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Response to the public Consultation Paper on Inputs for Formulation of National Broadcasting  
Policy-2024

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## Part 1 – General Overview:

We express our gratitude to the Telecom Regulatory Authority of India (TRAI) for allowing stakeholders to share their insights on the Consultation Paper regarding the formulation of the "National Broadcasting Policy." Broadcasting stands as a vital component within India's dynamic Media and entertainment (M&E) sector, presenting significant growth potential. With 898 registered TV channels and 386 private radio channels serving 165 million TV households and over 200 million weekly radio listeners, there remains a considerable untapped market of around 90 million households yet to acquire a TV. This represents an annual opportunity of INR 23,490 crores, given an ARPU of INR 217.5. A conducive policy framework can catalyze for the broadcasting industry to capitalize on this potential, positioning India as a global leader in broadcasting. This aligns with the government's vision of achieving a USD 5 trillion Indian economy. The formulation of a National Broadcasting Policy (NBP) can play a pivotal role in fostering growth by outlining policy principles that guide the sector's development and enhance its contributions to the Indian economy.

Before delving into our recommendations and suggestions for the National Broadcasting Policy (NBP), we find it crucial to underscore our initial observations and emphasize certain guiding principles that should be adhered to during the drafting of the policy.

Firstly, a clear demarcation between the obligations of the public and private sectors is essential. Public broadcasters, especially in large and diverse democracies like India, hold a significant role in disseminating news and information. The growth and development of Prasar Bharati, encompassing Doordarshan and All India Radio services, are pivotal given its role in fulfilling public duty. The enduring presence of India's public broadcaster underscores its importance. It is imperative to avoid imposing overlapping mandates on the private sector, which operates distinctly. The Pre-Consultation Paper, in some of its stated objectives and considerations, seems to advocate for public broadcaster-like obligations across the entire sector. Blurring these distinct roles could limit the private sector's capacity to meet the creative demands of the broadcasting industry and the viewing community. Furthermore, additional burdens on the sector, if imposed, might hinder its growth potential. It is crucial to preserve the unique roles of the public and private sectors to foster a conducive environment for creative expression and industry expansion.

The National Broadcasting Policy (NBP) should recognize and respect the distinctions among various services. Although the Background section of the paper acknowledges that the "broadcasting sector consists of television and radio services," the proposed framework extends its scope to include digital media (both intermediaries and publishers of online curated content) and print media as "broadcasting services."

We have consistently communicated in various forums that Digital Intermediaries, including Multimedia and communication Over-The-Top (OTT) services, are already subject to regulation by the Ministry of Electronics and Information Technology (Meity) under relevant sections of the Information Technology Act, 2000 (IT Act, 2000). Placing these services under the purview of the Ministry of Information and Broadcasting (MIB) and the National Broadcasting Policy would result in regulatory overlap, creating unnecessary challenges for stakeholders.

Moreover, the consideration of "enabling convergence of IT, telecom, and broadcasting" raises concerns. It is essential to recognize that these are distinct sectors, each governed by differentiated regulations and legislation for valid reasons. While the IT and Telecom sectors operate under independent policies, namely the IT Act and the Indian Telegraph Act 1885, the NBP presents an opportunity to establish unique guidelines for the rapidly growing broadcasting sector, emphasizing creativity as its foundational pillar.

The bundling of diverse services such as cable TV and broadband in consumer offerings has led to the assumption of technological convergence. However, it is crucial to note that there are still technical distinctions between telecom, broadcasting, and digital services, including differences in infrastructure and mode of transmission, justifying their separate treatment. A recent decision by the Telecom Disputes and Settlement Appellate Tribunal (TDSAT) affirmed this distinction, asserting that an OTT service is not equivalent to a TV channel based on several differentiating factors and the separate laws governing each service. The NBP should take these distinctions into account to ensure a comprehensive and effective regulatory framework for the diverse landscape of media and communication services.

We advocate for the National Broadcasting Policy (NBP) to adopt a high-level policy framework that establishes foundational principles. This approach allows for the subsequent development of rules and guidelines within the established framework. Given the dynamic nature of the broadcasting sector and the involvement of diverse stakeholders, a high-level framework is crucial for adapting to the rapidly changing technological environment. Prescriptive measures or strategies, if overly specific, would hinder the NBP from being a policy that can effectively guide the broadcasting sector not only in the present but also through future technological advancements and beyond.

As an illustration, detailed measures about grievance redressal mechanisms need not be explicitly stipulated in the policy. Instead, the NBP should focus on articulating the objective behind incorporating grievance redressal within a self-regulatory framework, aligning it with

Constitutional principles. This ensures that the NBP remains a forward-looking and adaptable policy, capable of addressing the evolving needs and challenges of the broadcasting sector over time.

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## Part II – Detailed Submissions:

Q1. Stakeholders are requested to provide their inputs in framing the Preamble, Vision, Mission and Broad Objectives for the formulation of the National Broadcasting Policy (NBP).

Our Response:

Preamble and Vision:

To formulate a forward-looking vision for India's broadcasting industry, aiming to position the nation as an unparalleled, globally recognized, and influential broadcasting hub.

The cumulative impact of the industry, both in terms of its direct and indirect economic contributions through connections to the vibrant Indian creative economy, live events, brands, and sectors like tourism, along with its evident social contributions in disseminating information, knowledge, and entertainment, is already unparalleled.

Hence, this policy is conceived as a catalyst for robust sectoral growth, emphasizing the necessity for broadcasting to truly break new ground and unleash its global potential by leveraging our talent, markets, and the adoption of innovative technologies as steppingstones. Coupled with potent market forces and well-calibrated, agile regulation, the Indian broadcasting industry becomes an unstoppable force.

Mission:

This policy aims to achieve the following objectives:

- Foster a dynamic and resilient broadcasting sector supported by a conducive ecosystem for content creation, capable of catering to the diverse content preferences of Indian citizens, providing news, reliable information, and high-quality entertainment in multiple languages.
- Cultivate a globally competitive and growth-focused broadcasting sector characterized by improved ease of doing business, state-of-the-art infrastructure, seamless market entry, cutting-edge distribution technology, heightened content security, and a cooperative and collaborative ecosystem.

Goals and Strategies:

The policy sets forth objectives to double the contribution of the broadcasting sector to the Indian economy by 2047, measured in terms of revenue (as a share of GDP), employment, and export value (as a share of total exports). The following sections outline desired outcomes and strategies to realize these growth-oriented objectives:

#### Goal 1: Assessing the Broadcasting Sector's Economic Impact

(Rationale: This policy marks the first dedicated effort to address the broadcasting sector, necessitating precise government-set targets. While estimates exist for TV and radio content services, there is a gap in assessing the economic contribution of infrastructure and distribution service providers.)

Strategies:

1. Undertake economic research to gauge the sector's current and potential contribution to the GDP.
2. Quantify the intangible contributions of broadcasting to the information and knowledge economy through qualitative methods.
3. Collaborate with industry stakeholders and experts to establish future targets for TV and radio, building upon current estimates.

#### Goal 2: Expanding the Size and Reach of the Broadcasting Value Chain through Investment Promotion

(Rationale: This policy's essence should be firmly rooted in creating a favorable investment environment, as market-driven growth stands as the most potent means to realize the goals outlined in the preamble. Additionally, an investment-focused policy is likely to minimize disruption in terms of subsequent legal-regulatory obligations and is the current imperative. This approach mirrors the ethos of the National Policy on Software Products, 2019.)

Strategies:

1. Develop an investor toolkit that maps broadcasting supply chains along with relevant rules and regulations.
2. Establish an enabling framework guided by principles of regulatory forbearance and light-touch intervention to stimulate sectoral investments.
3. Ensure policy and regulatory stability through the management of market expectations and transparent public consultations.

4. Set up a liaison cell within the Ministry to provide support to investors in broadcasting beyond a predefined threshold.
5. Review sectoral investment laws and thresholds to level the playing field for investing in the Indian market.
6. Review public consultation and inter-ministerial coordination guidelines/practices to align them with global best practices and foster greater transparency.
7. Commission market studies to identify potential barriers to market entry and assess the effectiveness of existing regulations.

Goal 3: Enhancing Sector-Specific Institutional Capacity to Tackle Existing and Emerging Challenges (Rationale: The establishment of institutional capacity to address unique concerns encountered by content services and distribution networks is imperative for effective and responsive sectoral regulation.)

Strategies:

1. Develop specialized capacity to address concerns in content services, emphasizing value generation through content production and exports.
2. Develop specialized capacity to address concerns in distribution networks, focusing on expanding access and ensuring high standards of Quality of Service (QoS) for consumers.
3. Maintain distinct principles and treatment for content regulation and carriage regulation.
4. Review the administrative jurisdiction of TV and radio regulation, harmonizing sectoral regulation to avoid duplicity and parallel regulatory regimes.
5. Encourage the growth potential of new technologies through light-touch regulation.
6. Align and simplify regulatory objectives to enhance efficiencies and ensure competitiveness in the sector.

Goal 4: Nurturing the Development of Cutting-Edge Broadcasting Infrastructure Across All Relevant Supply Chains

(Rationale: The policy aims to attract infrastructure investment, facilitate technology upgrades, ensure efficient utilization of existing infrastructure, promote public-private partnerships, and bolster the Make in India initiative.)

Strategies:

1. Grant infrastructure status to broadcasting distribution platforms and services to expedite infrastructural convergence in alignment with the National Digital Communications Policy (NDCP) 2018.
2. Investigate production-linked incentives for the manufacturing of high-value broadcasting equipment, aligning with the objectives of the National Policy on Electronics.
3. Identify underpenetrated areas to expand connectivity and access to broadcast channels, utilizing fiscal support.
4. Collaborate with research institutions to explore emerging broadcast technology and their use-cases, encouraging research on technologies for enhanced network management and quality of service.
5. Evaluate future bandwidth requirements in consultation with broadcasting sector stakeholders to ensure orderly spectrum management.
6. Establish Centers of Entrepreneurship (COEs) and technology incubators focusing on Audio-Visual Gaming and Computer Graphics (AVGC) related technology at Software Technology Parks of India (STPI).
7. Facilitate sandbox testing of emerging broadcast technologies.

#### Goal 5: Promoting Robust Audience Measurement for Enhanced Transparency and Standards in TV and Radio Broadcasting

1. Institute a procedure for accrediting or empaneling rating agencies for audience measurement.
2. Formulate model governance standards/voluntary codes of practices for rating agencies, ensuring fairness, neutrality, and transparency.
3. Establish standards for publishing data to guarantee its transparent availability to all value chain stakeholders and create a mechanism for auditing compliance.

#### Goal 6: Reinforcing Grievance Redressal & Consumer Feedback Loops

(Strategy: Enhancing Quality of Service (QoS) is crucial to TV's sustained competitiveness against emerging platforms. Greater accountability to consumers ensures sustainability.)

Strategies:

1. Explore avenues to enhance the Quality of Experience (QoE) for the audience/viewers through consultation with a diverse spectrum of stakeholders from the industry and civil society, utilizing data from consumer surveys and other feedback loops.
2. Foster transparency and accountability in co-regulatory mechanisms for content.
3. Conduct consumer awareness programs, emphasizing QoS regulations, grievance redressal processes, and consultation mechanisms.
4. Evaluate existing levels of access to and discoverability of broadcast content on various distribution platforms to gauge the prominence given to consumer choice.

#### Goal 7: Re-envisioning the Role of the Private Sector in Broadcasting

(Rationale: Balancing the need to reduce public interest obligations on the private sector with a simultaneous emphasis on stakeholder responsibility, recognizing the significant societal impact of the broadcast medium.)

#### Strategies:

1. Facilitate accessibility for persons with disabilities on all broadcast mediums, aligning with available technologies, industry best practices, and phased and proportionate obligations.
2. Collaborate and engage with industry stakeholders to establish activity-based regulation for new-age technologies/mediums, proactively addressing risks and mitigating societal harm.
3. Strengthen transparency mechanisms such as audits and voluntary reporting across the broadcasting value chain, enhancing consumer welfare and market competitiveness.

#### Economy Measures and Contribution

**Q2. There exist data gaps in ascertaining contribution towards economy, revenue generation, employment generation, subscription figures etc. in the broadcasting sector which relies heavily on industry studies to carry out research and estimates. What should be the parameters, targets and institutional framework for measurement? Provide your comments with detailed justification. Also provide the indicative metrics used for calculating the targeted figures, if possible. Universal Reach, Indigenous Manufacturing, Skill development and Startups ecosystem.**

#### Our Response:

Measuring the contribution of the broadcasting sector to the economy, revenue generation, employment, and other key metrics is crucial for understanding its impact and making informed policy decisions. Establishing comprehensive parameters, targets, and an institutional framework



for measurement requires careful consideration of various factors. Here's a breakdown of each aspect:

### 1. Parameters for Measurement:

a. **Economic Contribution:** This can be measured through direct and indirect contributions to GDP, including revenue generated by broadcasting companies, advertising spending, and multiplier effects on related industries.

b. **Revenue Generation:** Tracking revenue streams such as advertising revenue, subscription fees, content licensing, and merchandise sales.

c. **Employment Generation:** Quantifying both direct employment within the broadcasting sector (e.g., broadcasters, producers, technicians) and indirect employment in supporting industries.

d. **Subscription Figures:** Monitoring the number of subscribers to broadcasting services, including cable, satellite, and streaming platforms.

### 2. Targets:

a. **Economic Growth:** Set targets for increasing the broadcasting sector's contribution to GDP over time, aiming for sustainable growth aligned with broader economic goals.

b. **Revenue Targets:** Establish goals for revenue generation, taking into account market trends, competition, and technological advancements.

c. **Employment Targets:** Aim to create and sustain jobs within the broadcasting industry, focusing on skills development and diversity in the workforce.

d. **Subscription Goals:** Set targets for expanding subscription bases, considering factors like market penetration, pricing strategies, and content offerings.

### 3. Institutional Framework:

a. **Government Agencies:** Establish regulatory bodies or agencies tasked with overseeing the broadcasting sector and collecting data for analysis.

b. **Industry Associations:** Collaborate with industry associations to gather data, set standards, and promote transparency in reporting.

c. **Research Institutions:** Engage academic institutions and research organizations to conduct independent studies and provide expertise in data collection and analysis.

d. Data Sharing Platforms: Create platforms for sharing data and best practices among stakeholders to enhance transparency and facilitate informed decision-making.

4. Indicative Metrics:

a. Universal Reach: Measure audience reach across different demographics and geographical regions through viewership ratings, online analytics, and audience surveys.

b. Indigenous Manufacturing: Track the production and distribution of broadcasting equipment and technology, as well as investments in domestic manufacturing capabilities.

c. Skill Development: Monitor training programs, certifications, and workforce development initiatives aimed at enhancing skills relevant to the broadcasting industry.

d. Startups Ecosystem: Assess the number of startups entering the broadcasting sector, funding raised, and innovations introduced, as well as their impact on industry dynamics and competitiveness.

Justification:

Accurate measurement of the broadcasting sector's contribution is essential for informed decision-making, policy formulation, and resource allocation. By establishing clear parameters, targets, and an institutional framework for measurement, stakeholders can effectively assess performance, identify areas for improvement, and promote the sustainable growth of the industry. Additionally, using indicative metrics provides a standardized approach to measurement, ensuring consistency and comparability across different segments of the broadcasting sector.

**Q3. Please suggest the strategies to be adopted by the Government and industry for propelling the growth of broadcasting sector w.r.t. the following: i. Provisioning of affordable television services in 'TV Dark' households; ii. Augmenting R&D capabilities and promoting indigenous manufacturing of broadcasting equipment; iii. Employment generation with emphasis on skill development; iv. Promotion of innovation led Start-ups and SMEs; v. Any other related area/strategy Please elaborate with detailed reasoning. India as a Content and Uplinking Hub**

**Our Response:**

Here are strategies for propelling the growth of the broadcasting sector, focusing on the mentioned aspects:

i. Provisioning of Affordable Television Services in 'TV Dark' Households:

a. **Subsidized Set-Top Boxes (STBs):** The government can subsidize the cost of STBs for households in rural and underserved areas to make them more affordable.

b. **Community Viewing Centers:** Establish community viewing centers equipped with television sets and satellite receivers, allowing multiple households to access television services at a lower cost.

c. **Mobile TV Services:** Encourage the adoption of mobile TV services through affordable data plans and partnerships with mobile network operators, especially in areas with limited access to traditional TV services.

d. **Public-Private Partnerships (PPPs):** Collaborate with private broadcasters and service providers to deploy cost-effective solutions tailored to the needs of 'TV dark' households, leveraging existing infrastructure and expertise.

ii. **Augmenting R&D Capabilities and Promoting Indigenous Manufacturing:**

a. **Research Grants and Incentives:** Provide funding and tax incentives to encourage research and development in broadcasting technologies, including signal processing, content delivery, and interactive services.

b. **Technology Incubators:** Establish technology incubators and innovation hubs focused on broadcasting equipment and services, providing support to startups and fostering collaboration between academia and industry.

c. **Technology Parks:** Create dedicated technology parks or zones for manufacturing broadcasting equipment, offering infrastructure support, streamlined regulatory processes, and access to skilled labor.

d. **Standards Development:** Support the development of industry standards for broadcasting equipment and technologies, facilitating interoperability, compatibility, and innovation in the ecosystem.

iii. **Employment Generation with Emphasis on Skill Development:**

a. **Skill Development Programs:** Launch vocational training programs and certification courses in collaboration with industry partners to develop a skilled workforce for the broadcasting sector, covering areas such as production, broadcasting engineering, and content creation.

- b. **Internship and Apprenticeship Programs:** Facilitate industry-academia partnerships to provide hands-on training and work experience opportunities for students and graduates, bridging the gap between education and employment.
- c. **Career Counseling and Placement Services:** Offer career counseling services and job placement assistance to aspiring professionals, highlighting the diverse career opportunities available in the broadcasting sector.
- d. **Inclusive Hiring Practices:** Promote diversity and inclusion in the workforce by implementing inclusive hiring practices and providing equal opportunities for underrepresented groups, including women and minorities.

iv. **Promotion of Innovation-led Start-ups and SMEs:**

- a. **Startup Incubation Programs:** Establish startup incubators and accelerators focused on broadcasting and media technology, offering mentorship, funding, and networking opportunities to early-stage ventures.
- b. **Seed Funding and Venture Capital:** Provide seed funding and venture capital support to promising startups in the broadcasting sector, enabling them to develop innovative products and services and scale their operations.
- c. **Industry Collaboration Platforms:** Facilitate collaboration between startups/SMEs and established industry players through innovation challenges, hackathons, and joint R&D projects, fostering knowledge exchange and technology transfer.
- d. **Regulatory Support:** Streamline regulatory processes and provide regulatory clarity for startups and SMEs operating in the broadcasting sector, reducing barriers to entry and enabling faster time-to-market for innovative solutions.

v. **India as a Content and Uplinking Hub:**

- a. **Content Production Incentives:** Introduce incentives and subsidies for domestic content production, including films, TV shows, and digital content, to promote India as a content hub and attract investment in creative industries.
- b. **Uplinking Infrastructure Development:** Invest in uplinking infrastructure, satellite facilities, and teleports to enhance India's capabilities as a broadcasting hub, enabling efficient distribution of content to domestic and international markets.
- c. **Content Exchange Agreements:** Foster partnerships and content exchange agreements with international broadcasters and streaming platforms to promote cross-border collaboration and distribution of Indian content globally.

d. Export Promotion: Launch export promotion initiatives and trade missions to showcase Indian broadcasting content, technology, and services to global markets, facilitating business opportunities and foreign exchange earnings.

**Q4. What other policy and regulatory measures should be adopted in the policy for creation and expansion of quality Indian content to make India the ‘Global Content Hub’? Further, suggest how to extend 73 support to local talents and content developers in terms of training, infrastructure and incentives. Provide your comments with detailed explanation.**

**Our Response:**

To make India a global content hub and support local talents and content developers, several policy and regulatory measures can be adopted:

1. Content Creation and Distribution Policies:

a. Content Quotas: Implement quotas mandating broadcasters and streaming platforms to air a certain percentage of Indian content, encouraging the production and promotion of local content.

b. Content Fund: Establish a content creation fund to finance the development of high-quality Indian content across various genres and formats, supporting both established and emerging content creators.

c. Co-Production Agreements: Formulate co-production agreements with other countries to facilitate collaborative projects, enabling Indian content creators to access international markets and resources.

d. Content Localization: Encourage the localization of global content by dubbing or subtitling in regional languages, broadening its appeal and accessibility to Indian audiences.

2. Infrastructure and Support for Local Talent:

a. Training Programs: Develop specialized training programs and workshops for aspiring content creators, providing them with the necessary skills and knowledge to excel in the industry.

b. **Content Incubators:** Establish content incubators and production hubs equipped with state-of-the-art facilities and resources, fostering creativity, collaboration, and innovation among local talents.

c. **Digital Platforms for Talent Showcase:** Create online platforms and marketplaces where local talents can showcase their work, connect with potential collaborators, and access funding and distribution opportunities.

d. **Networking Events and Festivals:** Organize industry events, film festivals, and networking forums to facilitate interaction and collaboration between local talents, industry professionals, and international stakeholders.

### 3. Incentives and Recognition:

a. **Tax Incentives:** Introduce tax incentives and rebates for investments in content production, distribution, and infrastructure development, incentivizing private sector participation and innovation.

b. **Content Awards and Grants:** Establish national and regional content awards recognizing excellence in various categories, providing incentives and recognition to talented content creators and producers.

c. **Content Development Grants:** Offer grants and financial support to promising content developers and startups, enabling them to develop and produce original and innovative content.

d. **Public-Private Partnerships (PPPs):** Foster partnerships between the government, industry, and non-profit organizations to support local talent development initiatives, leveraging resources and expertise from multiple stakeholders.

By implementing these policy and regulatory measures, India can create an enabling environment for the creation and expansion of quality Indian content, positioning itself as a global content hub and nurturing a vibrant ecosystem of local talents and content developers. Moreover, extending the provisions of the 73rd Amendment Act, which empowers local self-governments (Panchayats) and urban local bodies, can further support local talents and content developers in the following ways:

1. **Training and Skill Development:** Local self-governments can collaborate with educational institutions and industry associations to organize training programs and skill development

initiatives tailored to the needs of aspiring content creators and technicians at the grassroots level.

2. Infrastructure Development: Utilizing funds allocated under the 73rd Amendment Act, local self-governments can invest in the development of community media centers, production studios, and digital libraries, providing infrastructure support to local talents and content developers.

3. Incentives and Subsidies: Local self-governments can offer incentives and subsidies to encourage the production and distribution of locally relevant content, promoting cultural diversity and community participation in media and entertainment.

4. Promotion and Awareness Campaigns: Local self-governments can launch promotional campaigns and awareness programs to highlight the importance of local content and indigenous cultural expressions, fostering pride and appreciation for local talent and creativity.

Overall, leveraging the provisions of the 73rd Amendment Act in conjunction with national policies and initiatives can enhance support for local talents and content developers, facilitating their participation and contribution to the growth and development of India's media and entertainment industry.

**Q5. Suggest the measures to promote the uplinking of television channels owned by foreign companies from India, which is now permitted by the Government to make India an 'Uplinking Hub'. Public Service Broadcasting**

**Our Response:**

To promote the uplinking of television channels owned by foreign companies from India and position the country as an uplinking hub, several measures can be undertaken:

1. Streamlined Regulatory Procedures:

a. Single-Window Clearance: Establish a single-window clearance mechanism for obtaining uplinking licenses, simplifying the regulatory process and reducing bureaucratic hurdles for foreign-owned channels.

b. Fast-Track Approvals: Implement expedited approval procedures for foreign-owned channels, ensuring quick turnaround times for license applications and regulatory compliance.

c. Transparent Guidelines: Publish clear and transparent guidelines outlining the regulatory requirements and eligibility criteria for uplinking licenses, providing certainty and clarity to foreign investors.

## 2. Investment Incentives:

a. **Tax Incentives:** Offer tax incentives and concessions to foreign-owned channels uplinking from India, including exemptions on import duties for broadcasting equipment and infrastructure.

b. **Investment Promotion Policies:** Develop investment promotion policies targeting foreign media companies, highlighting the benefits of uplinking from India, such as access to a large and diverse market, skilled workforce, and favorable business environment.

c. **Financial Support:** Provide financial support and incentives, such as grants, subsidies, or low-interest loans, to foreign-owned channels investing in infrastructure development and content production in India.

## 3. Infrastructure Development:

a. **Uplinking Facilities:** Invest in state-of-the-art uplinking facilities, satellite teleports, and broadcasting infrastructure to support the needs of foreign-owned channels, ensuring reliable and high-quality transmission services.

b. **Digital Connectivity:** Improve digital connectivity and broadband infrastructure nationwide to facilitate seamless uplinking and distribution of content for foreign-owned channels, enabling efficient content delivery to global audiences.

c. **Satellite Capacity Allocation:** Allocate satellite capacity and frequencies to accommodate the uplinking requirements of foreign-owned channels, ensuring sufficient bandwidth and coverage for their transmission needs.

## 4. Industry Collaboration and Partnerships:

a. **Public-Private Partnerships (PPPs):** Foster partnerships between government agencies, satellite operators, and private broadcasters to develop integrated uplinking solutions and support services for foreign-owned channels.

b. **Technology Transfer** Facilitate technology transfer and knowledge sharing between Indian and foreign media companies, promoting collaboration on content production, distribution, and broadcasting technologies.

c. **Content Exchange Agreements:** Negotiate content exchange agreements and partnerships between Indian and foreign broadcasters, enabling cross-border distribution of content and fostering cultural exchange and diversity.

## 5. Regulatory Framework for Public Service Broadcasting (PSB):



- a. **PSB Mandate:** Enforce a clear mandate for public service broadcasting, emphasizing the importance of providing informative, educational, and culturally enriching content to the public.
- b. **Funding Mechanisms:** Establish sustainable funding mechanisms for public service broadcasters, including government grants, public subsidies, and partnerships with non-profit organizations and philanthropic foundations.
- c. **Independent Oversight:** Ensure the independence and autonomy of public service broadcasters through robust governance structures, transparent funding mechanisms, and safeguards against political interference.
- d. **Diverse Content Offerings:** Promote diversity and inclusivity in public service broadcasting by offering a wide range of content that reflects the needs and interests of diverse audiences, including marginalized communities and minority groups.

By implementing these measures, India can attract foreign-owned channels to uplink from its territory, establish itself as an uplinking hub, and promote public service broadcasting to fulfill its mandate of serving the public interest and promoting cultural diversity and plurality.

**Q6. What broad guiding principles, measures and strategies should be considered in the NBP to strengthen India's public service broadcaster (i.e. Prasar Bharati) to promote quality content creation, dissemination of DD and AIR channels and maximizing its global outreach? Also suggest, what support and measures should be provided for the proliferation of television and radio broadcasting services provided by the public service broadcaster in fulfilment of its mandate? Various Segments of the Sector**

**Our Response:**

To strengthen India's public service broadcaster, Prasar Bharati, and promote quality content creation, dissemination of DD (Doordarshan) and AIR (All India Radio) channels, as well as maximize its global outreach, several broad guiding principles, measures, and strategies can be considered:

**1. Autonomy and Accountability:**

- a. **Enhanced Autonomy:** Ensure greater autonomy for Prasar Bharati in its day-to-day operations, including editorial independence and financial autonomy, to foster creativity, innovation, and responsiveness to audience needs.

b. **Accountability Mechanisms:** Implement robust accountability mechanisms, including performance evaluation frameworks, transparency in decision-making processes, and mechanisms for stakeholder feedback and grievance redressal.

## 2. Quality Content Creation:

a. **Content Diversification:** Promote the production and dissemination of diverse and culturally rich content across genres, languages, and formats to cater to the diverse interests and preferences of audiences.

b. **Investment in Production Facilities:** Upgrade production infrastructure and facilities to support high-quality content creation, including studios, post-production facilities, and digital content production capabilities.

c. **Talent Development:** Invest in talent development initiatives, including training programs, workshops, and collaborations with industry experts, to nurture a pool of skilled content creators, producers, and technicians.

## 3. Dissemination of Channels:

a. **Digital Transition:** Accelerate the digital transition of DD and AIR channels, including terrestrial, satellite, and online platforms, to enhance accessibility and reach across diverse audience segments.

b. **Multiplatform Distribution:** Expand multiplatform distribution strategies, including mobile apps, OTT platforms, and social media channels, to reach audiences anytime, anywhere, and on any device.

c. **Localized Content:** Tailor content offerings to local preferences and interests, including regional language programming and community-specific initiatives, to enhance relevance and engagement with audiences.

## 4. Maximizing Global Outreach:

a. **International Broadcasting:** Strengthen international broadcasting services, including satellite TV and radio, shortwave radio, and online streaming, to reach global audiences and promote India's culture, values, and perspectives.

b. **Global Partnerships:** Forge strategic partnerships and collaborations with international broadcasters, content creators, and media organizations to co-produce and distribute content, exchange expertise, and expand global reach.

c. **Brand Promotion:** Enhance branding and marketing efforts to raise awareness of DD and AIR channels internationally, highlighting unique content offerings, cultural diversity, and the public service mission of Prasar Bharati.

Support and measures for the proliferation of television and radio broadcasting services provided by Prasar Bharati can be tailored to various segments of the sector:

1. **Terrestrial Broadcasting:**

a. **Infrastructure Expansion:** Invest in infrastructure development, including transmitter networks, towers, and equipment upgrades, to expand coverage and improve signal quality for terrestrial broadcasting services.

b. **Audience Research:** Conduct audience research and surveys to understand viewer preferences and behaviors, informing content planning and scheduling decisions for terrestrial channels.

2. **Satellite Broadcasting:**

a. **Satellite Capacity:** Secure satellite capacity and transponder leases to ensure reliable and uninterrupted distribution of DD channels via satellite, optimizing coverage and reach across diverse geographical regions.

b. **Channel Bouquets:** Bundle DD channels into thematic bouquets and packages to enhance value proposition for satellite TV viewers, catering to different audience segments and interests.

3. **Digital Broadcasting:**

a. **OTT Platforms:** Develop and launch OTT platforms and apps offering live streaming, catch-up TV, and on-demand content from DD channels, providing flexibility and convenience to digital-savvy audiences.

b. **Digital Radio:** Expand digital radio services, including DRM (Digital Radio Mondiale) and DAB (Digital Audio Broadcasting), to offer high-quality audio content and interactive services to radio listeners.

4. **Community Broadcasting:**

a. **Community Radio:** Facilitate the establishment and operation of community radio stations, providing training, licensing support, and technical assistance to local communities to amplify their voices and address grassroots issues.

b. Public-Private Partnerships: Foster partnerships with NGOs, educational institutions, and civil society organizations to support community radio initiatives, including content production, programming, and community engagement.

By adopting these principles, measures, and strategies, Prasar Bharati can strengthen its role as a public service broadcaster, enhance the quality and reach of its content, and effectively fulfill its mandate to inform, educate, and entertain audiences across India and around the world.

**Q9. Online gaming being a rising sector holds potential for contributing to economy, what policy and regulatory aspects should be adopted for the orderly growth of online gaming in India? Further, suggest measures to support local game developers to compete and grow. Also suggest safeguards to protect general public (especially 74 underage players) from negative and psychological side effects, while promoting healthy gaming.**

**Our Response:**

**A. Definitions in the CP must be aligned with definitions used in the extant framework under the Information Technology Act, 2000.**

1. The Consultation Paper seeks to differentiate between online gaming and online gambling in para 2.81. Online gaming is defined as participation in an online game using the internet, and online gambling as ‘*placing bets or wagers on games and events to win money*’. The CP should use definitions under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (as amended in 2023) to avoid inconsistency and policy uncertainty that may stem from it.
2. Under Section 2(ii)qa an online game” means *a game that is offered on the Internet and is accessible by a user through a computer resource or an intermediary*. Under Section 2(ii)qd “online real money game” means *an online game where a user makes a deposit in cash or kind with the expectation of earning winnings on that deposit*. There is no legal definition of online gambling, and therefore TRAI must refrain from using the term in its recommendations on the NBP.
3. The distinction between gaming and gambling is primarily based on whether outcomes in a game are determined by the player’s skill or chance. The involvement of money does not change the nature of the game. It is only the element of predominance of chance or skill that determines whether the activity is online gaming or online gambling.

**B. Online gaming is already regulated by MeitY and there is no need for additional policy intervention by TRAI or MIB.**

4. The Ministry of Electronics and Information Technology (MeitY) regulates online gaming as per the Allocation of Business Rules, 1961 after the government published Amendment series no. 370 on 23 December 2022. MeitY deals with policy and regulatory matters related to online gaming and administers the 2021 IT Rules. It is an occupied field and there is no need for more policy and regulatory treatment from another regulator or Ministry.

**C. Online gaming is one of the fastest growing sectors with great potential for value generation.**

5. Online gaming is one of the fastest growing segments within India's M&E industry. As per an EY report, it overtook filmed entertainment, to become the fourth largest segment within M&E.<sup>1</sup> The online gaming segment had a market size of INR 164 billion (~USD 1.96 billion) in FY 23. It employs around 100,000 individuals with a potential to employ 250,000 by 2025. The online gaming sector attracted INR 23 billion worth of investments from both domestic and global sources.<sup>2</sup> Further, there were 442 million online gamers in India, making India the second highest country in terms of user base, after China.<sup>3</sup> Despite the huge user base and investment opportunities, India's online gaming segment constitutes a mere 1.1% of the global online gaming revenue.<sup>4</sup>
6. A stable regulatory and legal framework is necessary for the online gaming sector to thrive. Currently the sector lies in a regulatory limbo spread across different line Ministries. Moreover, while the sector was waiting for the government to institute self-regulation bodies and bring new regulations (IT Rules 2023) into operation, it was hit by GST Council's taxation decisions. Regulatory certainty in the sector can lead to more investment

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<sup>1</sup> EY - FICCI Report, available at: [https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_in/topics/media-and-entertainment/2024/03/ey-in-india-s-media-entertainment-sector-is-innovating-for-the-future-03-2024-v3.pdf#page=12](https://assets.ey.com/content/dam/ey-sites/ey-com/en_in/topics/media-and-entertainment/2024/03/ey-in-india-s-media-entertainment-sector-is-innovating-for-the-future-03-2024-v3.pdf#page=12)

<sup>2</sup> EY, New frontiers Navigating the evolving landscape for online gaming in India (December 2023), pg 6,9, and 14, available at: [https://www.ey.com/en\\_in/news/2023/12/india-s-online-gaming-market-to-reach-inr-16428-crore-in-fy-23-to-enable-250000-jobs-in-india-by-2025-ey-report](https://www.ey.com/en_in/news/2023/12/india-s-online-gaming-market-to-reach-inr-16428-crore-in-fy-23-to-enable-250000-jobs-in-india-by-2025-ey-report)

<sup>3</sup> Dewangi Sharma, Gaming Culture in India: A Rising Phenomenon, Invest India (08 December 2023), available at: <https://www.investindia.gov.in/team-india-blogs/gaming-culture-india-rising-phenomenon#:~:text=In%202023%2C%20the%20number%20of,are%20avid%20and%20regular%20players.>

<sup>4</sup> *Supra* note 2 pg 12.

opportunities in local gaming companies, create employment and contribute revenue to the exchequer.

**D. Policy and regulatory aspects should be adopted for the orderly growth of online gaming in India.**

7. The government established an Inter-Ministerial Task Force (IMTF) in 2022, comprising seven secretaries from various ministries, with the mandate to analyse and propose recommendations on the regulatory framework for online gaming. Following the submission of the IMTF report, the Cabinet Secretary made amendments to the Allocation of Business Rules, assigning the subject matter of online gaming to MeitY, and esports to the Ministry of Youth Affairs and Sports.
8. MeitY introduced amendments to the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 to establish a regulatory framework for online gaming based on the IMTF Report.
9. The amended rules have a two-tier regulatory approach for online gaming: Tier 1 involves self-compliance, due diligence, and grievance redressal by the online gaming intermediaries. Tier 2 includes Self-Regulatory Bodies (SRBs) notified by MeitY, operating within guardrails under the Rules. These rules are specifically applicable to permissible online real money games, which SRBs will verify if the game does not involve wagering on outcomes and follows due diligence requirements under the IT Rules. As per the Rules, SRBs will develop a framework to protect users from risks like addiction and financial loss. However, the Ministry is yet to notify SRBs and implement the Rules.
10. The government also passed the Finance Act 2023, which creates distinct tax liability for online gaming vis-a-vis lottery, gambling and betting. Section 194BA was introduced to impose TDS on net winnings in online games, while Section 115BBJ imposed income tax on online gaming separate from lottery, gambling and betting which are taxed under 115BB. The regulatory intent behind introducing these provisions was to show a distinction in the treatment by the law between online gaming and lottery, gambling, and betting.
11. Additionally, ministries like the Ministry of Information and Broadcasting and the Central Consumer Protection Authority (CCPA) under the Ministry of Consumer Affairs have issued advisories directing broadcasting and streaming services from not showcasing advertisements of gambling services.
12. However, the IT Rules are yet to be implemented and, in its absence, there is no visible distinction between online real money games that are legal, and bad actors who offer illegal betting and gambling applications to Indian consumers.

**E. Need for a new policy and regulatory approach towards gaming.**

13. In addition to the existing two-tier regulatory structure outlined in the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, MeitY could explore several other regulatory models to further enhance the regulatory framework for online gaming in India. One potential model is a three-tier regulatory framework akin to the one established for Online Curate Content Platforms under the IT Rules 2021.
14. This model would involve the establishment of an internal body within each gaming company as the first tier, followed by an industry-level body as the second tier. Finally, an oversight layer constituted by MeitY would serve as the third tier. Implementing this multi-layered approach would provide comprehensive regulation across various levels of the online gaming space, ensuring greater accountability and adherence to regulatory standards.
15. Another option is to introduce a single independent regulator dedicated solely to overseeing the online gaming sector. While this approach could offer centralised oversight and enforcement of regulations, it's important to recognize the potential drawbacks. Operating in isolation from industry participation might stifle innovation and hinder the growth of the sector. Therefore, careful consideration would be needed to strike the right balance between regulation and industry collaboration to foster a conducive environment for innovation and growth.
16. Additionally, MeitY could explore the introduction of a registration mechanism for online gaming intermediaries. This would distinguish legal online gaming services from offshore betting and gambling services. This registration mechanism can be voluntary and the criteria for registration can be developed with the industry. For instance, online gaming platforms and services which opt in for registration will have to furnish details such as such a mechanism can help protect consumers from potential risks associated with unregulated services.
17. MeitY would need to carefully evaluate the feasibility and effectiveness of each approach in addressing the evolving landscape of online gaming while promoting responsible and sustainable growth within the sector.

**F. Need for interim safeguards to protect the general public (especially underage players) from negative and psychological side effects, while promoting healthy gaming.**



18. Any proposed regulatory regime for the gaming industry should require online gaming companies to apply necessary safeguards to minimise the possible negative effects of gaming and obligate them to follow best practices for responsible gaming. This may include obligations like age gating measures, restrictions on companies' ability to host games which are not SRB-certified, advertising guidelines, KYC requirements, measures for anti-money laundering and combating the financing of terrorism, grievance redressal mechanisms, requirements of platform fairness, etc.
19. The IT Rules already have obligations based on responsible gaming principles. For instance, the Rules require online gaming companies to undertake due diligence obligations such as informing users of privacy policies and user agreements, employ efficient and prompt grievance redressal mechanisms, appoint a compliance officer and a nodal contact person, publish monthly compliance reports, KYC and other AML and CFT obligations, SRB certification for all games, etc. It is advisable to bring these obligations into force, by operationalising the regulatory framework under the Intermediary Rules.
20. To further build on the above compliances, the government could look at further due diligence commitments on them to make online gaming a safer activity. These could be in the form of industry-led standards or government-prescribed rules. Some safeguards to consider include:
  - a. Age gating: Any regulatory intervention should require RMGs to implement adequate technical tools and verification mechanisms to ensure that minors do not participate in online real money games. This could include age verification and KYC procedures required to be undertaken under the Intermediary Rules. Online gaming companies may also be required to have further controls to identify users who have misrepresented their age. The regulatory regime may further require gaming companies to ensure that to the extent possible, online real money games are not advertised to minors. Currently, legitimate online gaming services make RMGs available only to persons above the age of 18 and they implemented several technical measures to ensure this.
  - b. Responsible advertisement obligations: Online gaming companies should be required to employ responsible advertising practices with due consideration to the potential negative impacts of online gaming. For instance, online gaming companies should be required to ensure that advertisements are not aimed at or designed to specifically appeal to minors. Online gaming companies should not employ misleading marketing techniques such as overestimating the chances of winning or encouraging users to believe that online real money gaming can be



treated as an investment or a solution to their personal, financial or professional problems.

- c. Financial safeguards: Online real money gaming is associated with financial harms due to risks of money laundering and terrorist financing through in-game purchases. Due to these concerns, the Intermediary Rules require online gaming companies to undertake KYC procedures required to be undertaken by an entity at the time of commencement of an account based relationship, for user identification and verification at the time of each deposit being made. In addition to this, online gaming companies may also be required to undertake financial hygiene measures such as maintaining records of suspicious transactions, disallowing access in case of suspected money laundering, terrorist financing or fraudulent activity, processing transactions only through recognised digital channels, holding customer funds in a separate account, etc.
  - d. Measures to promote responsible gaming: In addition to the obligations under the Intermediary Rules, online gaming companies may be required to undertake measures to minimise harms associated with harmful gaming practices, and encourage their users towards healthy gaming. They should be required to provide adequate information to users about their gameplay behaviour in order to empower them to make informed decisions about the time and money they spend while playing . Online gaming companies should also be required to provide information to users in respect of resources from which they can seek assistance with problem gaming, if identified.
21. To promote safer and responsible gaming practices till such time as the MeitY appoints SROs, industry federations have also developed a [Voluntary Code of Ethics](#) to be followed by online gaming companies. The All India Gaming Federation, the E-Gaming Federation and the Federation of Indian Fantasy Sports came together to devise and endorse the voluntary standards, which include standards on responsible gaming, age gating, fair gaming, financial safeguards, responsible advertisement, transparency and safe, secure and reliable gaming. Establishing such standards is helpful since it presents an opportunity for a multi-stakeholder approach to online gaming regulation and enables online gaming companies to abide by standards for harm reduction.

**Conclusion:** *The Ministry of Electronics and Information Technology (MeitY) should implement an effective regulatory framework for orderly growth of online gaming in India. A registration*

*mechanism is essential to clarify the legitimacy of real money gaming services. The Ministry should prescribe minimal guardrails for industry and promote a culture of self-regulation and industry-led standard setting in the interest of healthy gaming practices.*

**Q10. What further steps and initiatives should be adopted by the Central and State Governments and the industry for the growth of animation, VFX and post-production segment? Provide your comments with detailed reasoning and justification.**

**Our Response:**

**A. Gaming is an integral part of AVGC-XR and contributes to India's soft power. It can also be leveraged to increase India's exports.**

22. India has always embraced modernity while keeping its traditions alive. Gaming has revolutionised storytelling by allowing a consumer to immerse themselves in an experience instead of being a spectator. Today, games skilfully integrate stories into games, which enhances user engagement. For instance, contemporary artist duo Thukral and Tagra have constantly intertwined fine art into games. Their game, 'The Walk of Life' is played with 'karma cards' and is a contemporary take on the Hindu mythological motif of Dashavatar (the 10 incarnations of the Hindu god Vishnu). Gujarat-based studio, BLOT created a 'point-and-click', video game, 'Antariksh Sanchar', which pursues the explorations of mathematician Ramanujam. The transmedia game delves into the rich culture and history of South-India. According to the creators, the concept takes inspirations from the 'dream theorems' of mathematician Ramanujam and classical dancer Jayalakshmi Eshwar.
23. Gaming appeals to younger populations and encourages them to interact with and learn more about stories in games. It can be leveraged to celebrate Indian stories and take them to the world. Indian gamers demand locally relevant themes and motifs in their online games. Gaming companies have been following the trend of rising popularity of India-focused content- both contemporary as well as drawn from folklore and mythology.
24. In the last few years, game studios like SuperGaming and Giga Fun, have created games that either use characters from Indian mythology such as Bheem and Arjun or are set in a distinctly Indian setting. Pune-based SuperGaming created Indus, an Indo-futuristic battle royale game with a lot of the in-game locations featuring popular Indian sites and motifs, reimagined with a futuristic twist. In fact, Amazon Web Services and gaming and interactive media focused fund, Lumikai released a study in April 2023. It revealed that 82% of the gamers were interested in playing games based on Indian mythology while over

40% of non-gamers were more inclined to start gaming if games were based on Indian themes.<sup>5</sup>

25. The Indian gaming sector is pivotal to the success of the AVGC segment. It is set to be worth almost \$7.5 billion by 2025. Gaming could become an ‘export-oriented’ sector in India as more firms build products for the world, which could lead to more job creation.<sup>6</sup> It could take India’s stories to the global stage and fuel demand for its IP products. For instance, NoddingHeads Games, created ‘*Raji*’, among the first and few Indian-themed console games. It draws inspiration from Mahabharat and Ramayan with an in-game architecture modelled after medieval Rajasthan. Recently, the studio signed up with Netflix and will now be available on the streaming service’s gaming service globally.<sup>7</sup>

**B. The government’s draft AVGC Policy should be implemented at the earliest.**

26. The Ministry of Information and Broadcasting set up the Animation, Visual Effects, Gaming and Comics (AVGC) Promotion Task Force in 2022. The task force framed a draft National AVGC policy to transform India into a global gaming and AVGC hub. India holds one of the largest gaming populations in the world. The government made recommendations to monetize India's potential. Some of the recommendations include:

- a. An Annual Gaming Expo focussed on FDI in gaming, market access creation, employment generation, new age technologies & knowledge exchanges, co-production partnerships & IPR.
- b. 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.

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<sup>5</sup> <https://economictimes.indiatimes.com/tech/technology/online-games-with-indian-themes-characters-becoming-all-the-range/articleshow/99675810.cms?from=mdr>

<sup>6</sup> <https://economictimes.indiatimes.com/tech/startups/indian-gaming-likely-to-hit-7-5-billion-create-250000-jobs-by-2025-meta-executive/articleshow/108500177.cms?from=mdr>

<sup>7</sup> <https://economictimes.indiatimes.com/tech/technology/online-games-with-indian-themes-characters-becoming-all-the-range/articleshow/99675810.cms?from=mdr>

- c. An annual Game India Hackathon to encourage creation of high-quality Indian IPs by small businesses, start-ups and independent game developers.
  - d. A Production Linked Incentive (PLI) scheme to attract AVGC-XR sector related hardware manufacturers to the country. The PLI scheme can focus on Gaming related hardware, like Gaming consoles etc.
  - e. An open-source stack for game development and financial support for technology acquisitions.
  - f. A ‘Game Development Fund’ to spread awareness around responsible gaming.
  - g. A National level Information, Education and Communications (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.
  - h. Tax breaks up to 3-5 years for global companies willing to locate in India to attract foreign companies to set up in India.
  - i. A dedicated mechanism for cooperation between the entertainment and gaming industry.
27. For turning India into a global AVGC hub, the government recommended attention in the following areas:
- a. *Market access and development* – Recommendations cover awareness and outreach, sector potential realization and AVGC infrastructure. Key proposals include establishment of a National Centre of Excellence (NCoE). The Task Force recommends establishment of an AVGC Helpdesk within the Film Facilitation Office that can provide information on latest trends. As a measure towards global

collaboration, the Report proposes organisation of an annual International AVGC Expo.

- b. Education, Skilling, and Mentorship – The government seeks to 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. Proposals include the inclusion of AVGC within the National Skills Qualification Framework, with defined job roles and qualification packs. The Task Force also recommended UGC-recognized curriculum for Undergraduate and Postgraduate degrees, with industry participation in education and skilling initiatives. The Task Force recommends the governments to offer a platform to identify and encourage individuals involved in creation or performance of arts associated with ‘Intangible Cultural Heritage’. Further, the Task Force recommends a study for assessing future skill and competency requirement by the industry.
- c. Access to technology – Recommendations cover intellectual property (IP) protection, innovation, and technology access. Measures include a single window portal for IPR related guidance like information, programs and guidance related to IPR and creation of Model IP Licensing Agreement (IPLA) for the AVGC sector. Other measures include promotion of collective licensing agreements among the existing players to create individual IP and prevent IP rights infringements. Additionally, the Task Force proposes an incubation fund for IP and content development for the project, which investors can collaborate with universities and fund. The Task Force also proposes an R&D grant scheme for industry led consortiums comprising lead industry partners, academic institutions and startups through National Research Foundation. The Report acknowledges the need of awareness among public to curb software piracy.
- d. Improved financial viability – The Report proposes an India AVGC Mission, to promote the AVGC industry which will include industry members and representatives from line ministries like MeitY, Ministry of Finance, Ministry of Education and Ministry of Skill Development and Entrepreneurship. The Task Force recommends taxation related incentives like tax breaks and holidays to boost local IP production, R&D, and investment in the AVGC industry. The Report proposes the government to explore offering IP as intangible assets to banks as

collateral. The Task Force also recommends considering AVGC as a priority sector under international agreements such as co-production treaties.

- e. *High-quality content* – The Task Force proposes a ‘Create in India’ initiative to create high-quality content in vernacular languages. The initiative envisages promotion of international co-productions to help Indian Films and AVGC services get global audiences. The Task Force proposes States to consider reimbursing investment for companies that make content on Indian themes. Lastly the Task Force recommends creation of a DD Kids Channel through the public broadcaster and encouraging private broadcasters to develop children centric content.

**C. State level policies can catalyse growth and best practices from states should be adopted by the Central government and implemented uniformly throughout India.**

28. *Telangana*: Telangana was the first state with a dedicated AVGC policy called the IMAGE Policy (2016). The state has also built an ‘Image Tower’ which is an ultramodern facility in Hyderabad to serve as a catalyst for the AVGC sector. It aims to make Hyderabad the most favoured destination for gaming by attracting global major R&D companies in gaming and serious gaming.

Key feature of IMAGE Policy includes:

- 25% capital investment subsidy limited to INR 25 Lakhs for fresh investments made after declaration of the policy. It is a one-time subsidy for an investment above Rs.5 crore.
- 20% of the production cost will be reimbursed for animation films, cartoon series, and games. This will only apply if 80% of the production costs were incurred in Telangana.
- Entertainment tax exemption for full-fledged animation VFX theatre films produced and released in Telangana.
- Reimbursement of internet bandwidth charges up to INR Lakhs per annum for three years.
- AVGC companies shall be exempted from statutory power cuts.
- Training and placement through Telangana Academy for Skill and Knowledge (TASK).<sup>8</sup>

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<sup>8</sup> <https://mib.gov.in/sites/default/files/PPT%20by%20Telangana.pdf>

29. Maharashtra: Maharashtra's M-Hub is an integrated Centre of excellence (CoE) with the involvement of the state government, leading technical institutes, business schools, and private entities to head initiatives to support tech start-ups at subsidized costs.

Non-Fiscal Incentives for the AVGC sector

- Encourage joint venture between Indian and foreign entities.
- Support for international events related to AVGC.
- Facilitation services for IP protection.

Fiscal Incentives for AVGC

- Capital subsidy, over tariff subsidy.
- Stamp duty exemption.
- Infrastructure development support, exemption from payment of electricity duty, power tariff subsidies for 3 years.

30. Kerala: Kerala is poised to nurture a vibrant AVGC-XR ecosystem, creating innovative platforms and services. Elevating the gaming industry, especially in multiplayer and skill-based arenas, while prioritising user experience in AVGC-XR applications, is also a high priority. The Kerala AVGC-XR Policy 2024 aims to monetize the State's knowledge base and contribute 10% of the export from AVGC based products and services from the country.

- Physical infrastructure expansion in 2 phases starting with animation, VFX and comics, and broadened to include gaming and XR
- AVGC-XR parks and export zones to be set up on both government and private land (Public Private Partnership model).
- Policy support to co-developers and private developers via land acquisition, road development, enhancement of 5G infrastructure leveraging the Kerala Fiber Optic Network). Monetary benefits and subsidies (capped at INR 24 lakhs per annum up to a period of 5 years)
- AVGC-XR Labs in all districts to facilitate digital content production Financial assistance through grants of up to INR 15 lakhs

31. Karnataka: Karnataka- Animation, Visual Effects, Gaming, Comics and Extended Reality (AVGC-XR) Policy 3.0 (2024-2029):

- The policy aims for skill development for a future ready workforce, empowering startups and MSME's, providing incentives concessions and financial supports for sustainable growth, provision for Global market access & business development.
- The goal is to grow at least 200 AVGC companies, 30% reduction in operational efficiencies, a 205 boost in creative output and a 25% expansion in digital market reach.

**Conclusion:** MIB should notify the final version of the AVGC-XR Policy prepared by the Taskforce and implement incentives under the Policy on priority. The Central government should also look at state-level policies and implement best practices from them uniformly. The government must also recognize the integral role gaming plays in the growth of AVGC-XR and create an enabling environment.