

## IMAGE Policy - Summary

In addition to being a major IT center, Telangana has also evolved into a major cultural hub with a rich heritage in the areas of arts and crafts, dance, music, cinema, comics etc. This heritage is paving way for Telangana to become a leader in the entertainment industry. With the advent of digital technologies in this sector and rapidly growing market, Telangana's entertainment ecosystem is poised to become a national, and eventually, a global leader.

However, this sector faces numerous challenges such as shortage of talented professionals, piracy, lack of Indian focused games, funding, etc. To overcome these challenges, and develop Telangana as the next trending destination for AVCGI, the Government of Telangana launches the IMAGE Policy 2016 with the following objectives-

- Make Hyderabad the most favoured destination for investment in Animation, Visual effects, Gaming & Comics sector
- Encourage and support appropriate manpower development, infrastructure development and business development
- Spread awareness and create employment in the Animation, Visual effects, Gaming & Comics sector
- Bridge the demand and supply gap of human resource through various skill development programmes
- Attract global majors and R&D companies in Gaming, serious gaming, Animation and serious animation into Telangana
- Strive towards a larger share of the outsourcing opportunity in the global Animation, Visual effects, Gaming & Comics markets
- Facilitate a legal framework for 'IP' creation and its protection.
- Promote growth of indigenous 'digital content' education and entertainment for the masses
- Set up a "CENTER OF EXCELLENCE" i.e., Telangana Animation and Gaming - IMAGE City, with state-of-the-art facilities to act as a catalyst for the Animation, Visual effects, Gaming & Comics sector

The Government aims to achieve the above mentioned objectives through the following strategy and policy initiatives-

- **Provision of infrastructure** - All new AVCGI parks and development areas shall be provided with the required infrastructure of the highest standards. Telangana State Industrial Infrastructure Corporation (TSIIC) will become the nodal agency to create this infrastructure and manage the land bank. While government agencies like TSIIC will be encouraged to develop infrastructure and set up designated AVCGI clusters, reputed private developers, with proven track record, will also be welcomed to develop dedicated clusters in an appropriate PPP mode
- **Setting up of IMAGE City** - Telangana Animation and Gaming (IMAGE) City will be set up in RR District Hyderabad in an appropriate extent of land by the Government, through Telangana State Industrial Infrastructure Corporation (TSIIC). The Telangana Animation and

Gaming IMAGE City will be a world class facility that will provide an ideal environment for businesses in Animation, Visual effects, Gaming & Comics Industry

- **Allotment of government land** – Eligible AVCGI companies shall be allotted government land in Hyderabad and surrounding areas, subject to fulfilment of terms and conditions on employment, investment, etc.
- **Setting up of training and skilling academies** - Government of Telangana in association with stakeholders shall set up a world-class and first of its kind in the country Animation, Visual effects, Gaming & Comics Academy to impart requisite communication skills, artistic skills and domain knowledge to the students. This Academy will help create the talent pool that is needed to incubate new ideas and foster entrepreneurs in the Telangana Animation Industry. Further, the government shall also promote AVCGI courses and expert talks in collaboration with the industry
- **Training and placement through TASK** - Government shall ensure that through TASK, the requisite talent pool for Animation & Gaming industry (industry ready), is available through imparting hands on experience in communication skills and domain knowledge and through provision of campus placements
- **Dedicated incubator for AVCGI** - In its effort to further enhance the start-up ecosystem in the state, the Government of Telangana in association with STPI has created an Incubation Center dedicated for AVCGI start-ups and early stage companies. In addition, Government of Telangana shall create a suitable Venture Capital Funding mechanism in association with stakeholders to extend appropriate seed capital assistance to first generation entrepreneurs, startups, Small & Medium Enterprises engaged in the Animation, Visual effects, Gaming & Comics sector.
- **Promote local content through reservation of air time** - Government of Telangana shall coordinate with the Government of India to implement the reservation of at least 5 – 15% of airtime on channels (both foreign and domestic) to promote locally created content to provide level playing field for domestic content development and foster competition between domestic players, foreign companies that set up base in Telangana as well as startups. This will also ensure that quality content goes on air.
- **Fiscal incentives-**
  - 25% Capital investment subsidy limited to Rs.25 Lakhs for fresh investments made post declaration of the said policy. This is a one-time subsidy for an Investment above Rs.5 Crore and create new employment of 50 employees and above
  - Reimbursement of production cost of animation films, cartoon series and games, up to 20% (with specific caps), if 80% of the production costs for the same were incurred in Telangana
  - Entertainment Tax Exemption: Full fledged Animation VFX Theater film produced and released in Telangana will be entitled for Entertainment Tax exemption
  - Reimbursement of Internet Bandwidth charges upto Rs.3 Lakhs per annum for a period of three, as compared to Rs. 2 Lakhs mentioned in the above section
  - Additionally, for SC/ST and women entrepreneurs, additional fiscal benefits, over and above the common incentives, are provided
- AVCGI companies shall be exempted from statutory power cuts and shall be encouraged to utilize renewable energy