Made in India: Attracting and incentivizing film productions
India’s film and television industry is one of the fastest growing sectors in the country today and has attracted significant investments from Indian and international corporates. With more than 800 television channels, 135 million pay-TV households and 1,000 films produced annually, the film and television industry contributed over INR 500 billion to the economy last year, constituting approximately 0.5% of the GDP of India.

Overseas studios are increasingly entering into arrangements with producers in India to jointly produce films and television series. India’s Foreign Direct Investment (‘FDI’) regulations permit 100 percent FDI for film and TV productions under the automatic route. India has been blessed with scenic locations, incredible cultural diversity, trained film crews and low production costs. Increased collaboration between India and other countries will aid in optimizing and the country realizing its true potential in terms of its natural and man-made resources.

Guidelines and policies for shooting films in India

The MIB has recently issued fresh simplified guidelines for foreign film shooting by foreign nationals/ co-productions in India. The guidelines provide a step-by-step guidance on the procedure and approvals required to shoot films in the country. Any foreign film production intending to shoot in India, will need to inform the MIB of its intention to do so mentioning dates of shooting, particulars of cast/crew, four copies of the final detailed shooting script and chosen locations at least a month in advance along with a draft of US$ 225. MIB will then help the filmmaker obtain permissions to shoot across chosen locations within three weeks. The permission letter issued by the Government of India will facilitate permissions from local authorities across States.

Furthermore, to facilitate the shooting procedure, a liaison officer may be assigned to the team shooting a film. This officer helps the filmmaker obtain local clearances and enable an interface with local institutions. The Government of India bears the expenses of a liaison officer assigned to a film-shooting team.

Film tourism and production incentives – Current scenario

The Ministry of Tourism (MoT) has recognized films as a powerful tool for promotion of tourism destinations and locations in India. MoT has formulated guidelines, for extending Central Financial Assistance (CFA) to various State Governments/Union Territory (UT) Administrations, for promotion of Film Tourism. MoT and the MIB also entered into a Memorandum of Understanding (MoU) in February 2012, inter-alia, to promote Cinema of India as a sub brand of “Incredible India” at various international film festivals and markets abroad.

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3 FICCI-KPMG Indian Media and Entertainment Industry Report 2014
Further, key State Governments in India have recognized benefits of promoting Film Tourism and have proactively initiated measures to attract both foreign and local filmmakers by offering production and tax incentives as highlighted below:

<table>
<thead>
<tr>
<th>Sno.</th>
<th>State</th>
<th>Fiscal Benefits</th>
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</table>
| 1.   | Maharashtra   | ‣ Mumbai, being the film hub of the country, has many film studios and hosts film festivals. Additionally, the city has seen many iconic Indian movies being shot in it.  
       | ‣ The Maharashtra Government has provided five-year tax exemption to single-screen theaters under municipal councils and a seven-year tax exemption to those located in rural areas.  
       | ‣ It has sanctioned INR150 million for setting up of a film city in Chitranagari to serve as an alternative to the Goregaon film city.  
       | ‣ The Maharashtra Tourism Development Corporation (MTDC) has announced a Bollywood tourism plan, which will enable Indian and foreign tourists to take guided tours of film studios and sets while being exposed to a first-hand experience of film shooting.  
       | ‣ Maharashtra was one of the Indian states that provided tax breaks to the film Bhaag Milkha Bhaag because of its patriotic theme.  

2.   | Gujarat       | ‣ The Gujarat Government offers 100% exemption from Entertainment Tax for Gujarati films. It is also offers a INR500,000 subsidy to Gujarati-language filmmakers.  
       | ‣ It is working on a policy to attract more film shoots to the state and seeks to ease the procedures for film-makers. It also plans to provide discounts on government accommodation at shooting locations.  
       | ‣ The State Government has started a single-window clearance desk to help filmmakers scout locations and provide them with logistic support.  

3.   | Andhra Pradesh| ‣ Andhra Pradesh is the first to earmark 7% of the Entertainment Tax it collects to use it to develop films and arts in the state.  
       | ‣ The State Government has provided 7% concession on Entertainment Tax for low-budget Telugu films and 15% for high-budget ones.  
       | ‣ According to the Andhra Pradesh Government’s Animation, Media and Entertainment policy (2014-2019), the Government will offer incentives, including reimbursement of INR500,000, lease rentals, power subsidies, etc., to makers of animation films.  

4.   | Karnataka     | ‣ The Karnataka Government has increased the award for national award-winning Kannada films from INR300,000 to INR500,000.  
       | ‣ The Government has decided to raise its subsidy to the Kannada film industry. The subsidy will now be given for 100 films instead of 75.  
       | ‣ Karnataka’s Animation, Visual effects, Gaming & Comics policy (AVGC) aims to attract investors and provide employment in the state with various initiatives such as creating skilled labor at its training institutes and providing various tax incentives. The Government also plans to set up an AVGC Centre of Excellence with funding from The Central/State Governments and private players.  

Made in India: Attracting and incentivizing film productions
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<thead>
<tr>
<th>Sno.</th>
<th>State</th>
<th>Fiscal Benefits</th>
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</thead>
<tbody>
<tr>
<td>5.</td>
<td>Tamil Nadu</td>
<td>• The Tamil Nadu Government will provide 100% exemption from entertainment tax exemption on films with Tamil names, which have been given U certificates.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• The Government has spent INR 80 million on upgrading infrastructure at the M.G.R. Film City by setting up an animation and visual effects studio, renovating dubbing theaters, constructing hostels, etc.</td>
</tr>
<tr>
<td>6.</td>
<td>Uttar Pradesh</td>
<td>• Hindi films that are shot at least 75% in Uttar Pradesh will be eligible for a grant amounting to 25% of their production cost or INR 10 million (whichever is less).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• The Uttar Pradesh Government gave INR 10 million to the producers of Dedh Ishqiya and Bullet Raja to attract other producers to the state. It has exempted Dedh Ishqiya from Entertainment Tax in the state.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Films in the local dialects of Awadhi, Braj, Bundeli and Bhojpuri are to be given the same sops.</td>
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<tr>
<td></td>
<td></td>
<td>• Film directors selected for awards under this policy will be eligible for a grant of INR 12.5 million if they produce their next film in the state.</td>
</tr>
<tr>
<td>7.</td>
<td>West Bengal</td>
<td>• The West Bengal Government is planning to introduce a single clearance window that will process requests for films to be shot in the state.</td>
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<tr>
<td></td>
<td></td>
<td>• The Government provides various subsidies for cinemas/multiplexes.</td>
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<tr>
<td></td>
<td></td>
<td>• New cinema halls will be given an Entertainment Tax subsidy for up to two years.</td>
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<tr>
<td></td>
<td></td>
<td>• New multiplexes will be given an Entertainment Tax subsidy for up to four years.</td>
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<tr>
<td></td>
<td></td>
<td>• The Government has reduced Entertainment Tax on Bengali films (from 10% to 2%) to ease the financial burden on the Bengali film industry.</td>
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<tr>
<td>8.</td>
<td>Jammu &amp; Kashmir</td>
<td>• The Jammu &amp; Kashmir Government has decided to waive taxes for filmmakers while they shoot films in the state.</td>
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<tr>
<td></td>
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<td>• The Kashmir Film Festival is held to support local Kashmiri films and promote tourism in Jammu &amp; Kashmir.</td>
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<tr>
<td></td>
<td></td>
<td>• Films recently shot in Kashmir include Yeh Jawaani Hai Deewani and Highway.</td>
</tr>
<tr>
<td>9.</td>
<td>Rajasthan</td>
<td>• Films that are 75% shot in Rajasthan and have been given U certificates, will get a 100% exemption from Entertainment Tax for one year.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• New cinema halls and drive-in theaters have been exempted from Entertainment Tax for three years – 75% in the first year, 50% in the second year and 25% in the third year.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Rajasthani films with U certificates are provided aid of INR 500,000 if they are shot extensively in Rajasthan.</td>
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<tr>
<td></td>
<td></td>
<td>• Foreign films shot in Rajasthan include Dark Knight Rises and Darjeeling Limited.</td>
</tr>
<tr>
<td>Sno.</td>
<td>State</td>
<td>Fiscal Benefits</td>
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<td>------</td>
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<td>------------------------------------------------------------------------------------------------------------------------------------------------</td>
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</tbody>
</table>
| 10.  | Goa                 | ▶ The International Film Festival of India is held annually at Goa. It sees the participation of various filmmakers from across the world and India. Goa already has a single window clearance system and permits films to be shot anywhere in the state. The MIB has proposed that this system should be adopted by the rest of the country.  
▶ Goa is one of the most popular locations for shooting films in India. More than 100 films, including Chennai Express, Once upon a time in Mumbai Dobaara and Go Goa Gone, were shot in the state in the recent past.  
▶ The State Government is reviewing a proposal that will allow filmmakers to claim up to 5% of the shooting costs incurred by them in Goa. |
| 11.  | Punjab              | ▶ The Punjab Government is setting up a film city and a film institute near Mohali to promote the Punjabi film industry and also help filmmakers shooting films in the state.  
▶ The State Government plans to present exceptional filmmakers and actors with awards ranging from INR1 million to INR25 million. Additionally, it will set up one or two-screen cinemas in rural locations to enable local people to watch films.  
▶ The Government gives Punjabi filmmakers a rebate of 5% of the Entertainment Tax to be paid by them, provided 75% of the dialogues are in Punjabi. |
| 12.  | Himachal Pradesh    | ▶ The Himachal Pradesh Government offers 100% exemption from Entertainment Tax to filmmakers shooting their films in the state.  
▶ The State Government is formulating a draft of its film tourism policy, which includes incentives for the film industry, e.g., single window clearance of permission requested to shoot films, facilitation of travel and accommodation during duration of stay, etc. |
Need for Film Commissions
Today, tourism boards across many countries are targeting Bollywood films as a medium to showcase their countries as ideal destinations to attract Indian tourists. In the recent past, many films have been extensively shot in foreign locations. These include:

<table>
<thead>
<tr>
<th>Movie</th>
<th>Country</th>
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<tbody>
<tr>
<td>Zindagi Na Milegi Dobara</td>
<td>Spain</td>
</tr>
<tr>
<td>Rockstar</td>
<td>Czech Republic</td>
</tr>
<tr>
<td>RA One</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Don 2</td>
<td>Germany</td>
</tr>
<tr>
<td>Ek Main Aur Ek Tu</td>
<td>United Stated of America</td>
</tr>
</tbody>
</table>

For India, there is an equal opportunity to promote inbound tourism beyond popular destinations such as Goa, Kerala and Rajasthan. Indian films can be a great platform to showcase to the world India’s rich cultural heritage, its variety of travel destinations and diverse cuisines. Hollywood films have already showcased India’s rich culture and heritage through films such as Eat Pray Love, The Best Exotic Marigold Hotel, etc.

International collaborations facilitate and strengthen motion picture production, distribution, technology and commercial cooperation between film communities. In addition to helping local industry up their production standards and expertise across the production value chain, it creates opportunities for additional employment, tax revenues and upgrading skill levels. With the MIB and MoT introducing reforms to shoot in India, the time is right for the Government to set up Film Commissions with a mission to attract international production, support local production crews and introduce an incentive regime across various regions/ states, thus increasing the economic impact of the Indian film industry.

Film commissions gaining international traction

Film and television businesses in addition to generating significant revenues help maintain sustainable economic growth through the millions of dollars spent annually for “on location” production. A studio based feature film can spend upwards of US$ 250,000 per day in a local economy and a large international television commercial can generate local spending of up to US$ 1 million in less than two weeks. This highly competitive environment makes a film commission an economic necessity and an integral ingredient in generating revenues in a region.

Globally, production companies in the film, television, and multimedia industry consider film commissions a valuable partner and resource. Often the presence of a film commission, and level of development and resources offered by them will determine whether production companies will consider filming in a particular region. While there are film commissions present at a national level, respective states in particular countries also have film commissions at a state level.

Examples of National film commissions

- **China**: The National Film Industry Development Special Fund Management Committee (NFIDSFMC) allows local productions (including co-productions) and exhibition companies that contribute to the growth of the local box office to be awarded performance based box office bonuses. Typically, the bonus compensation for production companies of domestic 3D and IMAX films are as follows:

  - If any domestic film 3D film (without other formats available) grosses 50-100 million RMB, its production company will be awarded 1 million RMB; if the box office gross is between 100-300 million RMB, the award is 2 million RMB; where the box office gross is 200-500 million RMB, the award is 5 million RMB and if the box office gross surpasses 500 million RMB, then the award will be 10 million RMB.
  - If any domestic IMAX film (without other formats available) grosses 25-100 million RMB, the award is 1 million RMB, if the box office gross is above 100 million RMB, the award standards are the same as the aforementioned for 3D productions.

Chinese blockbusters such as Back to 1942 and Jackie Chan starrer China Zodiac both have benefitted from such incentives provided by the NFIDSFMC.
Malaysia®: National Film Development Corporation Malaysia (FINAS) is the Central Government agency for the film industry of Malaysia. As an objective they have to promote, maintain and facilitate film production development in Malaysia and also uphold the national and cultural heritage through films. The FINAS provides various technical services and facilities that are useful for film production, sets up film training programs and hosts a library or resource centre which offers various kinds of references such as books, magazines and newspapers that are related to film industry.

One of the schemes promulgated by FINAS is the Film Art and Multimedia Development Fund, which was introduced in 2013 wherein a 30% film rebate on production costs is extended to international film productions that meet the prescribed criteria.

Japan: Japan Film Commission (JFC) is a national film commission covering the entire country of Japan. It is the first contact if a filmmaker is interested in filming in Japan. JFC is a non-profit organization comprised of over 70 regional film commissions as well as various film and video industry guilds and organizations, such as the Directors Guild of Japan. It is supported and endorsed by ministries and agencies of the federal government, such as the Ministry of Economy, Trade and Industry, the Agency for Cultural Affairs, and the Japan Tourism Agency.

Film commissions in Japan offer funds and/or fee exemptions such as Matsumoto: Film aid fund (max. 5 million yen), Nagoya: Film aid fund (max. 10 million yen), Osaka: Location Scout Fund.

International productions that have been filmed in Japan include The Last Samurai (Warner Bros), Fast and the Furious: Tokyo Drift (Universal Pictures), Kill Bill Vol I (Miramax).

“The incentives in Malyasia are amongst the most attractive in the world and local studios like KRU Studios and Pinewood Iskandar Malaysia Studios have benefitted significantly from it. Bookings at the Pinewood studio for example have been snapped up for the next few years and as we speak, 10 episodes of the TV series “Marco Polo,” produced by The Weinstein Company for Netflix, are being wrapped up there, after utilizing all the sound stages at the Iskandar facility as well as its back lots over the last two years. This is just one of the early examples of what we foresee to be a great future for the film and TV industry in Malaysia.”

Kamal Othman, Vice President Creative Multimedia Division Multimedia Development Corporation (MDeC), Malaysia

Malaysia National Film Development (FINAS) - http://culture360. asef.org/organisation/malaysia-national-film-development-finas/
Examples of state film commissions

- **California**: The California Film Commission is a one-stop resource for film and TV production. Some of the services the Commission facilitates include film and TV tax credits and online permits for filming on government property (beaches, parks, roadways, universities and government buildings). Additionally, the Commission offers an online location database via “CinemaScout” as well as personalized assistance on location-related issues. Moreover, it facilitates access to California’s state-wide network of more than 60 regional film offices (for local support, location-related information and permits). Recently, California increased its film and TV tax credit incentive program from US$100 million to US$330 million per year for five years, a move aimed at reversing the export of the state’s movie industry to other states. The changes to the incentive program lower the threshold at which a production can qualify for the incentives. Moreover, California’s incentive programs have also been unavailable to projects with budgets over US$75 million, but the new program is expected to remove that qualifier.

- **New York**: Mayor’s Office of Film Theatre & Broadcasting, New York, the first film commission in USA, serves all production needs in New York City. Whether production companies are shooting a feature film, a commercial, a television show or a music video, the Mayor’s Office of Film, Theatre and Broadcasting serves as a resource to the New York City entertainment production industry. New York state offers several programs to the film and television industry in the form of tax credits and sales tax incentives. It offers US$ 420 million per year in credits for 30% of production costs.

<table>
<thead>
<tr>
<th>Type of Incentive</th>
<th>Benefits offered (subject to conditions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Film production credit</td>
<td>30% fully refundable tax credit on qualified production and post-production expenses incurred in New York State</td>
</tr>
<tr>
<td>Post-production credit</td>
<td>30%-35% on qualified post-production expenses incurred in New York State.</td>
</tr>
<tr>
<td>Commercial credit</td>
<td>5% on qualified production expenses for commercials and a 20% annual growth credit.</td>
</tr>
<tr>
<td>Sales tax exemption</td>
<td>Film production activities/expenses that are exempt from New York State sales tax</td>
</tr>
</tbody>
</table>

New York City’s production industry generates over $7 billion annually and employs over 130,000 people.

- **Louisiana**: Louisiana Entertainment, an office within the state of Louisiana’s Economic Development serves as a one-stop shop for producing films in Louisiana. Over the years, the state has been recognized as a global destination for motion picture and television production and the industry has grown exponentially thanks to its innovative and unique tax incentive packages. Louisiana offers tax credits of up to 40 percent of the money spent to buy, build and use movie production facilities. Further, films such as “Fantastic Four,” “Terminator 5,” “Pitch Perfect 2”, “Jurassic World,” the fourth film in the “Jurassic Park” series and other big-budget films are set to be shot in Louisiana on account of the state’s investment in a tax credit program that draws producers.

- **Georgia**: The Georgia Department of Economic Development is the state’s sales and marketing arm and the lead agency for attracting new business investments and tourists in addition to promoting the state as a destination for film music and digital entertainment projects. It provides 10 different types of credits and two types of tax exemptions including financial assistance and small business incentives. Georgia has become one of the top states for film production outside of California due to some of the incentives it provides. The industry directly employs 23,500 people, including nearly 8,200 production-related employees. According to the state, the film industry has made a US$5.1 billion economic impact during the 2014 fiscal year. Georgia-filmed movies that are scheduled to open in theatres in the coming months include “The Good Lie” starring Reese Witherspoon, “The Hunger Games; Mocking Jay-Part I” and “Dumb and Dumber to” starring Jim Carrey.

7 http://www.film.ca.gov/
12 The Atlanta Journal Constitution, 5 August 2014, Hollywood boosts film, TV spending in Georgia
Benefits of Film Commissions
Film commissions are set up to respond to the growing needs of production companies and serve as a local government liaison to provide and coordinate public and private services for film shoots. One of the primary objectives of a film commission is to attract all types of audio-visual production by promoting the environmental characteristics of the country or region in which it is based. By promoting a particular region/ location through film shooting, the country can attract tourists who would otherwise not have visited the area, encourage one-time tourists to return for a second visit, as well as encourage longer visits.

- Around 160,000 Chinese visited Queensland, Australia in 2007 (a 29% increase in the numbers witnessed during the previous 12 months) after the state hosted three major Chinese television productions. The figures also indicate that Chinese tourists stayed longer durations and spent more because of these events. They stayed 1.34 million nights in 2007, up by 47 %, and spent around US$166 million.
- South African Tourism’s research in 2011 found that one of the main reasons why people went to South Africa was because they had seen it on television.
- New Zealand saw a significant rise in its tourism after the success of movie The Lord of the Rings.

“Film New Zealand works with both government and screen sector partners to market and promote New Zealand as a screen destination, and provides an advisory service to international clients considering New Zealand and our incentives scheme (now known as the New Zealand Screen Production Grant).

Every country has its own profile and different needs in relation to attracting international production. For New Zealand, the incentives programme has been a vital part of securing international production over the past 12 years.

Changes to the programme in the past year have been very significant in building up both film and television production for New Zealand. The changes have led to our organisation experiencing a significant increase in the number and scale of enquiries requests. Fruit of the past year’s work for Film New Zealand and for the other government and industry partners involved with changes to the incentives programme is evident with confirmation of the Avatar sequels and other productions. “

- Gisella Carr, Chief Executive Film New Zealand
The benefits of attracting film productions include:

- **Creation of employment opportunities:** International / large film productions rely on local labour which helps boost employment opportunities and incomes in allied industries.

  The impact of Teenage Mutant Ninja Turtles on the allied industries include US$ 3.2 million in taxes paid to New York, over US$ 55 million in total spending throughout New York including US$ 30 million in salaries New York labour. In just three days of shooting, the production paid wages to 155 crew members and further 1500 New York residents over 12,000 man-days.

- **Increased revenues for the Government:** In addition to employment opportunities, economic activities stimulated by film productions result in tax revenues for local or State Governments. The taxes collected by Central, State and local governments (eg. personal Income Tax, State Value Added Tax, Excise duties, Service taxes, Custom duties, duties on fuel, Corporate Income Tax, local body taxes, etc) generally increase with higher film productions in the region. These taxes apply to film producers, their suppliers and cast and crew associated with the production. For example, State Value Added Tax shall get collected on local procurement of goods, central Service taxes shall be charged by cast and crew and duties and taxes paid by suppliers.

- **Boost to the Tourism industry:** The host location is expected to gain visibility due to film production and associated publicity generated from it. Films shot at local locations tend to introduce the audience to the host country’s culture and bio diversity hence, attracts tourists.

- **Exchange of cultural and technological expertise:** Films shot in foreign locations, result in collaborations between local and foreign enterprises and expose local production units/ crews to global standards of production practices. While such collaborations encourage knowledge-sharing, they also expose filmmakers to diverse cultures and nationalities.

- **Development of allied industries:** In the long run, film production enables additional production activity and a sustainable market place in the local economy, which results in the development of allied industries such as post production, travel, hospitality, catering, etc.
Key figures released as a result of the production of THE AMAZING SPIDER-MAN 2:

- $5.7 million on hotels which accounted for a cumulative 22,500+ nights
- $4 million on site fees
- $4.5 million in taxes paid to New York State
- $150 million in spending throughout New York State
- 3,900 cast and crew and 5,223 extras employed, working 15,000 man-days
- $1.9 million spent on catering services

$44 million in wages paid to New York residents

Courtesy: SONY Pictures

Made in India: Attracting and incentivizing film productions
Objectives of Film Commissions
Globally, services provided by film commissions have expanded in response to the growth of on-location filming. For film, episodic television and commercials producers, film commissions provide a large range of free services, from scouting locations within their areas to trouble-shooting with local officials and helping film producers cut through paperwork and bureaucratic red tape. Some also provide hard economic incentives, such as tax rebates and hotel discounts. Others offer a variety of essential free services such as research for screenwriters or liaison work with local government agencies.

More recently, progressive film commissions around the world have begun developing an even broader scope of their activities - not merely limiting to Hollywood, but attracting other international film industries. The role of this new generation film commissions generally includes encouraging development and distribution of local productions, attracting audiences to diverse film formats and stories (particularly through film festivals), undertaking research studies, promoting film education, and supporting a climate of entrepreneurship.

The main functions of a film commission can be summed up as follows:

- To promote, market and develop its country/region as a location for film and television production
- To serve as a body that represents people and associations participating in production of film and television production
- To provide coordination and leadership while serving as the liaison between businesses, services, agencies and the film production agencies
- To facilitate training and community development in the film and television production
- To formulate incentive policies and provide easy access to film incentives information
- To serve as a link between Central, State and local governments for film clearances, rationalizing film shooting regulations, etc
- To act as a forum to lobby for the interests of the film and television industry
- To formulate and execute single window clearance guidelines, provide listing of locations, labour, jobs, equipment, lodging, boarding, etc
- To facilitate safety and security assistance and troubleshooting production problems
Production incentives
Film commissions formulate and implement benefits ranging from cash rebates, tax credits, exemption from or refund of VAT/customs duty to financial assistance in the form of interest-free loans and other facilities such as easy processing of visas, discounts on accommodation and travel, etc. In other words, film production incentives can be broadly bifurcated into monetary and non-monetary benefits. Interestingly, any film production-related incentive is not restricted to a particular area or field, but offers a number of incentives (e.g., exchange of expertise along with cash assistance). However, these incentives are subject to fulfillment of certain conditions. Following are typical conditions which need to be satisfied for grant of incentives:

- **Minimum Spend**: Schemes specify the minimum amount to be spent in the country where the film is to be shot. The minimum amount could be an absolute figure or a specified percentage of the production budget.

- **Cultural test**: Cultural test requirement assesses a film on certain cultural parameters. Further, in a few countries, there exists a point rating system for attaining the minimum points, subject to which specific incentives would be granted under the host country regulations. Typically, the requirements are minimum number of days of shooting in the host country, specified percentage of production activities to be carried on in the host country (i.e., photography, visual/ special effects, performing and recording music score, etc), employment of local manpower, dubbing of film in the local language of the host country, etc. Moreover, certain countries require specific on-screen credits.

“Shooting in a foreign location is determined by few factors such as story and script requirements, attractive tax credits and subsidies, better amenities and locations, well organised and articulated information systems, honest and clear government bodies and supportive film production eco system”

Shibasish Sarkar
CFO, Reliance Big Entertainment Pvt Ltd
Cash grants
Cash grants are non-refundable funds disbursed to the production companies which help them to reduce their cost of production. Cash grants can be paid upfront or on completion of a particular project. Further, generally, cash grants are subject to some level of compliance, however, grants are also provided without any conditions.

Case study: Life of Pi (Taiwan)

Quick Facts

<table>
<thead>
<tr>
<th>Title of the movie</th>
<th>Life of Pi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Produced in</td>
<td>United Stated of America</td>
</tr>
<tr>
<td>Shot in</td>
<td>Taiwan</td>
</tr>
<tr>
<td>Production scheme/tax incentives</td>
<td>Around NT$400 million (US$13.3 million) from the Central and local governments</td>
</tr>
<tr>
<td>Benefits to Taiwan's economy</td>
<td>Tourist inflow in Taiwan increasing by 43% y-o-y in 1Q13</td>
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Introduction
Life of Pi was an American 3D live-action, computer-animated adventure film, based on Yann Martel’s 2001 novel by the same name, which was released in 2012. Around 70% of the film was shot in Taiwan, including at Taipei Zoo, an airport in Taichung and at the Kenting National Park. Some parts of it were shot in Puducherry and Munnar (a hill station in Kerala) in India.

Tax and financial incentives offered to Life of Pi

- The Taiwan Government contributed NT$50 million (US$1.7 million) to the film’s budget. In addition, it subsidized construction of an NT$150 million (US$5.1 million) artificial pool in a defunct airport, where parts of the film were shot.
- Taiwan’s Central Government also invested NT$200 million ($6.7 million) in the film through a long-running subsidy scheme set up to aid projects undertaken by the island’s filmmakers.

Impact on Taiwan’s economy

- The Taipei Film Commission undertook free promotion of the film, and also provided administrative support or counsel for its 464 crew.

The Taiwan Government contributed around NT$400 million (US$13.3 million) for shooting of Life of Pi in the country.

Life of Pi was a hit in Taiwan, generating US$17.5 million.

- Hotel occupancy in Taichung increased by 10% where Life of Pi was shot, benefitting from the visits of more than 300 foreigners and locals.
- After release of the film in 1Q13, the number of Australians visiting the country increased by a considerable 43% over 1Q12 figures.

Impact on India’s economy

Life of Pi was partly shot in Puducherry and Munnar in Kerala. The film has attracted international tourists to these locations. To capitalize on this, India’s Tourism Ministry and the Puducherry Government announced their plan to launch a “Land of Pi” campaign across all media channels, including print, online, electronic and outdoor, in 2013 in order to promote Puducherry and Munnar as tourist destinations. The highlights of the campaign:

- “Land of Pi” posters will be displayed worldwide through India’s overseas tourism offices. These will also be put up on the Incredible India website and the websites of the Puducherry and Kerala Tourism Departments.
- Luxury buses plying to Puducherry and Munnar from Chennai and Kochi will be branded with “Land of Pi” visuals.
- Special “Land of Pi” tours and walking trails will be organized for tourists visiting Puducherry and Munnar.
- Short films and promos on tourist attractions have been created and uploaded on Youtube and other social media networks in Puducherry and Munnar.
- “Land of Pi” contests will be organized online, with two prizes given every month. The prize will be a holiday package to Puducherry or Munnar, including air tickets to Chennai/Kochi, and local hospitality.
- A boat with a stuffed toy tiger will be permanently placed at two prominent locations in Puducherry. Tourists can take photographs with the boat.
- T-shirts and caps branded with the two “Lands of Pi” will be produced and distributed.
- Online video games will be part of the campaign.
- Road shows for attracting tourism to India will be organized in China and Taiwan.

Cash rebates
Cash rebates are refund of actual expenditure incurred. Typically, cash rebates are provided at a specified percentage of the qualifying expenditure. Qualifying expenditure includes costs incurred in the host country during the shoot on the cast and crew, goods and services purchased or at a specified percentage of overall production budgets. Interestingly, rebates offered are grants, however not all grants are rebates.

Case study: Krrish (Singapore)

Quick Facts

<table>
<thead>
<tr>
<th>Title of the movie</th>
<th>Krrish</th>
</tr>
</thead>
<tbody>
<tr>
<td>Produced in</td>
<td>India</td>
</tr>
<tr>
<td>Shot in</td>
<td>Singapore</td>
</tr>
<tr>
<td>Production scheme/tax incentives</td>
<td>“Film in Singapore” subsidy</td>
</tr>
<tr>
<td>Benefits to Singapore’s economy</td>
<td>Annual Indian tourist traffic to Singapore increased from six to seven million after Krrish was released.</td>
</tr>
</tbody>
</table>

Introduction
Krrish is an Indian science fiction film directed, produced and written by Rakesh Roshan in 2006. It is the second film in the Krrish series and is the sequel to Koi... Mil Gaya. More than 60% of the film has been shot in Singapore in prominent locations including the Singapore Zoo, the Gateway building and the Singapore National Library.

Tax and financial incentives offered to Krrish
Krrish was the first Indian film to be shot in Singapore under the Singapore Tourism Board’s (STB) Film-in-Singapore subsidy scheme.

- The STB introduced the subsidy in May 2004 to encourage international film producers to shoot and produce high-quality films and TV programs in Singapore. The scheme subsidizes up to 50% of the qualifying expenses incurred by foreign producers during their shoots in Singapore. This includes hiring of local talent and production staff, post-production services, rental of production facilities and equipment, and airfare and accommodation.

- By launching this scheme, the STB is targeting 17 million visitors and S$30 billion (US$23.9 billion) in tourism receipts by 2015, up from 8.9 million visitors and S$10.8 billion (US$8.6 billion) in tourism receipts in 2005.

- In addition to offering financial benefits, the STB and the Media Development Authority of Singapore also provide technical information and support to applicants for permits and licenses, sourcing of locations, and the hiring and rental of resources.

The STB invested S$6.3 million (US$5.0 million) in its “Film in Singapore” scheme. Krrish was the first production to benefit from the scheme.

Impact on Singapore’s economy

- After the movie was released, the local people enthusiastically visited places with which they were already familiar. In addition, Indian visitors began looking at Singapore as a modern destination that is culturally and economically similar to the “new India” and the lifestyles of its middle-class diaspora.
- Immediately after the release of the film, annual Indian tourist traffic to Singapore increased from six to seven million.

According to an STB report, the number of international visitors to Singapore rose to 15.6 million in December 2013, up 7% y-o-y, amounting to S$23.5 billion (US$18.8 billion) in tourism receipts.

The STB has taken several initiatives to attract domestic and international tourists. Some of these include the following:
- In June 2006, the STB launched a unique Krrish tour package, which included a guided tour of several of the country’s attractions where the film was shot, along with interesting trivia provided about the movie and its production. The tours were launched in conjunction with worldwide release of the movie.
- To attract domestic travelers, the country’s media aggressively covered details relating to production of the film, e.g., topics such as road closures and the protagonist’s fitness routine, along with information on locations where the film was shot.

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**Tax Credits**

Tax credit is a sum deducted from the total amount a taxpayer owes to the treasury. A tax credit can be granted for various types of taxes such as income tax, value added tax, etc. Further, another form of tax credit is by way of a refund of taxes paid while filming in a location. Tax credits can either be refundable or non-refundable and further, transferable and non-transferable. A refundable tax credit is one through which the tax liability of the taxpayer can be reduced to below zero. Because it is possible to receive a tax refund from this type of credit, it is referred to as refundable tax credit. However, in case of a non-refundable tax credit, the tax liability can be reduced only to zero and not below. Furthermore, only a few countries permit transfer of tax credits, i.e., a tax credit can be sold or brokered to another company that has a tax liability in the country. Typically, tax credits are transferred by non-resident production companies that generally have no tax liabilities. Additionally, accumulated credits can also be refunded.

**Case study: Zindagi Na Milegi Dobara (Spain)**

<table>
<thead>
<tr>
<th>Quick Facts</th>
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<tbody>
<tr>
<td>Title of the movie</td>
<td>Zindagi Na Milegi Dobara</td>
</tr>
<tr>
<td>Produced in</td>
<td>India</td>
</tr>
<tr>
<td>Shot in</td>
<td>Spain</td>
</tr>
<tr>
<td>Production scheme/tax incentives</td>
<td>18% refund on Value Added Tax (VAT)</td>
</tr>
<tr>
<td>Benefits to Spain's economy</td>
<td>Indian tourist traffic to Spain increased by 65% after release of the film</td>
</tr>
</tbody>
</table>

**Introduction**

Zindagi Na Milegi Dobara was an Indian comedy directed by Zoya Akhtar and produced by Excel Entertainment in 2011. Made on a budget of INR550 million (US$9.0 million), the movie was mainly shot in Spain and partly in India, Egypt and the UK.

**Tax and financial incentives offered to Zindagi Na Milegi Dobara**

- The Government of Spain offered VAT refund of around 18% for shooting the movie in the country. In addition, it made the visa process easier, offered discounts on hotel stays and travel, ensured fast approvals and offered other sops.
- Following the success of Zindagi Na Milegi Dobara, Spain’s Tourism Board began offering incentives, along with tax deduction of 18%, to attract Bollywood filmmakers to the country. These incentives included subsidies from its Ministry of Culture and autonomous bodies.

In 2011, the National Tourist Office of Spain earmarked US$1 million to promote Spain in India.

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Impact on Spain's economy

- The number of Indians visiting Spain surged after the release of the movie. According to Spain's Tourism Board, within six months of the release of the film, the number of Indian tourists to the country jumped by 65% to more than 115,000 in 2011, compared to 75,000 in 2010.
- There was an increase in the number of enquiries and booked holidays in Spain after its release.
- According to Spain's Tourism Board, the number of visas issued to Indians after the movie went up by 50%-60%.
- Spain's Tourism Board received 600,000 enquiries from Indians on destinations shown in the movie, such as Costa Brava, Seville, Pamplona, Barcelona and Valencia, as well as about one of the sequences in the film, which featured the famous Tomatino Festival, and prompted people to time their visits during the festival.
- Tour operator SOTC introduced a seven-day Spain package, which included the La Tomatina Festival, to cater to people's demands.

Spanish Government’s marketing initiatives to promote Zindagi Na Milegi Dobara:

- TURESPAÑA, Spain's national tourism board, spent more than US$660,000 on marketing campaigns. It also aired two 30-second ads from its global agency McCann Erickson. The ads were clips from the film and ended with the Turespana logo. The Tourism Board did not finance the film, but it contributed by providing on-the-ground support and subsidies worth US$660,000.
- The movie has been included as a case study for a course in marketing management in the country, which focuses on how Spain was marketed and portrayed as a product and how the film increased tourism.
**Tax holiday**

A tax holiday is a temporary reduction or elimination of tax. In other words, there shall be no tax liability for a particular period on taxable income earned during the said period. Over the years, countries have been offering tax breaks and holidays to attract production companies to shoot films. It is relevant to note that such breaks and holidays bring down production costs significantly.

**Case study: Harry Potter (US)**

<table>
<thead>
<tr>
<th>Quick Facts</th>
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</thead>
<tbody>
<tr>
<td><strong>Title of the movie</strong></td>
</tr>
<tr>
<td>Harry Potter</td>
</tr>
<tr>
<td><strong>Produced in</strong></td>
</tr>
<tr>
<td>US</td>
</tr>
<tr>
<td><strong>Shot in</strong></td>
</tr>
<tr>
<td>UK</td>
</tr>
<tr>
<td><strong>Production scheme/tax incentives</strong></td>
</tr>
<tr>
<td>Tax breaks of around £95 million (US$160 million) a year</td>
</tr>
<tr>
<td><strong>Benefits to USA’s economy</strong></td>
</tr>
<tr>
<td>Contribution of over £1 billion (US$2.0 billion) a year to the UK's economy by Warner Bros.</td>
</tr>
</tbody>
</table>

**Introduction**

Harry Potter is a feature film series based on the Harry Potter novels written by J. K. Rowling. The series are distributed by Warner Bros. and includes eight fantasy films. It comprises the highest-grossing film series, with US$7.7 billion in worldwide receipts. Each film individually features among the 50 highest-grossing movies in the world. The movie was mainly shot in the UK.

**Tax and financial incentives offered to Harry Potter**

- Films made in the UK receive tax breaks worth around £95 million (US$160 million) a year, with 25% of their production costs incurred in the country.
- Consequently, shooting films in the UK is up to 40% cheaper for filmmakers than in the US. The UK's film industry accounts for £1.4 billion (US$2.4 billion) of the country's GDP.
- Harry Potter also benefitted from the scheme.

**The UK government offers tax breaks to foreign film makers for shooting and releasing a film in the country through 2015.**

**Impact on UK’s economy**

- In 2010, Warner Bros. purchased Leavesden Studios in Watford, where all the Harry Potter films were shot. It also unveiled its plans to invest £100 million (US$168 million) to create its own TV and film production base in the UK.
- After acquiring the site, Warner Bros. launched The Warner Bros. Studio Tour - London in 2012. This sees over 5,000 visitors a day and has a secure studio space in the same complex.
- Warner Bros' expenditure on salaries, national insurance contribution, marketing, advertising and infrastructure amounts to £1.2 billion (US$2.0 billion) a year for the UK's economy (as of April 2013).

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Warner Bros. contributes over £1 billion (around US$2.0 billion) a year to the UK’s economy.

- In 1998, before Harry Potter was released, expenditure on film production in the UK was valued at £398 million (US$670 million). By 2011, it rose to over £1.1 billion (US$1.8 billion), backed by Warner Bros.' investment in technicians specializing in special effects.

- The movie also attracted tourists to Pembrokeshire County, where Harry Potter and The Deathly Hallows premiered.

- The number of visitors rose by almost 30,000 to 4.2 million in Pembrokeshire in 2010. They stayed for an average of 3.3 days in 2010, compared to 3.1 days in 2009, and helped to boost the total spend of visitors in the county by 5.4%.

Initiatives by UK’s Tourism Department to attract domestic and international tourists:

- Following the release of the movies, a series of themed Harry Potter guided tours and events were undertaken throughout the UK.

- In 2013, leading tour operator British Tours Ltd., which specializes in tailor-made trips around the British Isles, revealed that more tourists book their “Harry Potter” tours than for any other special interest outing it offers.

- The London-based tour company reports that almost 700 groups booked “Harry Potter locations” tours over the last five years. This falls slightly short of 50% of the share of its second most popular trip, a tour of pre-historic monuments, including Stonehenge, at sunrise or sunset.
Non-monetary assistance
Apart from monetary assistance in the form of exemption from tax and cash rebates, many governments address other issues faced by production companies, e.g., clearances, approvals from various dignitaries, visa procedures, etc.

Case study: *Dilwale Dulhania Le Jayenge (Switzerland)*

Quick Facts

<table>
<thead>
<tr>
<th>Title of the movie</th>
<th>Dilwale Dulhania Le Jayenge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Produced in</td>
<td>India</td>
</tr>
<tr>
<td>Shot in</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Production scheme/tax incentives</td>
<td>No financial incentives/tax rebates; other benefits offered</td>
</tr>
<tr>
<td>Benefits to Swiss economy</td>
<td>Increase in tourism by 7%</td>
</tr>
</tbody>
</table>

Introduction

*Dilwale Dulhania Le Jayenge (DDLJ)* was an Indian film, which was released in 1995. It was written and directed by debutante director Aditya Chopra and produced by his father Yash Chopra. The film was shot in India, London and Switzerland.

Tax and financial incentives offered to DDLJ

- Switzerland is an expensive country for shooting films and does not offer any tax or financial incentives/rebates to foreign filmmakers. However, Indian filmmakers are still attracted to the country. More than 200 Bollywood films have been shot in Switzerland over the past two decades. Indian filmmakers flock to the country to tap the following benefits:
  - Natural daylight is plentiful, especially during summer (for 12 to 13 hours). This reduces the cost (including hiring, freight, etc.) of using artificial lighting.
  - Permission to shoot is easily available from local authorities without any red tape or costs involved.
  - Labor costs in Switzerland are similar to those in its neighboring countries. In addition, Swiss legislation allows longer working hours, which implies tight production schedules.

The Swiss Government gives quick and trouble-free permission to shoot films as well as for advanced equipment and infrastructure for foreign film producers.

- Its landscape includes beautiful mountains, lakeshore scenery, picturesque villages and medieval towns.
- Switzerland does not place any restrictions on the amount of Swiss francs that can be imported, exported or exchanged.

The Swiss Government is encouraging and promoting film shoots in Switzerland through Film Location Switzerland, a public organization set up to offer logistical support to foreign film producers.

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Impact on Swiss economy

- The success of DDLJ gave a major fillip to tourism in Europe, particularly to Switzerland.
- There is a strong co-relation between Indian movies and the number of Indian tourists visiting Switzerland. Between 1993 and 2010, the number of annual overnight stays of Indian tourists in the country increased from 71,000 to 393,000.
- Furthermore, Indians spend an average of SFr300 (US$330) a day, well above the average tourist spend of SFr174 (US$192) in Switzerland.

Initiatives taken by the Swiss Government to attract domestic and international tourists:

- In 2010, Yash Raj Films entered an agreement with SOTC, a part of the Kuoni Travel Group in India, and Brandinvest AG, a Switzerland-based company. They came together to provide a tour package, YRF Enchanted Journey to enable people visiting Switzerland to see the filming locations of famous Yash Raj films including DDLJ, Mohabbatein, Veer-Zaara, Chandni, Darr and Bachna Ae Haseeno.
- In 2002, the Consulate General of Switzerland (in Mumbai) awarded the first Swiss Filmfare Award to Yash Chopra; in 2010, he received the Swiss Ambassador Award for promoting “Brand Switzerland” through his movies; in 2011, he was honored with the title of “Ambassador of Interlaken.”
- In 2006, Switzerland Tourism, in collaboration with Swissair and the Swiss Consulate-General in Mumbai, organized a formal dinner to felicitate Yash Chopra’s unit on DDLJ running for over 500 weeks in the city, in recognition of the Indian film industry’s efforts to promote tourism in the country.

DDLJ increased Swiss tourism by 7%.

Key necessities for Film Commissions
India has a unique distribution of administrative powers between Central Government and State Governments. The powers are derived from the Constitution by the Governments. The powers are both exclusive and concurrent. Exclusive powers assigned to Central Government cannot be exercised by State Governments and vice versa. However, concurrent powers can be exercised by both Central and State Governments.

A gist of exclusive powers assigned to Central Government include defence of the Nation, entering into treaties with foreign countries, sanctioning cinematograph film exhibition, visas, income-tax, corporate tax, custom duty, central excise duty, service tax, advertisement in television and radio etc.

A gist of exclusive powers assigned to State Governments include police, public health, hospitals, tax on sale or purchase of goods, tax on land and buildings, excise duty on alcohol, electricity duty, tax on advertisement other than television and radio, profession tax, luxury tax etc.

Some of the concurrent powers that can be exercised both by Central and State Government include trade unions, industry and labour disputes, social security, employment, education, legal profession etc.

It is evident from the above that no one Government can formulate a film commission with exhaustive powers without the support from the other Government. Thus, in India it is imperative that Film Commissions at a National and State level work in tandem in such a manner that a comprehensive policy to promote film production is formulated and administered.
Some of the important elements for efficient functioning of Film Commission in India can be:

**Online Portal**

For effective communication, the film commissions (centre and state level) need to be powered by a common digital platform. This platform will serve as a central repository for providing information to production (local and international) intending to shoot or produce in India. Examples of some of the film commission websites include California Film Commission (www.film.ca.gov), Georgia Film Commission (filmcommission.ge), New Zealand Film Commission (www.nzfilm.co.nz), Japan Film Commission (www.japanfc.org).

Building a comprehensive online portal shall require integrated efforts from both Central as well as State Governments. Key features of an effective film commission website include:

<table>
<thead>
<tr>
<th>Key feature</th>
<th>Information provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Interactive map, weather, terrain, best ways to get there, photographs and videos, films shot in the past, religion and culture, local population, languages spoken, medical facilities</td>
</tr>
<tr>
<td>Permits and guidelines</td>
<td>Listing of permits, visa information, how and where to apply, estimated approval time, nodal officers, guidelines for shooting, conditions and restrictions imposed, laws, police and enforcement, nearby courts</td>
</tr>
<tr>
<td>Incentives</td>
<td>Types of incentives, quantum of benefit, how and where to apply, criteria to qualify, conditions and restrictions, incentive process with estimated time of receipt, details of authorities granting incentives, contact details of authorities</td>
</tr>
<tr>
<td>Production resources</td>
<td>Types of film equipment available, time taken to supply, supplier name and address, cost of transportation, travel and accommodation, post production facilities, safety and security</td>
</tr>
<tr>
<td>Labour</td>
<td>Local line production companies, listing of skilled and unskilled labour, job posting, recruitment agencies</td>
</tr>
<tr>
<td>Workshops and training</td>
<td>Details of various courses conducted, affiliations, universities and deemed universities, campus placements, training and workshops, vocational courses, career counselling</td>
</tr>
<tr>
<td>Grievance Cell</td>
<td>Real time dispute resolution mechanism, local authorities, contact details, application process, public listing of grievances and its resolution, arbitration and settlements, public discussion forums</td>
</tr>
<tr>
<td>Film festivals</td>
<td>Hosting film festivals, recognition and rewards, participation in International film festivals, promote tourism</td>
</tr>
<tr>
<td>Contact us</td>
<td>Who's who and their contact information, enquiries and feedback</td>
</tr>
</tbody>
</table>
Integration with Incredible India campaign

The ‘Incredible India’ campaign introduced in the year 2002, was an integrated communication strategy with the aim of promoting India as a destination of choice for the traveller. Over the years, efforts have been made to re-instil the campaign by way of partnerships which complement the campaign, redefine the brand and provide a strategic vision.

In 2013, MoT partnered with WoNoBo.com to launch Walking Tours, an online experience where users navigate and route their way through cities based on a choice of themes. The website also offers guides, created by users as well as experts, that feature restaurants, shops and more.

Moreover, in May 2014, MoT partnered with Worth Your Holidays, a travel solutions provider, to launch a travel planner portal, Tripigator.com. The new site, besides providing information about attractions in a destination, mode of transport, distance between places, hotels, etc., provides travellers with the real-time cost of travel to any destination. The initiative by the MoT will help both domestic and international travellers in planning trips seamlessly, on the basis of basic inputs such as timeline, budget, areas of interest (adventure, romance, nature, etc.) and destinations of choice.

While reforms to promote film tourism at central and state level are already under way, the Government should consider launching film commissions to position India as a preferred filming destination for both local and international productions.

“Film tourism is considered as a powerful tool to promote tourism destinations and locations in a country. India needs to adopt a globally recognised standard to introduce production benefits to boost film production across various locations. Production incentives, timely permits, availability of local talent, production resources and infrastructure are key ingredients to attract foreign and local productions to shoot in a country. This will ensure retention of local productions within the country and help position India as an International filming destination globally.”

Vijay Singh
Chief Executive Officer
Fox Star Studios, India

Our M&E publications

For more information, please contact Radhika Pradhan at radhika.pradhan@in.ey.com or +91 022 6192 1516.

Roadmap for single window clearance for film production in India
This report was released in association with LA India Film Council. The report looks at existing Indian regulations, co-production agreements with other countries and the clearances required, and in the process, highlights some development areas.

Film industry in India: New Horizons
This report was released in association with the LA India Film Council. The report highlights how the Indian film industry will benefit by partnering with Hollywood.

Poised for growth: FM radio in India
This publication was released in association with the CII and provides an analysis of the FM radio industry in India.

Monetizing your content in a digital world
This publication offers perspective on the changing nature of media and entertainment consumption and how M&E companies are tailoring their offerings to suit the same.

The business of experiences: The Indian events and activation industry
This report was released in association with EEMA at Eemagine 2012. The first report on the events and activation industry, this report captures the emerging trends and challenges that this nascent sector faces.

In the decade of the customer, knowing your customer means owning your data
The report presents innovative solutions to help our clients stay competitive in this decade of the customer – domain-name consolidation across multiple online properties and its benefits, and the lessons learned and challenges faced.

Spotlight on China: Building a roadmap for success in media and entertainment
This report was released at the inaugural M&E Emerging Markets Executive Forum in Shanghai and focuses on the Chinese media and entertainment landscape.

Purchase-to-Pay strategies for the Media & Entertainment industry
This report discusses the challenges of creating an effective procurement organization and presents strategies for optimizing the purchase to pay cycle. With continued pressures from an increasingly competitive marketplace and changing consumer demands, M&E organizations strive to better align cost structures to achieve operating targets.

Poised for digital growth: Preserving profitability in today's digital world
This report contains insights from seventy five media and entertainment company CFOs on the digital landscape and how changing business models are shaping the future of the industry.

Digital agility now!
This report describes how digital leaders are showing the M&E path forward by using new technology not only to deliver new media products and services, but to build more agile organizations capable of sensing and responding far faster to technology-induced shifting customer attitudes and marketplace opportunities and risks. The report also describes how “Other respondents” have been slower to change.
Our M&E practice

Industry is the cornerstone of EY’s approach to professional services. M&E is one such significant focus area. The firm’s M&E practice has more than 2,000 professionals across more than 100 countries, who focus on various issues and challenges the industry faces. Globally, EY leads the audit market share in the overall M&E industry on the 2008 Fortune 100 list. The firm is also the leader among the Big Four in the overall M&E space on the 2007 Russell 3000® Index.

Whether it is the traditional press and broadcast media or the multitude of new media options, audiences now have more choice than ever before. For M&E companies, integration and adaptability are becoming critical success factors.

EY’s Global Media & Entertainment Center brings together a global team of professionals with in-depth technical experience in assurance, tax, transaction and advisory services to help you achieve your potential. The center works to anticipate market trends, identify the implications and develop points of view on relevant industry issues. Ultimately, it enables us to help you meet your goals and compete more effectively. This is how we make a difference.

EY India has a dedicated M&E practice of more than 160 professionals across 15 key segments of the industry. We provide services to many of the country’s leading M&E companies as well as to global media giants operating in the country. We have developed a wide range of services, such as entry strategy, private equity placement, due diligence, IT security review, organization structure, performance improvement and tax structuring, to name a few. This has enabled us to establish a strong presence in each segment of the industry.

As your advisors, we can help you respond quickly and effectively to the challenges the entertainment industry faces today.

For further information on EY’s services for the media and entertainment industry, please contact:

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Fax: +91 22 6192 1000

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Tower - B
Near DLF Golf Course
Sector 42
Gurgaon-122 002
Tel: +91 124 464 4000
Fax: +91 124 464 4050

Pune
C-401, 4th floor
Panchshil Tech Park
Yerwada (Near Don Bosco School)
Pune-411 006
Tel: +91 20 6603 6000
Fax: +91 20 6601 5900
LA India Film Council

Established in November of 2010 by a Joint Declaration between the City of Los Angeles and the Indian Film Industry, the LA India Film Council was formed to facilitate and strengthen motion picture production, distribution, technology, content protection, and commercial cooperation between the above two communities.

The Governing Council is an amalgamation of a prestigious panel of members from India and the U.S. This body collectively strives towards creating a support system that facilitates motion picture production, distribution, technology, content production, content protection and commercial cooperation between Hollywood and Bollywood.

The current Governing council members are: Film Federation Of India, Film and Television Producers Guild of India, National Film Development Corporation, Federation of Indian Chambers of Commerce and Industry, AP Film Chambers, California Film Commission, LA Mayor's Office, MovieLabs, Technicolor India, DQ Entertainment, Reliance MediaWorks, Prime Focus, Peter Law Group, Whistling Woods International, Film and Television Institute of India, University of Southern California- School of Cinematic Arts and Motion Picture Dist. Association (India) Pvt. Ltd., UCLA School of Theater, Film and Television.

www.mpaa-india.org (http://www.mpaa-india.org)

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