access, and growing popularity of OTT platforms. According to the FICCI March 2022 report, the animation sector has grown by 24% in 2021 to reach USD 370 Mn[2] in India. Further,

- India's animation and VFX industry was valued at around 83 billion Indian rupees in 2021[3].

- A report estimates that the animation sector will grow to 39.7% in 2022 from 30.5% in 2021[4].

- The growth of children's channels' viewership led to an increased demand for animated content.

- OTT platforms, too, continued to invest in Indian animated IP.

- Increased demand spurred investments into India.

- Converging production pipelines opened new avenues.

VFX Sector

The Indian VFX industry has been gradually making progress with adaptation of world-class techniques and innovative technology. The content creators are experimenting their storytelling with high-quality VFX advancements.

The VFX industry grew 103% in 2021 to reach USD 462 Mn[5]. It was estimated that the industry would be worth almost USD 1.7 Bn by fiscal year 2024[6], indicating a significant growth potential. The Indian Animation and Visual Effects industry has the potential to reach 20-25% by 2025, according to the latest media and entertainment industry Report[7]. VFX & Animation can be the next IT-BPM boom for India and play a fundamental role in India becoming a USD 100 billion M&E industry by 2030[8].

It is expected that around 50% of Indian Animation and VFX studios will adapt to real-time technology or virtual production by 2025[9]. For smaller studios, this could be a challenge because of the high capital investments involved in adopting these technologies, and their use will be limited to high funded projects only.

Gaming Sector

FICCI's Media and Entertainment Report 2022 highlights that the online gaming segment grew 28% in 2021 to reach USD 1.2 Bn[10]. This exceptional growth is fuelled by demographic factors, change in media consumption habits, as well as innovations by the industry during the past few years. Further, the COVID-19 pandemic has led to a long-lasting shift towards digital means of entertainment, which has resulted in exponential growth of the gaming industry during the pandemic.

India is expected to become one of the world's leading markets in the gaming industry. Growing steadily for the last five years, it is expected to reach 3 times in value and reach USD 3.9 billion by 2025[11].

The Hon'ble Prime Minister of India, speaking on the announcement of the AVGC Task Force in the Union Budget 2022-23, highlighted that India is one of the top 5 markets in the world for mobile gaming[12]. The gaming industry is at the core of the AVGC sector, and drives growth across its entire ecosystem. In 2021, the online gaming sector has overtaken films to become the fourth largest segment of the M&E industry in India.

Comics Sector

With the Indian economy opening in 1991 and major changes in satellite television market, Indian comic readers were introduced to a plethora of international characters in mainstream media. The industry now has a host of new players which tapped into the India artist pool to come up with the new generation of Indian comics. The genres vary from superhero, mythology, folklore to many other social segments.

The comic book industry is a well-recognized part of Indian popular culture, having produced many familiar cultural icons like, Suppandi, Chacha Chaudhary, Tenali Raman, Detective Moochhwala, Shikkari Shambhu, Mayavi, and Akbar-Birbal. The industry was at its peak during the late 1980s and 1990s, when it flourished with a record number of sales.

In 2021, this sector witnessed the acquisition of many comic book characters which will eventually be turned into animated series, films, or shorts.

2.2 Growth drivers of the AVGC-XR sector in India and in <state>

- *Identifying enablers in AVGC-XR specific to the State*
- *Leveraging existing policies/schemes to boost AVGC-XR in the State*
- *Defining a roadmap of growth for AVGC-XR in – academia, skilling, research & development, industry partnerships.*

The AVGC-XR (Animation, Visual Effects, Gaming and Comics) sector has witnessed unprecedented growth rate in the recent times, with the global market size of the AVGC-XR sector estimated at around USD 800 billion[13].

India too has not stayed behind and has seen a never-before growth of this sector. Some key trends that have emerged in the AVGC-XR sector's growth in India are:

Emerging key growth drivers: Local Intellectual Property (IP), creations and outsourcing work for western studios, increased consumption of VFX and digital post production in film and TV, increased 2D to 3D conversion, increased mobile and internet penetration and rise of social media gaming are the key drivers of growth for the AVGC-XR sector.

- **Increase in captive centres across India, leading to access to top international filmmakers**: International studios are becoming more interested in either opening their own studios in India or

investing in existing Indian companies. This is not only bringing in investments, but also adding to the creative and technological talent pool in India.

- **Growing audience base**: TV viewership has grown in India over 2019, with about 762 Mn viewers recorded per week[14]. India presents one of the largest audience bases in the world and thus offers a large potential market for the AVGC-XR sector.

- **Young population:** ~ 63% of the population of India is between the ages of 15-64. . In 2022, the median age in India was 28 as compared with 38.4 in China and the US, and 49 in Japan[15]. This very strong demand base supported by the growth of gaming companies in India is projected to provide a very strong sustainable growth for India's overall gaming ecosystem.

- **Rising smartphone growth:** The number of smartphone users in India was expected to reach 932 Mn by 2022[16]. Currently, India has ~500 Mn active internet users which is one of the highest in the world[17]. India continues to be the world's second-largest internet market after China and this presents significant growth potential in the AVGC-XR sector.

- **Affordable data:** India has one of the most-affordable mobile data plans worldwide[18]. This cheaper data cost has promoted internet penetration in rural India. In FY19, rural India had ~227 Mn users, which was higher as compared to urban users at ~205 Mn[19].

The animation, visual effects, gaming, comics and extended reality (AVGC-XR) sector as emerging sectors have recently witnessed unprecedented growth rates as demand for skilled resources grows.

At this stage of sectoral maturity, the sunrise sector of AVGC-XR requires targeted interventions by both, Government and Private sector.

This sector has a high probability of effectively capitalizing the demographic dividend being created by India. Today, India is one of the youngest nations in the world with more than 62% of its population in the working age group (15-59 years) and more than 54% of its population below 25 years of age[20].

A brief section may be added here with focus on the status of the AVGC-XR industry in the State including the current status of policy measures that State has taken for economic growth in general and AVGC-XR in particular. The section will also call out the status of the various growth levers in the State. This section will set the context for the State policy framework.

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3. Draft Model State Policy for AVGC-XR

3.1 Need for Policy

The below paragraph explains the need for an AVGC-XR policy in the State.

The AVGC-XR (Animation, Visual Effects, Gaming and Comics) sector has witnessed unprecedented growth rate in the recent times, with the global market size of the AVGC-XR sector estimated at around USD 800 billion. India has also seen tremendous growth in this sector, in line with the global standards.

With the right set of interventions, India has the potential to capture 5% (~USD 40 billion) of the global market share by the year 2025, with an annual growth of around 25-30% and lead to the creation of over 1,60,000 new jobs annually

[21]. Besides this, AVGC-XR sector is expected to have a greater impact on society – fostering creativity at grassroots level and acting as a medium to communicate Indian values to the next generation. The Animation, Comics and Gaming segments have tremendous potential to present Indian mythological content, culture, values and traditions to children and youth of India.

- The policy shall serve as a guidebook, focusing on the growth of the AVGC-XR sector within the State.
- The policy may help the State understand their specific challenges in AVGC-XR and help design interventions to address the identified gaps.
- Each State policy needs to ensure that it is specifically tailored to the strengths and weaknesses of that State.

The policy shall address the demand-supply gap in the sector by making it easy for new players to enter the market and promote AVGC-XR as a profitable sector.

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3.2 Responsibility matrix for the purpose of this Policy

The following have been envisioned as State's Role and Responsibilities pertaining to AVGC-XR industry.

The State will form a new AVGC-XR cell under its <Department of Information Technology/ Industries/ etc.>. The department will be the official custodian of the policy and will take adequate measures to oversee the policy's implementation.

To give the right impetus to AVGC-XR industry, the State shall form a dedicated committee comprising members from:

The State Level AVGC-XR Committee, headed by <xxx>, Department of Industries/IT and comprising representatives of related Ministries and AVGC-XR organizations in the State. This committee will steer the growth of the State AVGC-XR sector in its entirety. The Committee's responsibilities are, but not limited to, the following:

i. Develop the State as a regional AVGC-XR hub, leading to an increased export revenue and creating employment by strengthening the support system.
ii. Ensure equal gender representation across all components of the AVGC-XR sector in the State.
iii. Promote skill development to raise skill level and create a pool of Indian designers and artists.
iv. Develop AVGC-XR education and capacity building in the State through Centers of Excellence (COE).
v. Oversee the creation and functioning of COEs in the State.
vi. Set up AVGC-XR incubation centers, animation labs, plug and play facilities, postproduction labs, etc.
vii. Create a legal framework for IP creation, registration, and protection.

3.3 Definitions for the purpose of this Policy

All the general and sector specific terms used in reference to the AVGC-XR industry in the document may be defined in this section. This shall ensure ease of understanding for the reader Definitions of more terms maybe added to the list. .

Terms	Definition
Animation	Animation is the technology of displaying frames in succession to create an illusion of motion. It is used in entertainment, education, design, game development, simulations, etc. Animation is the method of showing movement by using a series of drawings, computer graphics, or photographs of 2D or 3D objects that create an illusion of movement when viewed in succession. Animation includes 2D animation, 3D animation, clay animation, paper animation, stop motion, shadow animation, etc. They can be recorded on either analog or digital media. Animation is increasingly finding use in mobiles, software applications, visual effects, visual communication, and advertising.
Visual Effects	Visual Effects (VFX) and postproduction refers to imagery created, manipulated, or enhanced for any film, or other moving media that does not take place during live-action shooting. It is also known as CGI (Computer Generated Imagery). Visual effects include computer-generated imagery using the industry's most advanced 3D and composting software and plugins.
Gaming	A game is an electronic game that involves human interaction with a user interface to generate visual feedback and immersive experiences on a device that shall include 2D, 3D, video, handheld devices, mobile, virtual, console, etc. The online skill gaming industry can be categorized into – casual games, real-money games (fantasy sports, card games and other RMG games) and Esports.
Comic	It is a publication that consists of comic art in the form of sequential panels that represent chronologically laid scenes that are used to tell a story or a series of stories. It extends to comic strips published in magazines and newspapers, and graphic novels that are long-format, standalone stories

	with more complex plots or a collection of short stories that have been previously published as individual comic books. This segment does not include novels or magazines.
Virtual Reality	It is an artificial environment that is created with software and presented to the user in such a way that the user suspends belief and accepts it as a real environment. On a computer, virtual reality is primarily experienced through two of the five senses: sight and sound.
Mixed reality	Stands for Mixed Reality. It sometimes referred to as hybrid reality, is the merging of real and virtual worlds to produce new environments and visualizations where physical and digital objects coexist and interact in real time.
Augmented Reality	It is the integration of digital information with the user's environment in real time. Unlike virtual reality, which creates a totally artificial environment, augmented reality uses the existing environment and overlays new information on top of it.
Extended Reality	Extended reality is a term referring to all real-and-virtual combined environments and human-machine interactions generated by computer technology and wearables. It includes representative forms such as augmented reality, mixed reality and virtual reality and the areas interpolated among them.
AVGC-XR sector	The AVGC-XR sector is represented by companies, joint ventures, focus groups, consultants, and creative professionals engaged in the business of conception, production, post- production, media and intellectual property rights management, publishing and marketing of animation, visual effects, special effects, editing, digital game development including mobile, console, desktop games (excluding gambling) and comics content. They also actively promote the products and related services such as the development of software used in pre-production, production and postproduction pipelines, education and advanced research, development of AVGC-XR subjects, related technology, and its business management.
AVGC-XR Company	Any company in the AVGC-XR sector as defined above.

4.

Current landscape of the AVGC–XR sector in the State

4. Current landscape of the AVGC-XR sector in the State

The section may comprise information on: -

- *Technology landscape of State*

- *Evolution of AVGC-XR in the State*

- *Existing policies/schemes to boost AVGC-XR in the State*

  - o *Ease of Doing Business*

  - o *Start-up India*

  - o *Invest India*

  - o *Any State specific scheme*

- *Employment and workforce landscape*

- *Status of AVGC-XR academia in the State*

- *AVGC-XR and Investment*

5.

Key Interventions Undertaken So Far

5. Key Interventions Undertaken So Far

The section may highlight details on: -

- *Existing schemes/policies for AVGC-XR sector development in the State. This may also cover existing incentives being given under the following schemes:*
  - *Pradhan Mantri Mudra Yojana*
  - *Credit Guarantee Trust Fund for Micro & Small Enterprises (CGTSME)*
  - *Financial Support to MSMEs in ZED Certification Scheme*
  - *Credit Linked Capital Subsidy for Technology Upgradation (CLCSS)*
  - *Design Clinic for Design Expertise to MSMEs*
  - *Schemes under Stand-up India, Start-up India*
  - *Market Development Assistance Scheme*

- *Listing down current initiatives if any in AVGC-XR, in the area of –*

  - *Academics*
  - *Skilling*
  - *Financial & Fiscal incentives*
  - *Tax Rebates*
  - *Infrastructure*
  - *Technology*
  - *International Partnerships*
  - *Research & Development*
  - *Incubation Facilities*
  - *Small Businesses & Start-Ups*
  - *Employment opportunities in AVGC-XR*

6.

Goals, Vision, and Objectives of the Policy

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6. Goals, Vision, and Objectives of the Policy

6.1 Vision

The vision of the policy shall focus on the ultimate end goal. It may briefly touch upon the following points: -

- Enhancing the strengths and offerings of the State in relation to AVGC-XR.
- Making the State a preferred destination for global AVGC-XR investment.
- Develop at least one city in the State as a hub and a preferred destination for the AVGC-XR industry
- Promote creation of indigenous content and entertainment for mass audiences.
- Encourage creation of IP from State's AVGC-XR companies
- Facilitate growth of Indian AVGC-XR startups and entrepreneurs
- Support local industry through progressive policies complemented with provision of high quality infrastructure
- Promote skill development through creation of a Centre of Excellence dedicated to AVGC-XR sector.
- Create a link with best practices undertaken at both National and State levels.
- Promote the local art forms in India

6.2 Goal

The goals of the policy are a statement of desired outcomes that it hopes to accomplish over a specific time frame. Some of the points that might be considered while defining the goal are as follows: -

- Stimulate growth of at least <xx> AVGC-XR companies in the State, including <xx> reputed companies in terms of projects and size of operations.
- Create <xx> new jobs in the AVGC-XR sector within the State

- Increasing employability of professionals working in the AVGC-XR sector

- Bringing regional artists to the forefront

- Making the State the preferred destination for AVGC-XR related investment

- Standardization of AVGC-XR services (Education, skill development, infrastructure provision) across the State.

- Identify the local art forms & the region of their influence

- Identify artists and importing training

6.3 Objectives

Objectives are defined as specific, actionable targets that need to be achieved to realize the goal of the policy. Some of the suggested objectives are as below: -

- Developing the State as a global AVGC-XR hub to increase export revenues and create employment by strengthening the support ecosystem

- Ensuring equal gender representation across all components of A-V-G-C in the State

- Creating a diverse ecosystem for AVGC-XR in the State and ensuring equal opportunities for all genders

- Promoting skill development to raise skill level and creating a pool of Indian designers and artists

- Developing AVGC-XR academia in the State through COEs

- Setting up AVGC-XR incubation centres, animation labs, plug and play facilities, postproduction labs, etc.

- Creating a legal framework for IP creation, registration, and protection.

- Stimulating growth of already existing AVGC-XR companies by offering fiscal and financial incentives

- Supporting the State AVGC-XR industry by creating local infrastructure and software

Growth

7.
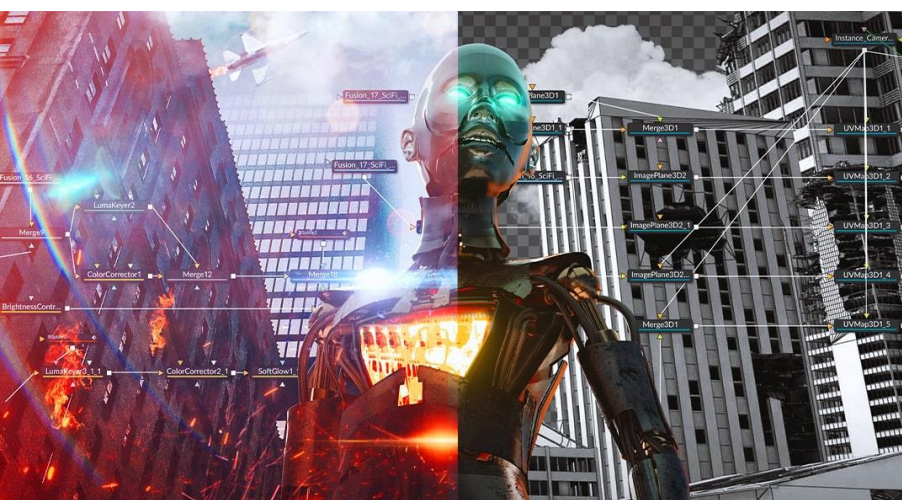
Development of

## AVGC-XR ecosystem

in the State

7. Development of AVGC-XR ecosystem in the State

The section may briefly touch upon the key areas of interventions that have been identified post the assessment of existing State AVGC-XR policies and international best practices.

The section may suggest interventions specific to the below mentioned sub-sectors: -

- Access to robust Infrastructure
- Access to Technology
- Market Access and Development
- Talent and Skill Development
- Enhancing Export potential
- Promoting Local content
- Support to MSMEs and Start-Ups
- Collaboration & Partnerships
- Diversity, Equity and Inclusion
- R&D and Innovation
- Financial Assistance and Incentives
- Information, Education and Communication & Outreach

The interventions and specific incentives will be defined by the State as per its local context and resources
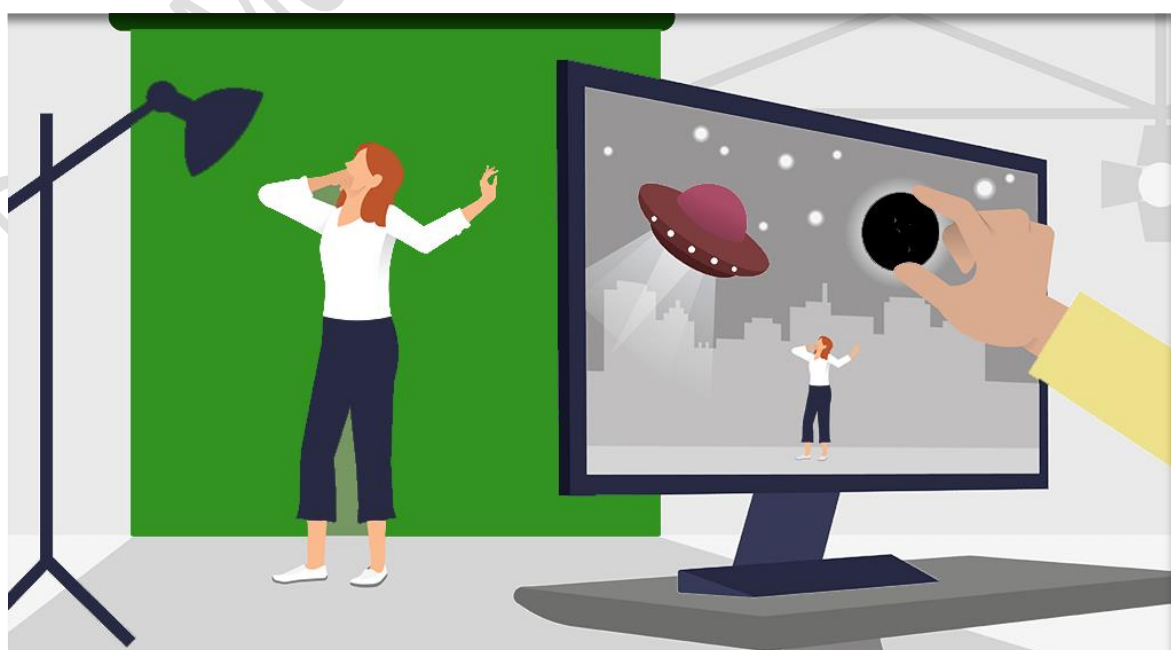
7.1 Access to Robust Infrastructure

Identifying infrastructure as an essential component of AVGC-XR sector and a major driver for attracting investments, the State of <name of the state> is committed to providing high quality infrastructure to the industry.

7.1.1 Setting up of AVGC-XR Clusters across the State: To catalyse economic development resulting from AVGC-XR sector, it is being proposed to set-up dedicated AVGC-XR Clusters across the State. The Government of <name of the state> and the <department supporting AVGC-XR in the state> will undertake the exercise of developing designated AVGC-XR Clusters in the State. These AVGC-XR Clusters will be developed under the below philosophy:

1. Catering to various types of AVGC-XR entities (production houses, gaming companies) to enhance State's contribution to growth of AVGC-XR sector by introducing skilled resources, inputs (Raw materials, technology etc.), connectivity, market etc. This will also ensure assistance in access to adequate infrastructure in the form of land, power, connectivity etc

2. Treating services imported from Special Economic Zones at par with FTA/PFTA countries to provide a level playing field.

3. Greater autonomy to serve both international and domestic market

4. Incentives based on factors like investment in technology, job creation, and investment committed.

5. Stability in law and policy with effective and fast track dispute resolution mechanism and consistency across different statutes.

6. Easy entry and exit process from the AVGC-XR cluster

The State therefore, proposes to set up dedicated AVGC-XR clusters in:

- o <Region 1>
- o <Region 2>
- o <Region 3>

The clusters are proposed to be equipped with the following:

- The AVGC-XR Clusters are proposed to have various Digital AVGC-XR Labs to encourage the adoption of the latest digital post-production technologies such as motion capture, 2D & 3D animation, and high speed rendering across AVGC-XR producers and IP creators, a common infrastructure facility will be set up and be made available on a pay-per-use basis at a reasonable price. This facility will also provide training on state-of-the-art equipment and house, incubator and co-working space to support start-ups working in the animation and game development sectors.

- These clusters will also have availability of,

- **Power:** To ensure seamless connectivity, the State will ensure reliable power for the sector. It is also recommended to adopt of a solar power backup plant with a one-time subsidy of <xx>% of the capital cost for setting up of in-house solar backup plant. Further, there will be admissibility of Industrial Power category tariff for Animation, Visual effects, Gaming & Comics Companies. This incentive is eligible for Mega Projects, or whichever the State may decide
- **Data bandwidth**: The State government will provide adequate Data bandwidth for AVGC-XR industries. It is also proposed to create common facilities like Data centre / Render farms / Performance capture / Volumetric capture etc.
- **Transport Connectivity**
- **Housing and Commercial setup**

7.1.2 Allotment of Industrial Corporation Land within the cluster: Allotment of appropriate extent of Government/ Industrial Corporation lands subject to fulfilment of prescribed obligations on employment, investment, and terms & conditions of allotment, will be undertaken for eligible Animation, Visual effects, Gaming & Comics companies for their expansion and setting up of their own facilities.

- Prescribed criteria for eligibility for land allotment include:

  - Fulfilment of an employment obligation of employing <xx> Animation, Visual effects, Gaming & Comics professionals per one acre of land allotted
  - Construction of <xx> Sq. Ft. Office space in <xx> acre of land allotted
  - <3> years for completion of the project and fulfilment of obligations mentioned above from the date of taking over possession of the allotted land
  - Fulling the above criteria, however, does not guarantee allotment of land to the beneficiary, and shall remain the decision of the State government

7.1.3 Subsidy on lease rentals: <xx>% subsidy on lease rentals up to INR <xx> per annum (maximum) up to a period of <xx> years, for built up office space of up to <xx> sq ft. leased by Animation, Visual effects, Gaming & Comics companies. Eligibility as per operational guidelines.

7.1.4 Setting up a Center of Excellence for AVGC-XR: To keep up with the growing demand of latest technology and high quality talent, and provide the budding entrepreneurs in this sector with the right tools and thinking, the State will undertake an exercise of setting up a Centre of Excellence to support the AVGC-XR (Animation, Visual Effects, Gaming and Comics) sector in <name of the state>.

The suggested NCoE will provide latest State of the art infrastructure such as digital post-production AVGC-XR labs, post-production technologies such as motion capture, 2D & 3D animation and high-speed rendering along with state-of-the-art hardware and software technology. The working model of this NCOE, will be defined at a later stage by the <department supporting AVGC-XR in the state>, Government of <name of the state>.

The Centre of excellence set up will operate in collaboration with National Centre of Excellence (NCoE) to ensure uniformity in service standards across the sector.

The proposed centre will endeavour to:

- Serve as the driver for AVGC-XR promotion and act as a mentoring institution for the industry to guide the policies for growth of this sector
- Establish standards for AVGC-XR education in India
- Actively collaborate with industry and international AVGC-XR institutes
- Enhance the global positioning of the Indian AVGC-XR industry
- Strengthen AVGC-XR start-up ecosystem through provisioning of high-end incubation labs

7.1.5 Development of AVGC-XR Sub-clusters on PPP mode: Reputed private developers with proven track record, will be welcomed by the State to develop dedicated AVGC-XR Clusters in PPP mode. The structuring of these projects may be taken up on case to case basis.

7.1.6 Capital investment subsidy: <XX>% Capital investment subsidy limited to INR <XX> for fresh investments made post declaration of the said policy. This is a one-time subsidy for an investment of above INR <xx> and creating new employment of <xx> employees and above (subject to the company being in operation for the last <xx> financial years).

7.2 Access to Technology

AVGC-XR is a technology intensive sector. Further, with rapid changes in technologies, the sector not only needs to keep pace with the global innovations, but slowly emerge as a hub for technological innovations.

7.2.1 Facilitating access to Technology: The State Government recognized Industry associations will sign agreement with global technology vendors.

- These agreements will potentially cover the following:
  - Contracts will include subsidized versions of their products and services for meritorious students, awarded start-ups and independent developers, etc.
  - Discounted dedicated training programmes for users of their products
- The dedicated AVGC-XR clusters will be large scale Government backed facilities. These facilities will act as plug-and-play spaces, and provide semi-customizable and modular options to startups and SMEs with flexibility of operations
- The industry will also be encouraged to create technology and innovation sharing platform, promoting Industry driven mechanisms.

7.2.2 Building technology hubs for AVGC-XR in the State: It is being proposed that AVGC-XR clusters will have various digital AVGC-XR Labs to encourage the adoption of the latest digital post-production technologies such as motion capture, 2D & 3D animation, and high-speed rendering across AVGC-XR producers and IP creators, a common infrastructure facility will be set up and proposed to be available on pay-per-use basis at a reasonable price. This facility will also provide training on state-of-the-art equipment and house, incubator, and co-working space to support start-ups working in the animation and game development sectors.

7.2.3 Facilitating dedicated investments in technology for AVGC-XR

- To further develop the ecosystem and improve the ease-of-doing business, a dedicated AVGC-XR cell will be provisioned in the State, housed within <department that looks at AVGC-XR in the State>, for promoting and facilitating various policy initiatives.
- Also, within the <xx> year/s of the policy, a portal will be commissioned, to serve as a single point for incentive/subsidy/grant applications for all AVGC-XR companies in the State. It will have provisions for uploading of documents as well as tracking of application process within defined timelines.

7.3 Market Access and Development

7.3.1 Creating awareness and conducting market development activities for AVGC-XR

- Dedicated market development events: The State of <name of the state> will encourage and actively host and participate in market development mechanisms such as hosting events, conferences, and competitions in the AVGC-XR sector.

- This will have a cross cutting impact not only on co-production between Indian and foreign firms and easing access to technology, also acting as a mentorship experience for professionals.

- The policy will offer support to AVGC-XR companies, associations, and SMEs by providing financial grants to attend top global AVGC-XR events, exhibitions, conferences, and festivals. This will help State's AVGC-XR companies especially SMEs to access global markets, learn about global business insights and to sell and market their products and services. It will also help professionals from State's AVGC-XR companies to attend top global AVGC-XR conferences and enhance their creative, business, and technical skills.

- The delegation from the State, in association with Government of India, will be powered by Indian industry leaders, gamers, top professionals, and research institutions may participate in various global gaming events.

- Registered AVGC-XR companies of the State will be provided reimbursements of 30 percent of the actual cost incurred in
  - International marketing, sales promotion etc.
  - Trade show participation
  - Publications
  - Subscription to market research material

  The incentive will include registration, travel, boarding and lodging expenses, and exhibition stall rentals, for up to a maximum of INR <xx> per year per company. They can apply for the same on a half- yearly basis, within six months of the expense incurred.

- For creating public awareness and promoting Animation, Visual effects, Gaming & Comics industry, Government of <name of the state> will conduct state-of-the-art national / international scale events, conference & exhibitions on annual basis. Further, it will also support & participate in national / international conferences and exhibitions conducted by the industry to promote this sector. This initiative will help in showcasing local industry about the products & services and aid in attracting investments in AVGC-XR sector.

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- To promote Indian AVGC-XR start-ups, the Government of <name of the state> may implement a suitable regulatory framework that enables start-ups to achieve success and sustained growth and improve their ease of doing business. The framework should also be easily compatible with the State's other policies and global best practices.

7.4 Talent and Skill Development

Skilling in this sector will open national and international avenues for the skilled manpower and become the backbone of media and entertainment industry.

- Identifying skilling target professionals viz – artists, artisans, etc.
- Encouraging the local art forms
- Importing professional training to artists

7.5 Promoting local content

It is known that homegrown stories, characters, and domestic content will enable the studios to transition from service mode to IP ownerships of original content. This industry is also giving the country and the State an opportunity to narrate stories from its rich culture, globally. To promote local content in the State, the State will take the following initiatives:

7.5.1 AVGC-XR Production Grant: AVGC-XR production grants have been designed to promote both domestic and international AVGC-XR productions made within the State. In establishing these grants, the Govt. of <name of the state> recognizes that large budget productions and Post Digital and Visual Effects (PDV) activity contribute to the State's overall development by providing valuable economic, employment and skill development opportunities. These grants will ensure that <name of the state> remains competitive in attracting large budget productions and PDV activity from across the globe.

Eligibility Criteria for availing Production Grants

- The applicant is incorporated in India, or is a partnership firm registered in India and is registered as an AVGC-XR company in the State
- The applicant must be the entity responsible for all activities involved in making the production in the State. Only one entity per production can be eligible for the grant
- At least <xx> percent of the qualified expenditure on the project should be incurred in the State by using locally employed talent
- Applications for co-productions are allowed but one of the applicants must be a producer from the State.
- The claim amount should be in proportion to the budget and/or the contract value of the production

Qualified Expenditure

- Costs and expenses incurred by the production house or content creator during the pre-production / production / post-production activities would be considered as Qualified Expenditure, subject to the following definitions –
  - cost of personnel working on the project/production
  - costs incurred for hire of studio and office space and utilities
  - hire of equipment / subscription fees for software used for the defined activity

The qualified expenditure should have been incurred within the State within the policy period.

Additionally, production houses that are applying for international grants should ensure that the AVGC-XR company or its local subsidiary should be contracted by the international production house or content creator to execute the project. The international production house or content creator will receive the benefit of the incentive from the State's AVGC-XR company or its local subsidiary as the case may be.

An applicant seeking the grant will not be eligible for other film finance or tax incentives from the Govt. of the State in relation to the same screen production or as decided by the State Government

7.5.1.1 Reimbursement of production cost for animation films: <xx>% cash back of the project cost if <xx>% of the production cost of that project is incurred in <name of the state> by using <name of the state> talent. This incentive is applicable to animation companies that have produced Animation Films (90 minutes & above) - "Animation Theatrical Released film." The total reimbursement will be up to a maximum of INR <xx> per film for one company, per annum, if produced on their own and marketed in their brand name. The allowable production costs are human resource cost, materials & print and professional services.

7.5.1.2 Promoting creation of original Indian themed Content

- *For animated episodic series produced with Indian Themed Content*: Registered State AVGC-XR companies that have produced an animated episodic series of <xx> episodes and above, for TV/VOD/SVOD platforms, will be eligible to apply for a reimbursement of <xx> percent of the qualified expenditure. This incentive is applicable for either content produced by the company and marketed in their brand name (in which case it must have been telecast once), or for content produced for another production house under a defined service contract.
- The total reimbursement cap will be up to a maximum of INR <xx> for one company in a year, with a limit of <xx> sanctions per company per year. However, this is subject to a limit of a maximum of INR <xx> for a single sanction.
- *For movies produced with Indian Themed Content:* Registered State AVGC-XR companies that have produced animation films of <xx> minutes and above, will be eligible to apply for a reimbursement of <xx> percent of the qualified expenditure. This incentive is applicable for either content produced by the company and marketed in their brand name, or for content produced for another production house under a defined service contract. Limit of one sanction per company per year.

Registered State AVGC-XR companies working on projects involving VR/AR/VFX work for domestic productions, where the contract value of the project is above INR <xx> Lacs, will be eligible to apply for reimbursement of <xx> percent of the qualified expenditure. This incentive is applicable for either

content produced by the company and marketed in their brand name, or for content produced for another Indian client / production house under a defined service contract.

The total reimbursement will be up to a maximum of INR <xx> Lacs for one company in a year, with a limit of <xx> sanctions per company per year. However, this is subject to a limit of a maximum of INR <xx> Lacs for a single sanction.

7.5.1.3 Reimbursement of production cost for animation cartoon series: <xx>% cash back of the project cost if <xx>% of the production cost of that project is incurred in <name of the state> by using <name of the state> talent. This incentive is applicable to animation companies that have produced Animation Cartoon Series (<xx> episodes & above) for TV and telecast on TV channel. The total reimbursement will be up to a maximum of INR <xx> per series for one company per annum if produced on their own and marketed in their brand name. The allowable production costs are manpower cost, materials & print and professional services.

7.5.1.4 Reimbursement of GAME production cost: <xx>% cash back of the project cost if <xx>% of the production cost of that project is incurred in <name of the state> by using <name of the state> talent. This incentive is applicable to gaming companies which have developed online, mobile, console Game. The total reimbursement will be up to a maximum of INR <xx> per Game for one company per annum if produced on their own and marketed in their brand name. The allowable production costs are human resource cost, materials & print and professional services. Units /companies to be eligible for said incentives should showcase <xx lakh> collective downloads on IOS, Google Play or windows or the Game should be award winning /nominated at National / International repute Gaming Conclaves.

Registered State AVGC-XR companies that have developed online/mobile games will be eligible to apply for reimbursement of <xx> percent of the qualified expenditure. Companies to be eligible for this incentive should showcase <xx Lacs> collective downloads on iOS/Google Play/Windows or the game should be award winning or nominated in reputed gaming conclaves like NASSCOM Game Developers Conference.

The total reimbursement will be up to a maximum of INR <xx> per sanction for one company if produced on their own and marketed in their brand name, with a limit of <xx> sanctions per applicant per year

7.5.1.5 Production Grant for International production

The Govt. of <name of the state> proposes to extend financial incentives and concessions to attract large, reputed international AVGC-XR productions to the <name of the state>. Projects or productions that are extended financial incentives should help raise the profile of the State's AVGC-XR industry. They should also bring in substantial international business into <name of the state> and help create and sustain employment in the State's AVGC-XR industry.

For international PDV activity (excluding games)

International projects undertaken by registered AVGC-XR companies in areas of animated feature films, animated TV series (with minimum of <xx> episodes), direct to DVD, CG ride films, VFX projects, and content creation for VR/AR/MR will be considered. This will be applicable for either content produced by the company and marketed in their brand name, or for content produced for another production house under a defined service contract.

Multinational companies and Indian subsidiaries of global (international) companies will be eligible to claim reimbursement for projects or only portion of projects qualified as 'high value chain work', such as -

- VFX / VR Projects (features as well as commercials): end to end shot work, modelling and surfacing of primary assets of the project, lighting, effects, matte painting and compositing.
- Animated Feature Films: end to end sequence work (layout to final renders) amounting to more than <xx> minutes of footage, or a department specific work amounting to at least <xx> minutes of footage (e.g. contracts for either animation or lighting or compositing or effects). Standalone projects for just modelling and texturing will be eligible for reimbursement for only the primary assets of the film.
- Animated Episodic Series: minimum <xx> episodes of end to end work (layout to final renders) with each episode cost of more than INR <xx>.
- Direct to DVD / Special Projects / Ride Films: end to end work (layout to final renders), or portions of the film/project, amounting to at least <xx>% of the footage, for projects with a total cost of more than INR <xx> Crores.

Additional conditions for this grant include:

- Minimum project value of INR <xx> to qualify.
- For projects valued above INR <xx> but below INR <xx>, <xx> percent of their qualified expenditure will be reimbursed, up to a maximum of INR <xx> per project.

- For projects valued above INR <xx>, an additional <xx> percent of their qualified expenditure will be reimbursed, which means <xx> percent reimbursement up to a maximum of INR <xx> per project.
- An additional <xx> percent uplift may be given to <xx> select projects during the policy period, amounting to a total of <xx> percent reimbursement. The selected projects will have resulted in additional economic benefits to the State, over and above those accrued due to the qualified expenditure. Only projects valued above INR <xx> Crores will be considered for this purpose.
- The total reimbursement will be up to a maximum of INR <xx> Crores for one company in a year, with a limit of <xx> sanctions per company per year.

For game art development projects

This grant is only applicable for international projects in the area of game art and development. The various conditions for this grant include:

- Minimum project value of INR <xx> to qualify.
- For projects valued above INR <xx> but below INR <xx>, <xx> percent of their qualified expenditure will be reimbursed, up to a maximum of INR <xx> per project.
- For projects valued above INR <xx>, an additional <xx> percent of their qualified expenditure will be reimbursed, which means <xx> percent reimbursement up to a maximum of INR <xx> per project.
- An additional <xx> percent uplift may be given to <xx> select projects during the policy period, amounting to a total of <xx> percent reimbursement. The selected projects will have resulted in additional economic benefits to the State, over and above those accrued due to the qualified expenditure. Only projects valued above INR <xx> will be considered for this purpose.
- The total reimbursement will be up to a maximum of INR <xx> for one company in a year, with a limit of <xx> sanctions per company per year.

7.5.2 Distribution of original content:

Government of <name of the state> shall take up with Government of India at appropriate level, to implement the reservation of at least <xx>% - <xx>% of airtime on channels (both foreign and domestic) to promote locally created content to provide a level playing field for domestic content development and foster competition between domestic players, foreign companies that set up base in State as well as start-ups. This will also ensure that quality content goes on air.

7.6 Diversity and Sustainability

To promote diversity and inclusion in the AVGC-XR industry, the following incentives have been detailed out:

SC/ST Entrepreneurs

AVGC-XR Company having a stake of more than <xx>% shareholding of SC/ST entrepreneurs in the company/unit.

Women Entrepreneurs

AVGC-XR Company having a stake of more than <xx>% shareholding of women entrepreneurs in the company/unit.

Fiscal Incentives for SC/ST and Women Entrepreneurs

- Capital Investment subsidy
- Reimbursement of production cost for Animation Theatrical Released film
- Reimbursement of production cost for animation series
- Reimbursement of GAME production cost
- Subsidy on lease rentals
- Reimbursement of duties
- Reimbursement of levies
- Industrial Power category
- Recruitment assistance
- Quality certification expenditure
- Exhibition rentals
- Internet bandwidth charges

Promoting use of Renewable Energy

In accordance with existing provisions, the States will develop an incentive structure for promoting use of renewable energy in the sector to reduce the sector's Green House Gas emissions.

7.7 R&D and Innovation

7.7.1 Patent Registration Incentive: Registered AVGC-XR companies in the <name of the state> will be eligible for reimbursement of the actual costs, up to a maximum of INR <xx> for filing a domestic patent; and up to a maximum of INR <xx> for filing an international patent, provided such patent is filed or granted within the policy period.

Eligible expenses for a patent filing include filing fees paid to the patent office, attorney fees, search fees, and maintenance fees.

A single company will be eligible for a maximum of <xx> reimbursements (inclusive of domestic or international patents) during the policy period. These patent filing incentives provided by the Govt. of the <name of the state> will be in addition to any existing scheme of the Government of India.
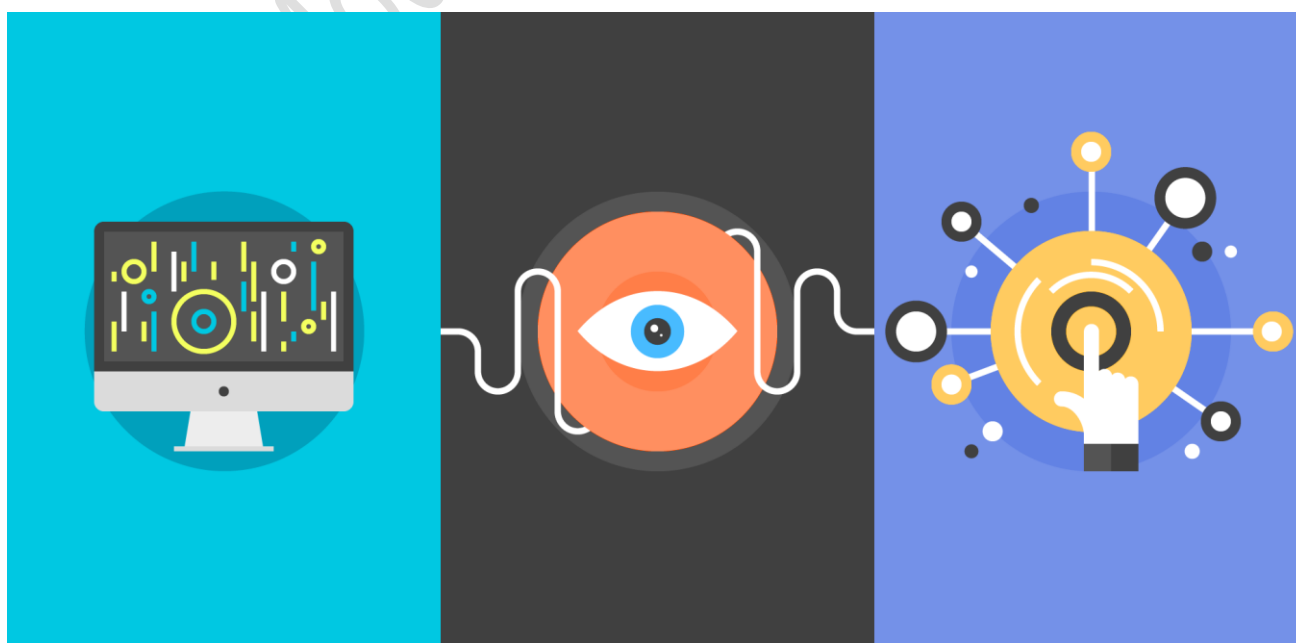
7.8 Financial Assistance and Incentives

Eligibility for availing financial support

Only AVGC-XR registered in the State can apply for the subsidies/incentives/grants available under this policy.

Location: The company or entity should be registered in the State under its Shops and Commercial Establishment Act or any other similar Act, or any Act which may be newly enacted for the AVGC sector

Employment: Company employs at least <xx> percent of its total workforce in the State, not including contractual employees.

Eligibility Criteria for availing Production Grants

- The applicant is incorporated in India, or is a partnership firm registered in India and is registered as an AVGC-XR company in the State
- The applicant must be the entity responsible for all activities involved in making the production in the State. Only one entity per production can be eligible for the grant
- At least <xx> percent of the qualified expenditure on the project should be incurred in the State by using locally employed talent
- Applications for co-productions are allowed but one of the applicant must be a producer from the State.
- The claim amount should be in proportion to the budget and/or the contract value of the production

Qualified Expenditure

- Costs and expenses incurred by the production house or content creator during the pre-production / production / post-production activities would be considered as Qualified Expenditure, subject to the following definitions –
  - cost of personnel working on the project/production
  - costs incurred for hire of studio and office space and utilities
  - hire of equipment / subscription fees for software used for the defined activity

The qualified expenditure should have been incurred within the State within the policy period.

Additionally, those production houses who are applying for international grants should ensure that the AVGC-XR company or its local subsidiary should be contracted by the international production house or content creator to execute the project. The international production house or content creator will receive the benefit of the incentive from the State's AVGC-XR company or its local subsidiary as the case may be.

An applicant seeking the grant will not be eligible for other film finance or tax incentives from the Govt. of the State in relation to the same screen production.

For international PDV activity (excluding games)

International projects undertaken by registered AVGC-XR companies in areas of animated feature films, animated TV series (with minimum of <xx> episodes), direct to DVD, CG ride films, VFX projects, and content creation for VR/AR/MR will be considered. This will be applicable for either content produced by the company and marketed in their brand name, or for content produced for another production house under a defined service contract.

Multinational companies and Indian subsidiaries of global (international) companies will be eligible to claim reimbursement for projects or only portion of projects qualified as 'high value chain work', such as -

- VFX / VR Projects (features as well as commercials)
- Animated Feature Films
- Animated Episodic Series
- Direct to DVD / Special Projects / Ride Films

Additional conditions for this grant include:

- Minimum project value of INR <xx> to qualify.
- For projects valued above INR <xx> but below INR <xx>, <xx> percent of their qualified expenditure will be reimbursed, up to a maximum of INR <xx> per project.
- The total reimbursement will be up to a maximum of INR <xx> for one company in a year, with a limit of <xx> sanctions per company per year.

For game art development projects

This grant is only applicable for international projects in the area of game art and development. The various conditions for this grant include:

- Minimum project value of INR <xx> to qualify.
- For projects valued above INR <xx> but below INR <xx>, <xx> percent of their qualified expenditure will be reimbursed, up to a maximum of INR <xx> per project.
- The total reimbursement will be up to a maximum of INR <xx> for one company in a year, with a limit of <xx> sanctions per company per year.

7.8.1 Reimbursement of duties: <xx>% reimbursement of stamp duty, transfer duty and registration fee paid by Animation, Visual effects, Gaming & Comics companies on sale / lease deeds on the first transaction. This incentive is available for Mega Projects also. This incentive is not available in case Government land is allotted.

7.8.2 Reimbursement of levies: <xx>% reimbursement of stamp duty, transfer duty and registration fee paid by Animation, Visual effects, Gaming & Comics companies on sale / lease deeds on the second transaction. This incentive is available for Mega Projects also. This incentive is not available in case Government land is allotted.

7.8.3 Power category: Admissibility of Industrial Power category tariff for Animation, Visual effects, Gaming & Comics Companies. This incentive is eligible for Mega Projects.

Additionally, AVCG company will be permitted to avail renewable energy under open access system after paying a nominal fixed cost component to DISCOMs as fixed by ERC, subject to a maximum of one third of their total power requirements.

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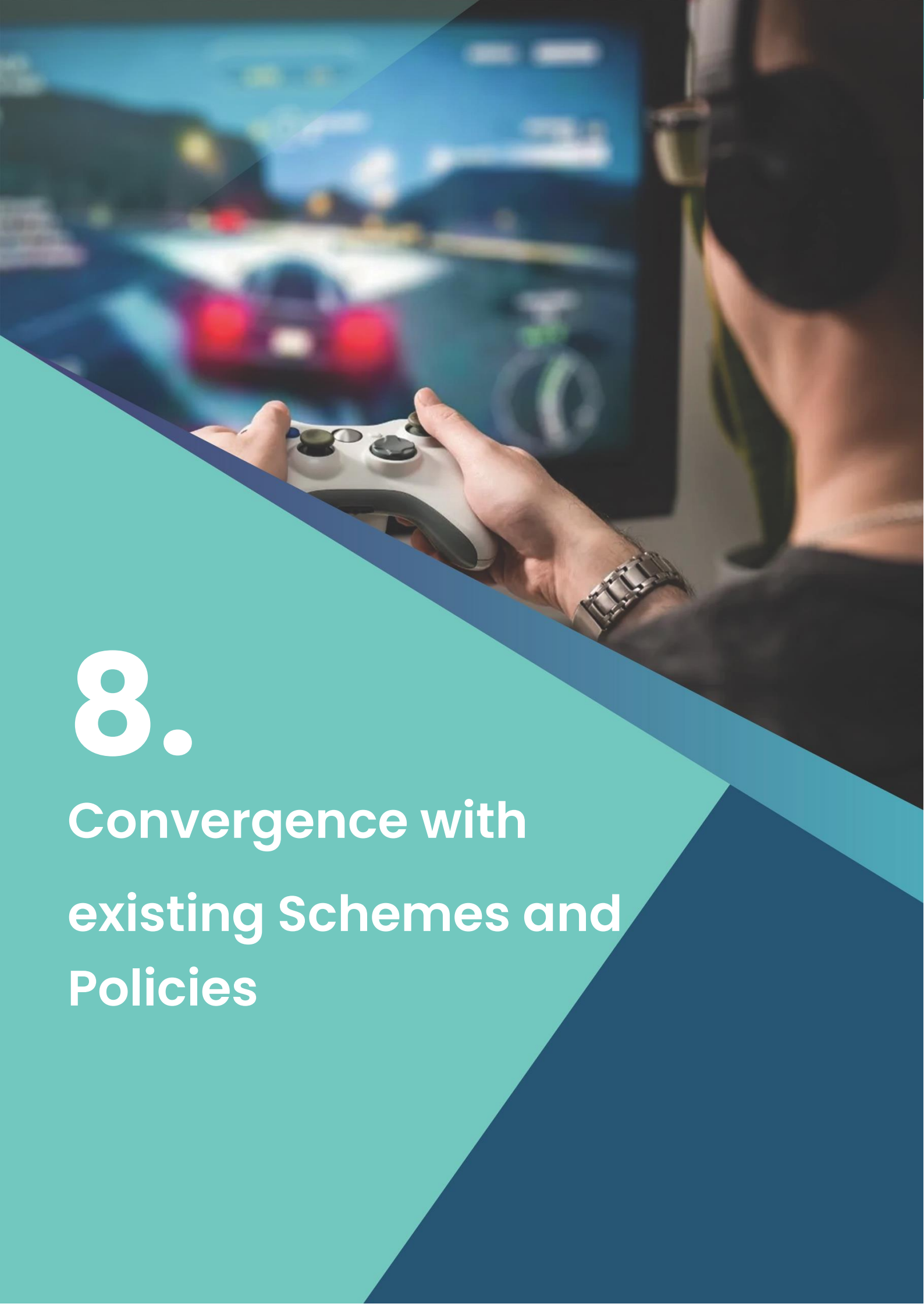
Convergence with existing Schemes and Policies

8. Convergence with existing Schemes and Policies

In India, the Media and Entertainment industry is transforming into a key driver of economic growth, both domestically and internationally, while simultaneously employing a significant portion of the population. In order to carve out the next growth story from India, an integration of educational, cultural, social, institutional, and economic infrastructure is essential, while focusing on policy initiatives.

Achieving successful implementation of this policy requires long-term vision and convergence among Central and State Government departments such as Ministry of Education (MoE), Ministry of Electronics and Information Technology (MietY), Ministry of Skill Development and Entrepreneurship (MSDE), Ministry of Commerce and Industry (MoC), etc. Many of the Government schemes converge to establish a robust & holistic environment for the AVGC-XR sector to achieve its expected growth potential.

Schemes	Ministry/ Dept.	Convergence
Fund of Funds with a Corpus of INR 10,000 crore	Startup India, DPIIT	Funding Support through Fund of Funds for Start-ups (FFS) of INR 10,000 crore shall be released over two Finance Commission cycles, that is, by the year 2025
Tax Exemption on Capital Gains	Startup India, DPIIT	Exemption shall be given to persons who have capital gains during the year, if they have invested such capital gains in the Fund of Funds recognized by the Government. This will augment the funds available to various VCs/AIFs for investment in Start-ups
Pradhan Mantri MUDRA Yojana (PMMY)	Department of Financial Services (DFS)	Loans up to Rs 10 lakh can be availed under the MUDRA scheme. MUDRA loans are disbursed in three categories as below: • Shishu - covering loans upto 50,000/-, interest subvention of 2% for period of 12 months • Kishor - covering loans above 50,000/- and upto 5 lakh • Tarun - covering loans above 5 lakh and upto 10 lakh

Tax Exemption to Start-ups for 3 years	Startup India, DPIIT	This fiscal exemption shall facilitate growth of business and meet the working capital requirements during the initial years of operations. The exemption shall be available subject to non-distribution of dividend by the Start-up
Start-up India Seed Fund Scheme	DPIIT	Start-up India Seed Fund Scheme (SISFS) has been introduced with an outlay of INR 945 Crore to provide financial assistance to start-ups for Proof of Concept, prototype development, product trials, market entry, and commercialization
Support for International Patent Protection in Electronics and & Information Technology (SIP-EIT)	Ministry Of Electronics & Information Technology	SIP-EIT is a scheme to provide financial support to MSMEs and Technology Start-up units for international patent filing to encourage innovation and recognize the value and capabilities of global IP along with capturing growth opportunities in ICTE sector
Procurement and Marketing Support Scheme (P&MS) Procurement and Marketing Support Scheme (P&MS)	Ministry of Micro, Small and Medium Enterprises	The scheme encourages Micro and Small Enterprises to develop domestic markets and find new ways of promotion of new market access initiatives. It will also cover activities required to facilitate market linkages for effective implementation of Public Procurement Policy for MSEs Order of 2012.
National Skill Certification & Monetary Reward (STAR scheme)	Ministry of Skill Development and Entrepreneurship	The scheme is for encouraging skill development among the youth by providing monetary rewards for successful completion of approved training programmes
Pradhan Mantri Kaushal Vikas Yojana	Ministry of Skill Development and Entrepreneurship	The objective of this Skill Certification Scheme is to enable a large number of Indian youths to take up industry-relevant skill training that will help them in securing a better livelihood. Individuals with prior

		learning experience or skills will also be assessed and certified under Recognition of Prior Learning (RPL)
Atal Innovation Mission (AIM)	NITI Aayog, GoI	AIM has taken a holistic approach to ensure creation of a problem-solving innovative mindset in schools and creating an ecosystem of entrepreneurship in universities, research institutions, private and MSME sector • Establishment of sector specific Incubators including in PPP mode • 500 Tinkering Labs • Pre-incubation training to potential entrepreneurs in various technology areas • Strengthening of incubation facilities • Mentoring of Start-ups • Seed funding to potentially successful and high growth Start-ups
Micro Exporters Policy	Department of Commerce	The Small Exporter's Policy is basically the Standard Policy, incorporating certain improvements in terms of cover, in order to encourage small exporters. • 12-month insurance policy • Premium payable will be determined on the basis of projected exports on an annual basis subject to a minimum premium of INR 5000 for the policy period. No claim bonus in the premium rate is granted every year at the rate of 5%. • For shipments covered under the Small Exporter's Policy ECGC will pay claims to the extent of 95% where the loss is due to commercial risks and 100% if the loss is caused by any of the political risks

Market Access Initiative (MAI)	Department of Commerce	The scheme is formulated on focus product-focus country approach to evolve specific market and specific product through market studies/survey. Assistance would be provided to Export Promotion Organizations/Trade Promotion Organizations/National Level Institutions/Research Institutions/Universities/Laboratories, Exporters etc., for enhancement of exports through accessing new markets or through increasing the share in the existing markets

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[2] FICII M&E Report 2022.

[3] https://www.statista.com/statistics/627855/india-market-size-of-animation-and-vfx-industry/

[4] FICII M&E Report 2022.

[5] FICII M&E Report 2022.

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[7] https://www.animationxpress.com/animation/indias-avgc-sector-can-seize-up-to-25-per-cent-of-global-market-share-by-2025/

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[10] https://inc42.com/buzz/gst-council-defers-decision-on-raising-tax-rate-for-online-gaming-to-28/#:~:text=According%20to%20a%20FICCI%20and,over%2070%25%20of%20segment%20revenues.

[11] https://economictimes.indiatimes.com/news/international/business/big-bang-growth-of-indias-gaming-industry/articleshow/92053190.cms

[12] https://bwgamingworld.com/india-among-top-5-global-markets-for-mobile-gaming-pm-modi/

[13] https://www.businesstoday.in/opinion/columns/story/the-avgc-sector-how-a-holistic-vision-here-can-make-india-a-global-content-leader-336784-2022-06-08

[14] As per FICCI estimates

[15] As per FICCI estimates

[16] As per FICCI estimates

[17] As per FICCI estimates

[18] As per FICCI estimates

[19] As per FICCI estimates

[20] As per FICCI estimates

[21] https://www.businesstoday.in/opinion/columns/story/the-avgc-sector-how-a-holistic-vision-here-can-make-india-a-global-content-leader-336784-2022-06-08