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OUTCOME REPORT

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EXECUTIVE SUMMARY

Indian Media and Entertainment (M%E) comprises multiple segments including television, film, radio, animation, visual effects, gaming, comics, and extended reality (AVGC-XR), gaming, digital media, advertising, out of home media, music, sports, and live events. As per FICCI EY Report, these segments contributed to an 8% growth for the M&E sector in 2023, to cross INR 2.3 trillion in value from INR 2.14 trillion the previous year. However, growth is not uniform across sectors as segments are in different stages of maturity and consolidation. Segments like TV, print, and radio are yet to recover to pre-pandemic levels and showing signs of decelerating. Other segments like online gaming, digital media, animation and visual effects are steadily increasing their contribution. Digital media is expected to overtake TV as the largest segment of M&E.

The rise of new digital segments has led to concerns in some quarters that this has happened at the cost of traditional segments of M&E such as TV. Soft-touch regulation of newer services compared to licensing and registration regimes that traditional segments are subjected to is oft cited as a reason for this at our forums. Indeed, liberal policy and regulatory regimes incentivise innovation and growth, but that is only one of the factors shaping the M&E landscape today.

At FRAMES, an annual conclave hosted by the Federation of Indian Chambers of Commerce and Industry (FICCI) industry stakeholders unpacked factors that are shaping M&E businesses today. Themed 'Reflections. Realities. Road Ahead', the 2024 FICCI FRAMES helped industry stakeholders, media professionals, and policy experts and practitioners reflect on past trends, lay out present challenges, and look ahead to a future of sustainable growth in the face of technological and economic unpredictability.

Participants focused on varied themes that will shape M&E in the coming years. This document aims to capture over three days of ideation and to summarise and build on stakeholders' conversations and recommendations, and is divided into four broad areas that span the discussions at the conference: mapping consumption trends, anticipating technological shifts, ramping up skilling and education, and deregulating traditional industries.



“Sabka saath, sabka vikaas, sabka vishwaas, is not merely a slogan, but a steadfast commitment to the people of India. Fulfilling this pledge requires a robust partnership between the government and industry. In this endeavour, the role of FICCI assumes paramount importance. It plays a pivotal role in fostering collaboration and driving innovation.”

Shri Mangal Prabhat Lodha
Hon'ble Minister of Skill Development & Entrepreneurship,
Govt. of Maharashtra



“

FICCI FRAMES stands as a cornerstone event in the media and entertainment sector, where we gather to celebrate the vibrant and dynamic landscape of Indian media and entertainment. It's truly an honor to witness the transformation of this sector, which was once not recognized as an industry. Thanks to the collective efforts of industry associations like FICCI and the persistent advocacy of stakeholders, today we commemorate the media and entertainment sector as a major industrial segment.

”

Shri Sanjay Jaju

Secretary, Ministry of Information & Broadcasting,
Govt of India.



“

Role of skilling & education in media and entertainment sector critical in country's GDP growth and realizing vision of Viksit Bharat 2047.
Bridging the skill gap requires collaboration between industry and academia.

”

Shri Atul Kumar Tiwari
Secretary, Ministry of Skill Development & Entrepreneurship (MSDE), Govt of India.

Mapping Consumption Patterns

It is important for M&E stakeholders to understand and leverage both consumer demographics and preferences for content. Industry must determine robust content strategies based on related data-backed analytics, and government interventions in the interest of consumers should also follow from trend spotting. India has a diverse pool of content consumers with differing needs based on factors like age, gender, income, and language. For instance,older audiences access news on TV and in print more than younger audiences ,. Newer content formats that interact with consumers to provide real-time updates and recommendations are increasingly preferred. Data analytics, the use of AI, and cross-platform engagement with consumers can provide the kind of refined insights required to adjust content production and dissemination strategies accordingly. In this context, several panellists at FICCI FRAMES recommended:

- **Light-touch AI Regulations:** As AI is still in its early stage of adoption in areas like M&E, a light-touch regulatory regime is needed to oversee it. The policy and regulatory approach towards AI should create a framework that enables innovation and prescribe guardrails to minimize user harm. Such an approach can catalyse the wide-scale and much anticipated adoption of AI in M&E.
- **Enabling Data and Insights:** Data-driven insights are essential for tracking trends in consumer preferences. These can enable producers to create tailored and differentiated content. Some panelists suggested that easing compliances under the Digital Personal Data Protection Act (DPDP), 2023 for data analytics tools is necessary to foster an analytical culture in M&E.
- **Scaling Incentives for Local Production:** India has a large audience for regional and local content. Policymakers should extend local production incentives offered to films under state policies to other M&E segments like broadcasting, gaming, and online content. Incentives will attract investment in local talent and provide opportunities to collaborate with global producers.

Anticipating Technological Shifts

Sunrise segments in M&E see high-levels of technology adoption and innovation like gaming and digital media. Artificial Intelligence (AI) and Animation, VFX, Gaming, Comics and Extended Reality (AVGC-XR) are two underlying drivers. AI use-cases lie in like adaptative gameplay, content recommender systems, and generation of audio and video content are already yielding efficiency gains. The top three applications of Generative AI are content development (90%), Product Development (65%) and Customer Experience (65%), according toFICCI EY Report. Generative AI is expected to drive over 10% of the revenue growth and a 15% efficiency increase in Indian M&E, adding INR 450 billion in value. The proliferation of AI has led to increasingly sophisticated application in global M&E too. In this context, some of the recommendations of stakeholders were:

- **Innovation-Friendly IP Regime:** Omnibus AI regulations have received pushback in jurisdictions like the European Union (EU). Extensive testing and regulatory requirements create entry barriers smaller companies cannot overcome and restrict the free flow of ideas. Like in the case of the General Data Protection Regulation, the EU might inadvertently force M&E companies that use AI to relocate, and India could provide a conducive environment.
- **Clarifications in Copyright Regime:** India should aim to clarify (i) whether AI-generated works are copyrightable, (ii) who should be considered the author and owner of such works, and (iii) whether existing fair dealing provisions can accommodate the use of copyrighted input for training AI programs.

Policymakers in India should maintain a balance between the rights of the copyright owners and the stakeholders of AI generated works. A separate copyright regime is however not warranted. The government should formulate a taskforce with the Department of Industry and Internal Trade (DPIIT) as the nodal ministry to consult stakeholders and propose changes or clarifications to the copyright law.

Additionally, AVGC-XR has evolved as an important growth engine of Indian M&E and of the national economy. The industry has shown steady growth in recent years. With the right set of interventions, AVGC-XR has the potential to become the backbone of M&E, make Indian culture accessible to the world, connect the Indian diaspora to India, generate direct and indirect employment, and benefit tourism and other allied industries. Some recommendations in this regard are:

- **Ecosystem Development on Mission Mode:** Countries like Japan, South Korea and Singapore have set global benchmarks in developing AVGC by establishing centers of excellence, innovation hubs and public-private partnerships. Similarly, the role of the state in India is significant and relevant ministries mush partner with technology companies to catalyse the ecosystem.
- **Early Initiation**: The Ministry of Electronics and Information Technology (MeitY) launched an XR Startup Program as part of its Startup Hub a few years back. It is important to ensure that the domestic workforce has the skills required to develop and operate XR that startups are developing use cases for. Incorporating training in school and college curriculum can help students develop requisite skills early. This will help with the ease of use and a more natural adoption since the technology does need getting used to.
- **Predictable Gaming Regime:** MeitY amended the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (IT Rules) and prescribed a registration mechanism and standard-setting through recognised Self-Regulatory Bodies last year. However, the self-regulatory regime is not in effect yet. The central government and responsible industry players should work together to engender greater predictability in the regulatory regime. A registration process under MeitY is being mooted by some stakeholders as a way forward.

Ramping up Skilling and Education

There is a lot of scope to consolidate M&E education in India. Sub-sectors like Online Gaming/Animation and VFX heavily rely on certificate courses and specialised training. Opportunities to develop practical skills, software proficiency, and creativity must supplement formal education. Uniformity in M&E education and adaptability to changing consumer preferences and technology trends, is imperative when it comes to educating the next generation of the M&E workforce. Much like any other industry, upskilling is imperative for professionals in M&E. A special emphasis on upskilling is relevant as professionals need to adapt to technological advancements, changing consumer preferences, and market dynamics. A few of the pointed recommendations at FICCI Frames related to this facet were:

- **Identification of Skill Gap through Self-Assessment:** Self -assessment of skill gaps is a possible first step towards skill gap identification. It can highlight skill gaps in basic technology and AI related skills. M&E industry associations must identify basic technology gaps and create tools for self-assessments. Online educators have expertise in self-assessment as they often provide self-paced courses and could also contribute to this
- **A Workforce with Practical Experience:** Course structure must focus on media related optional subjects and encouragement to pursue internship and training programmes. Media education related courses should focus on practical training. Internships and apprenticeship opportunities also provide a scope for industry collaboration. Given the rapid technological advancements, teaching trainers and instructors is also essential.
- **Leveraging the National Education Policy (NEP):** The NEP must be harnessed to nudge children towards creative thinking. It lists effective written and verbal communication, collaboration, and creativity as essential skills, each of which are also foundational to a career in M&E. The NEP also introduced coding and AI to promote skilling in starting from standard six. Awareness building about prospective careers unlocked through coding and AI skills, including a career in M&E is important.

Deregulating Traditional Industries

Indian M&E is in a transitional phase as it tries to address operational challenges in traditional spheres and adapt to technological developments. Innovating for the future, trying out new combinations and permutations of channel segmentation and pricing in industries like television is urgently required. This combined with smart intellectual property management and content monetisation strategies can help sustain the relevance of more traditional mediums. A cogent policy roadmap and vision is necessary to outline legislative frameworks that engender predictability and stability in these segments. This was also echoed in stakeholder recommendations for:

- **A Long-Term Vision:** India must finalise a broadcasting policy that outlines industry goals for the next ten years and identify steps to achieve these goals. Policy iterations should outline a long-term vision and a roadmap for the broadcasting industry, which will guide all subsequent legal-regulatory efforts.
- **Identify Key Areas for Immediate Reform:** It is important to identify areas that require immediate attention as priorities and address them in mission mode. Stakeholders stressed the importance of policy and regulatory imperatives like forbearance on economic regulation, a culture of evidence-led regulation through market studies and impact assessments, alignment with copyright and intellectual property rights principles, and improved institutional capacity for enforcement at the local level, and inclusiveness in government consultations.
- **Separation of Regulatory Frameworks:** The government should distinguish between carriage and content regulation in broadcasting and the internet. Broadcasting content should be governed by broadcasting legislation, and online content by the extant framework under the Information Technology Act, 2000. These should be kept separate and distinct from existing telecom law. Administrative boundaries of government ministries and departments should similarly be demarcated based on subject matter expertise and institutional memory.

The rest of this document captures more details on the three days of ideation at FICCI FRAMES, and is structured within the four pillars mentioned above. We hope it has meaningful takeaways for all stakeholders invested in the future of Indian M&E.

SECTION 1

Mapping Consumption Trends

1.1. Trends

1.1.1. Children's Content

Children's content as a genre has always been in-demand among TV households. 26% of parents considered television in top three platforms for their children.[1] The Cartoon Network started programming in India in 1995 before becoming a full-time channel in 2001. Animated content continues to attract children with 12-15 million kids tuning in.[2] According to experts, children do not have strong preferences on the mode of consumption. Growth in animation capabilities, live action sequences of animated characters, expansion to new media like movies, over-the-top services ("OTT"), online gaming, live engagement (contests and physical events like comic con) has expanded avenues for distribution of such content. Success in this genre will depend on the industry's ability to experiment and innovate. Deployment of latest technology like generative AI is one of the ways in which industry is trying to keep pace with demand for this genre. For example, Amazon's 'Create with Alexa' uses generative AI to create bedtime stories for children based on prompts.

1.1.2. Sports Content

Sports content is crucial for enhancing audience engagement and advertising value. Within the sports segment cricket has integrated itself as a part of the Indian culture and finds its way into many households. Sports viewership grew 26% on the back of events like the Cricket World Cup.[3] 518 million (51.8 crore) people watched the ICC World Cup 2023 live broadcast on televisions. It was the most watched World Cup in the event's history. Subscription plans that include sports content has immense potential for growth given India has an estimated 678 million[4] sports audience base. A marketing analytics report indicated that 70 per cent of cricket viewers were Gen Z and millennials.[5] This implies that there is potential to generate more value by converting casual viewers to passionate cricket fans. With premium cricket content becoming free on JioCinema (IPL) and Disney+Hotstar (World Cup), there was a massive growth in online sports audience.[6]

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1 #Reinvent: India's media & entertainment sector is innovating for the future', EY- FICCI, pg 135 (March 2024), 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 [hereinafter EY -FICCI Report, 2024]

2 FICCI-EY Report, 2024

3 FICCI-EY Report, 2024 pg 34

4 Insights Desk, 678 million sports audiences in India, Ormax (20 March 2024), available at: https://www.ormaxmedia.com/insights/stories/678-million-sports-audiences-in-india-game-on.html#:~:text=Sizing%20India's%20Sports%20Audience%20Universe&text=As%20per%20the%20report%2C%20India's,%2C%20305%20%26%20280%20million%20respectively.

5 E4M staff, 73% of cricket viewers were Gen Z & millennials in 2023: Glance Report, E4M (20 March 2024), available at: https://www.exchange4media.com/ipl-news/70-of-cricket-viewers-were-gen-z-millennials-in-2023-glance-report-133266.html

6 FICCI-EY Report, 2024 pg. 63

1.1.3. Regional Content

Regional content is relatable and resonates with viewers. Mainstream media platforms continue to invest in regional content production and add more titles to their libraries.[7] Prime Video attained almost a third of its viewership from regional Indian titles. In aggregate, more than 60% of Prime Video's viewership was anchored to local content.[8] Homegrown streaming services like Stage dedicated to multiple dialects are affordable and provide avenues for easy access to regional content. It is likely that local streaming services and foreign media businesses will focus on niche regional content production to cater to the diverse Indian audience.

1.1.4. News Content

Digital technology has dramatically reshaped news and media industries. News consumption is mobile driven. The audience for news via online services continues to increase and reached to 456 million in 2023. 75% of news consumers were 18 and above indicating popularity of news among younger audiences.[9] Readers who access news via traditional media have declined by 40%.[10] Publishers are exploring new methods to improve engagement like live information on stocks or sports scores. This underscores the importance of analytics tools and data driven insights. Analytics can monitor reader behaviours, content preferences and effectiveness of advertising campaigns which translate into better engagement with viewers and readers.

1.1.5. New Content Formats

Novel innovations in VFX (Visual Effects), VR (Virtual Reality), and animation engage Indian consumers. Success of movies like Oppenheimer and Avatar: The Way of Water indicate a surge in demand for visually captivating experiences. VFX shots per large scale films increased substantially in 2023.[11] India finds itself in a unique position integrate cutting-edge technology in content production to attract viewers and create employment for talented individuals at the same time. It is already a huge market for outsourcing of VFX and special effects for films. Companies like Industrial Light & Magic known for visual effects in Star Wars and Avengers recently set up operations in India, recognizing the talent and skilled workforce available in India. The demand for visually captivating content is an opportunity for meaningful employment for talented individuals in India.

1.1.6. AI-Enabled Content

AI driven interactive media products are instrumental in shaping Indian M&E. Generative AI technology can enable creators to engage in content creation at scale due to its ability to intelligently perceive instructions and generate a wide range of content from written scripts to videos and pictures. Content creators can produce tailored content to cater to diverse audiences by leveraging capabilities of generative AI. Companies can streamline workflows, improve efficiency, and deliver engaging and targeted content to their audiences by leveraging AI algorithms for tasks like data analysis, audience segmentation, and content personalisation.A

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7 Saptak Bardha, The regional Lala Land! From cinemas to TV, OTT, regional content catches the imagination of viewers, Financial Express (18 January 2024), available at: https://www.financialexpress.com/business/brandwagon-the-regional-lala-land-from-cinemas-to-tv-ott-regional-content-catches-the-imagination-of-viewers-3367494/

8 FICCI-EY Report, 2024 pg 138

9 FICCI-EY Report, 2024, pg 64

10 Vanapala R. (2022). New Media leads the way in how you read news. Times of India.

11 FICCI-EY Report, 2024, pg 106

survey of M&E CXOs revealed that 65% of them believe that generative AI will help in revenue acceleration and that their companies have initiative AI projects.[12]

1.1.7. Social Networks

Social networks, powered by AI, continue to drive personalization. For instance, Reels uses AI to generate curated content based on users' content viewing history. The FICCI EY Report highlights that time spent on social media applications was 520 billion minutes in 2023 which translated into 50% of total time spent on mobile phones.[13] Moreover, Indians spent more time on social mediaas compared to world average, ahead of other large countries. User-generated content (UGC) continues to garner immense popularity through social media platforms and dominates the media landscape. The localization of content on user-generated content apps in India increases engagement, retains users, and leads to brand effectiveness.[14]

1.1.8. Advertising

Trends in advertising also point towards a preference for interactive media products. Digital out of home (DOOH) advertising that includes QR technology code, image analytics, digital screens and computer-generated imagery (CGI) is shaping interactive content consumption. India's DOOH market is rapidly expanding, fuelled by increased internet connectivity and innovative advertising solutions. DOOH revenue increased from INR 2.9 billion in 2022 to 3.9 billion in 2023.[15] A survey in the FICCI-EY Report states India has over 165,000 digital screens and 75% of these are in top 12 metro cities.[16] DOOH advertisements in India are placed in various locations like residential complex, airports, malls, and metro stations, which gives advertisers an opportunity for continuous engagement with diverse audiences. It offers an opportunity to create engaging campaigns which highlight brands for target audiences, helps them stand out in a meaningful way and allows for real-time adjustments.

1.1.9. Monetisation Pressures

Homegrown IP (characters, themes, shows developed in India) is on the rise. There is demand for original Indian IP in India and abroad. Netflix's Mighty Little Bheem was watched by 27 million households outside India in 2021. Production houses and broadcasting channels are heavily investing in new IPs across different themes. However, digital distribution exposes content to copyright infringement risks, which can lead to litigation costs. It becomes even more difficult to protect one's IP in digital realms such as the metaverse. This calls for concerted action from all levels of government to formulate an effective enforcement plan to develop India as a trusted destination for IP investment.

Recommendations

- Light-touch AI Regulations: As AI is still in its early stage of adoption in areas like M&E, a light-touch regulatory regime is needed to oversee it. The policy and regulatory approach towards AI should create a framework that enables innovation and prescribe guardrails to minimize user harm. Such an approach can catalyse the wide-scale and much anticipated adoption of AI in M&E.

[12] FICCI-EY I Report, 2024, pg 261
[13] FICCI-EY Report, 2024, pg 66
[14] FICCI-EY Report, 2024, pg 66
[15] FICCI-EY Report, 2024, pg 157
[16] FICCI-EY Report, 2024, pg 162

- Enabling Data and Insights: Data-driven insights are essential for tracking trends in consumer preferences. These can enable producers to create tailored and differentiated content. . Some panelists suggested that easing compliances under the Digital Personal Data Protection Act (DPDP), 2023 for data analytics tools is necessary to foster an analytical culture in M&E.
- Scaling Incentives for Local Production: India has a large audience for regional and local content. The market share of regional OTT services increased from 47% in 2021 to 52% in 2023.[17] Policymakers should extend local production incentives offered to films in state policies to other M&E segments like broadcasting, gaming, and online content. Incentives will attract investment in local talent and provide opportunities to collaborate with global producers. States like Telangana and Karnataka provide incentives through their policies. Telangana provides reimbursement of production cost of animation films, cartoon series, and games up to 20% (with specific caps), if 80% of the production cost were incurred in Telangana itself. Karnataka, aims to establish 200 AVGC companies, achieve 30% reduction in operational efficiencies, a 20% boost in creative output and a 25% expansion in digital market reach by 2029.

[17] FICCI-EY Report, 2024

SECTION 2

Anticipating Technological Shifts

2.1. Artificial Intelligence (AI)

2.1.1. AI deployment across segments

The deployment of sophisticated AI technologies has influenced all segments of M&E and allowed it to cater to individual preferences and enhance engagement. Many online AI platforms offer easy access to editing and mastering services like LANDR[18] to create content.

OpenAI's ChatGPT wrote and directed the movie SafeZone[19] in its entirety without prompts. The generative AI tool came up with its own story ideas and scripts after it was fed a select few ideas. The production team fleshed out the finer details of the movie with inputs from the software. The movie is an example of how human-AI collaboration is revolutionizing filmmaking that can save time and resources by automating certain tasks, sparking novel ideas and modifying storytelling.

2.1.2. Recommender Algorithms

Social media, music streaming services like Spotify, streaming services like Netflix and advertising agencies use recommender algorithms to personalise feeds based on consumer behaviour. Earlier systems worked on a 'collaborative filtering rationale' that made recommendations based on inferences from user interactions with content. AI/ML based recommender systems are contextual and capable of filtering through large amounts of data to personalize recommendations. They interact seamlessly with users, learn from experience, and develop sophisticated algorithms based on data analytics. Unlike previous recommenders, that asked users to explicitly state their preferences, modern systems collect data and analyse it implicitly via content-based filtering techniques and tailors suggestions based on the user's previous activity.

2.1.3. Adaptative Gameplay

Games use AI to adapt gameplay to create an immersive user experience and have capabilities to do so in real time. Ubisoft created an AI system that can generate procedural aspects of a game like maps, non-playable characters' dialogues etc. The gaming industry in India received an impetus with the recent deployment of 5G. With 5G, online games can support customized content generated by other users in the form of characters, levels and even storylines.[20] AI can individualize the online gaming experience and enhance security by identifying problematic gaming behaviours based on patterns. AI can help address issues like 'problem gaming' by

[18] Stern J. & Razlogova E. (2019). Machine Learning in Context, or Learning from LANDR: Artificial Intelligence and the Platformization of Music and Mastering. Vol.5 (2). Sage Journals.

[19] Pandey K. (2023). First Film Ever Written and Directed by AI: The Safe Zone. Jumpstart.

[20] Sohn.S.H. (2023). How 5G technology can level up the future of Indian gaming industry. Financial Express.

identifying abnormal pattens exhibited by players who may be facing psychological risks. and identify online harassment.[21]

2.1.4. AI and News

In India, one of the more notable applications of AI has been in the news media sector. AI-powered algorithms analyse data from various sources to generate news in real time. AI can help Indian newsrooms automate routine tasks, reduce human bias and free up journalists time to focus on investigation. AI has already been employed by many news channels for tasks like content creation, distribution and increasing audience engagement through chatbots. For instance, Times Now, a leading news channel, has implemented AI to automate the production of news stories.

Journalists must be mindful of the risk of misinformation from biased training data which can be addressed by improving data quality and India-specific data sets. The potential loss of jobs in a labour-intensive country is another concern. Upskilling the workforce to operate and maintain the AI can address this. News channels could train employees to develop skills like prompting AI tools, interpreting research, and analysing data.[22]

2.2. Policy and Regulatory Drivers

2.2.1. Tech and Law

Jurisprudence constantly evolves as technology evolves. For instance, in the landmark case of Yahoo v. Akash Arora[23], the Delhi High Court discussed whether domain names can be protected through trademark law. The Court ruled that the defendant was infringing the Plaintiff's trademark by using a similar domain name that may mislead users. The Court ruled in the Plaintiff's favour and granted a permanent injunction on the use of the 'Yahoo' domain name.

2.2.2. Authorship and Copyright

A work must be original but need not be novel in its expression to gain protection under the Indian Copyright Act. It should originate solely from the author's own skill and judgment and should not be copied from another work[24]. This was laid down by the Supreme Court in DB Modak v. Eastern Book Company.[25] Across many jurisdictions like the US, the UK, China and the EU, authorship of a work can only be granted to a human.[26] The underlying idea is that copyrightability, at its very core, requires human originality. Authorship is assigned to a work to assign liability in case the work is unlawful. Since machines cannot be made liable for works, the law must create a link between work generated by AI and the closest human responsible for it. A similar approach was taken in India when joint ownership to an AI painting, Raghav.[27]

AI works have been granted protection under fair use in the US[28], but it remains unclear whether the Indian standard of fair dealing exceptions under Indian copyright law can be applied in the

[21] Singh.Y. (2023). Artificial Intelligence in revolutionising online gaming in India. Hidustan Times.
[22] Curry R. (2023). Recent data shows Ai job losses are rising, but the numbers don't tell the full story. CNBC.
[23] Yahoo! Inc. v. Akash Arora & Anr. 78 (1999) DLT 285
[24] Jus. Singh, P. (2020). Evolution of Copyright Law: The Indian Journey. Vol.16 (2). Indian Journal of Law and Technology.
[25] Eastern Book Co. v. D.B.Modak (2008) 1 SCC 1
[26] https://academic.oup.com/jiplp/advance-article/doi/10.1093/jiplp/jpae022/7614897
[27] https://www.mondaq.com/india/patent/1399274/ip-protection-of-ai-generated-works----a-dire-necessity#:~:text=In%20India%2C%20AI%20is%20given,it%20without%20any%20human%20contribution.
[28] The New York Times Company v. Microsoft Corporation & Ors. Case 1:23-cv-11195, The Author's Guild v. Google, Inc. 721 F.3d. 132 (2nd Cir. 2015),

same manner.[29] Fair dealing exceptions are narrower than fair use. AI works could be considered as derivative work like how copyright law treats compilations and databases. Courts in India have recognized the rights of compilers who use mental labour and capital to modify an existing work or create a new compilation, but have not ruled on the applicability of the same to AI outputs.

2.2.3. Personality Rights

Technological advancement has led to friction between popular personalities and the use of their likeness by generative AI. In India, a high court granted celebrities the right to control the commercial use of their name, likeness, voice and other attributes.[30]

Recommendations

- **Innovation-Friendly IP Regime:** Omnibus AI regulations have received pushback in jurisdictions like the European Union (EU). Extensive testing and regulatory requirements create entry barriers smaller companies cannot overcome and restrict the free flow of ideas. Like in the case of the General Data Protection Regulation, the EU might inadvertently force M&E companies that use AI to relocate, and India could provide a conducive environment.
- **Clarifications in Copyright Regime:** India should aim to clarify (i) whether AI-generated works are copyrightable, (ii) who should be considered the author and owner of such works, and (iii) whether existing fair dealing provisions can accommodate the use of copyrighted input for training AI programs.

  Policymakers in India should maintain a balance between the rights of the copyright owners and the stakeholders of AI generated works. A separate copyright regime is however not warranted. The government should formulate a taskforce with the Department of Industry and Internal Trade (DPIIT) as the nodal ministry to consult stakeholders and propose changes or clarifications to the copyright law.[31]

2.3. Animation, Visual Effects, Gaming, Comics - Extended Reality (AVGC-XR)

2.3.1. Gaming as a Driver of VFX

Gaming has seen an exponential rise at a CAGR of 12% with industry consistently demanding high-quality productions with engaging VFX and realistic animation. It is estimated that the Indian VFX industry will be worth around INR 63[32] billion in 2024 and play a fundamental role in pushing the value of the M&E ecosystem to USD 100 billion by 2030[33]. Gaming is a key driver of VFX, which has positive spillovers across different segments of the M&E value chain. Global animation and VFX in advertisement is also projected to grow at a CAGR of 10.9% as advertisers are realizing the mass appeal of animated commercials backed by VFX.

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[29] Section 51 of the Indian Copyright Act, 1957

[30] Anil Kapoor V. Simply Life India & Ors. CS (Comm) 652/2023

[31] Clark A. & Calow D. (2024). Training AI models: Content, Copyright and the EU and UK TDM exceptions. DLA Piper. MSE Today-Media Sprots and Entertainment Insights.

[32] FICCI-EY, 2024, pg 133

[33] AVGC Promotion Task Force. (2022). Realizing AVGC-XR Sector Potential in India. Ministry of Information and Broadcasting.

2.3.2. Extended Reality

The newer but rapidly growing adjacent sector of Extended Reality is expected to grow by a CAGR of 25.9% between 2020 and 2024. About 50% of Indian animation and VFX studios are projected to adapt to real-time technologies (core technologies for perceptual interaction through XR devices, 3-D modelling etc.) by 2025. India should nurture XR as it represents a technological paradigm that is ascendent in the M&E ecosystem.

2.4. Policy and Regulatory Drivers

2.4.1. Central government initiatives:

The Ministry of Information and Broadcasting (MIB) set up[34] the Animation, Visual Effects, Gaming and Comics (AVGC) Promotion Task Force in April 2022. One of the mandates for the Task Force was to frame a national AVGC Policy. The Task Force published their Report on 26 December 2022 with several recommendations. The Task Force also published annexures that contained drafts of a national AVGC policy[35] and a model state policy[36].

2.4.2. State Government Initiatives

State	Incentives
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 a state-of-the-art facility in Hyderabad to serve as a catalyst for the AVGC sector at an investment of INR 946 crores. • 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).
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.

[34] Singh S. (2022). Ministry of I&B Constitutes Animation, Visual Effects, Gaming and Comics (AVGC) Promotional Task Force. Press Information Bureau.

[35] Ministry of Information and Broadcasting. (2022). AVGC Promotion Task Force Report: Annexure C. Draft National Policy for Growth of Animation, Visual Effects, Gaming, Comic & Extended Reality sector in India

[36] Ministry of Information and Broadcasting. (2022). AVGC Promotion Task Force Report: Annexure D. Draft Model State Policy for Growth of Animation, Visual Effects, Gaming, Comic & Extended Reality sector in India.

State	Incentives
	• *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, lower tariff subsidy • Stamp duty exemption. • Infrastructure development support, exemption from payment of electricity duty, power tariff subsidies for 3 years
Kerala	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
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

Recommendations

- Ecosystem Development on Mission Mode: Countries like Japan, South Korea and Singapore have set global benchmarks in developing AVGC by establishing centers of excellence, innovation hubs and public-private partnerships. Similarly, the role of the state in India is significant and relevant ministries mush partner with technology companies to catalyse the ecosystem.
- Early Initiation: . The Ministry of Electronics and Information Technology (MeitY) launched an XR Startup Program as part of its Startup Hub a few years back. It is important to ensure that the domestic workforce has the skills required to develop and operate XR that startups are developing use cases for. Incorporating training in school and college curriculum can help students develop requisite skills early. This will help with the ease of use and a more natural adoption since the technology does need getting used to.
- Predictable Gaming Regime: MeitY amended the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (IT Rules) and prescribed a registration mechanism and standard-setting through recognised Self-Regulatory Bodies last year. However, the self-regulatory regime is not in effect yet. The central government and responsible industry players should work together to engender greater predictability in the regulatory regime. A registration process under MeitY is being mooted by some stakeholders as a way forward.

SECTION 3

Ramping up Skilling and Education

3.1. Adaptability to changing consumer preferences

3.1.1 Focus on Culture

Evolution in societal narratives and culture underscores the need for an effective mix of classic and contemporary ways of thinking when it comes to imparting education in the M&E industries. Some institutions such as National School of Drama in India are adopting ancient scriptures such as Natyashashtra, a scripture on drama writing. A strong foundation (core-structure) rooted in cultural heritage is essential. Superstructures (modern techniques, trends, and global influences) can build upon this foundation.

3.1.2 Diverse Formats

Consumers prefer newer formats like short form/medium form content.[37] Creators must study dynamic consumer preferences and employ innovative methods in their content. Consumption of content over different platforms and services shows platform-specific technical education is also required for creators in M&E.

3.2 Adaptability to evolving technological trends

3.2.1 Future Proof Skills

The convergence of AI and creative fields is reshaping traditional roles within the M&E industry. AI can undertake several tasks like VFX creation, animation, and graphics design which required tedious repetition. AI tools have had a multifaceted impact on creative roles. For example, AI tools can synthesize instrument sounds and composers can use these synthetic sounds for music composition. While AI streamlines tasks, human creativity, intuition, and storytelling are hard to replace. Professionals must adapt, upskill, and collaborate with AI to thrive in this evolving landscape.

3.2.2 AI as a Tool

With effective upskilling and reskilling, there is a shift in perspective of seeing AI as a tool to enhance productivity instead of a technology taking away jobs. A survey titled 'India Workforce Hopes and Fears Survey 2023' indicated that around 51 per cent of the Indian respondents believed that AI tools would increase their productivity at their jobs. The Indian workforce has the

[37] IBEF Blog: Indian M&E Sector - The Growing short form Video Industry, Feb 2024 https://www.ibef.org/blogs/indian-m-e-sector-the-growing-short-form-video-industry

resilience to adapt to changing trends which can be leveraged to enhance competitiveness of the M&E sector.

State	Incentives
Telangana	The Telangana Academy for Skill and Knowledge (TASK) aims to foster collaboration between the government, academia, and industry to improve quality and access of training. It provides access to courses at subsidised cost. TASK also collaborates with technology companies and institutions for technology training for students. It focuses on practical training, providing facilities for students to gain hands-on experience. Having collaborated with global tech companies, TASK stands as a fine example of collaborative skilling initiative to curb unemployment.
Kerala	Kerala houses 20 colleges that focus on M&E. The government's efforts include providing incentives, subsidized training, and specific focus on training tribal students to enhance their skills. According to experts, women participation has increased through policy implementation and enhancement in gender diversity within skilling programs. Additional Skill Acquisition Programme, an undertaking by the Higher Education Department of the Kerala Government provides courses in multiple segments of M&E.
Karnataka	The Association of Bangalore Animation Industry (ABAI) trains individuals and endows them with M&E sector relevant skills. The state also has a Centre of Excellence (CoE) that offers post-production facilities, comprehensive industry courses, support for start-ups, and skilling initiatives. The state's main objective is to recognize and attract talent from smaller cities.

Recommendations

- Identification of Skill Gap through Self-Assessment: Self -assessment of skill gaps is a possible first step towards skill gap identification. It can highlight skill gaps in basic technology and AI related skills. M&E industry associations must identify basic technology gaps and create tools for self-assessments. Online educators have expertise in self-assessment as they often provide self- paced courses and could also contribute to this
- A Workforce with Practical Experience: Course structure must focus on media related optional subjects and encouragement to pursue internship and training programmes. Media education related courses should focus on practical training. Internships and apprenticeship opportunities also provide a scope for industry collaboration. Given the rapid technological advancements, teaching trainers and instructors is also essential.
- Leveraging the National Education Policy (NEP): The NEP must be harnessed to nudge children towards creative thinking. It lists effective written and verbal communication, collaboration, and creativity as essential skills, each of which are also foundational to a career in M&E. The NEP also introduced coding and AI to promote skilling in starting from standard six. Awareness building about prospective careers unlocked through coding and AI skills, including a career in M&E is important.

SECTION 4

Deregulating Traditional Industries

4.1 Infrastructural Regulation

4.1.1 Distinct Functions of of Network and Application Layers

Network operators create and operate the network layer (i.e., the layer connecting different networks to each other and to the end-user) and include Telecom Service Providers (TSPs), and Internet Service Providers (ISPs). Content providers offer services on the application or content layer (i.e., the layer that makes use of existing communication networks to provide services to the end-users). They include OTT Communication Services, Online Curated Content Providers, and other digital/mobile applications. Data centres and hosting services are infrastructural upgrades on the network layer that enables seamless delivery of vast amounts of services. The network layer uses spectrum, hosting services ensure maximum utility from scarce spectrum, and the application layer offers varied services to communications using the available network.

4.1.2 Content's Role in Sustaining Infrastructure Costs

The consumer preference for content drives demand for data. User engagement with OTT applications is directly proportional to the amount of data consumed over the internet.[38] OTT applications encourage people to purchase data packs and upgrade to higher-tiered data services supplying faster speeds and greater bandwidth. Moreover, The Body of European Regulators for Electronic Communications (BEREC) found that the success of OTT services is core to the recent surge in demand for broadband access.[39] More content brings more people online, which drives data usage and concomitantly, revenues, for telecom companies. Collaborative frameworks that encourage dialogue between OTT providers and telecom operators are essential to addressing regulatory uncertainties and promoting a thriving digital economy.

4.1.3. 5G Impact on M&E

The advent of 5G offers several possibilities to the M&E ecosystem like faster content streaming, the ability to slice or split a network into sub-networks for dual-use, and Direct-to-Mobile (D2M). However, there have also been some challenges associated with its monetisation. Communication services in India face a challenge in receiving returns for their investments in the technology due to underutilisation of upgraded costlier technologies. For many telcos in India, the low average revenue per user and right-of-way issues are pressing concerns that impede 5G deployment. The non-uniform implementation of right-of-way rules by states and municipal

[38] Economic impact of OTTs on national telecommunication/ICT markets', ITU-D Study Groups (2019-2020): https://www.itu.int/dms_pub/itu-d/oth/07/23/D07230000030001PDFE.pdf

[39] Body of European Regulators for Electronic Communications, 'BEREC preliminary assessment underlying assumptions of payments from large CAPs to ISPs', (October 2022): https://www.berec.europa.eu/system/files/2022-10/BEREC%20BoR%20%2822%29%20137%20BEREC_preliminary-assessment-payments-CAPs-to-ISPs_0.pdf

bodies harming their prospects[40]. 5G adoption crossed 100 million subscriptions, though 4G subscriptions still dominated[41], as 4G can cater to current applications of business and users.

M&E, especially areas like cloud gaming, could provide 5G services a much-needed push as an exclusive use-case. With 5G roll-out and use of one's smartphone for gaming, cloud can increase the reach of gaming.[42] South Korea is the global leader in 5G mobile penetration. By 2025, 5G connection are expected to make up 66% of all mobile connections in the country. The biggest reason for the growth of 5G is the immediate access to media on the users' phones at high speeds. It has also become a testbed for 5G cloud gaming given its large gaming population, over 35 million.[43]

Ericsson's ConsumerLab study indicates that 15% of Indian consumers are willing to pay a premium for application bundles such as video-on-demand, gaming, and music. Moreover, the significant presence of over 8 crore YouTube content creators in India underscores the demand for customized 5G content-creator packages.[44] According to reports, India boasts the second largest number of online gamers in the world with over 94% of its gamer base engaged in mobile games. Operators can start monetizing their 5G networks and driving up service revenues by targeting segments of subscriber base like cloud gamers with performance-oriented network slice.[45]

Recommendation

- **Separation of Regulatory Frameworks:** The government should distinguish between carriage and content regulation in broadcasting and the internet. Broadcasting content should be governed by broadcasting legislation, and online content by the extant framework under the Information Technology Act, 2000. These should be kept separate and distinct from existing telecom law. Administrative boundaries of government ministries and departments should similarly be demarcated based on subject matter expertise and institutional memory.

4.2 Television Regulation

4.2.1 The TV Opportunity

India has the second largest subscription television market in the Asia-Pacific region.[46] There were 182 million TV connections in 2023, taking into account pay TV, free Tv and smart TV.[47].Linear pay TV has an opportunity to reach into households in the event TV dark homes take a connection or when free TV audience upgrade. As per EY, given India will have around 345 million households by 2030 and 25% will be under poverty, there is an opportunity of about 70 million households for linear pay TV[48] The broadcasting industry builds on India's three greatest strengths: abundant

[40] (2022). Telecom industry seeks RoW rules amendment to include provisions on 'small cell deployment' for 5G readiness. The Economic Times.
[41] FICCI-EY Report, 2024, pg 55
[42] FICCI-EY Report, 2024, pg 124
[43] (2020). 5G & South Korea: Beyond the hype. Eastspring Investments
[44] (2024). Telcos struggling to Monetize 5G amid incomplete rollouts. BharatNet.
[45] (2020). Mobile cloud gaming report. Ericsson.
[46] https://www.pwc.in/industries/entertainment-and-media/television-and-ott.html
[47] FICCI-EY Report, 2024, pg 19
[48] FICCI-EY Report, 2024, pg 19

labour, growing consumption expenditure, and rich cultural heritage. The segment gives meaningful employment opportunities to creative professionals, promotes IP development, and serve the unique needs of every segment of India's heterogeneous population.

Recommendations

- **A Long-Term Vision:** India must finalise a broadcasting policy that outlines industry goals for the next five to ten years and identify steps to achieve these goals. Policy iterations should outline a long-term vision and a roadmap for the broadcasting industry, which will guide all subsequent legal-regulatory efforts.
- **Identify Key Areas for Immediate Reform:** It is important to identify areas that require immediate attention as priorities and address them in mission mode. Stakeholders stressed the importance of policy and regulatory imperatives like forbearance on economic regulation, a culture of evidence-led regulation through market studies and impact assessments, alignment with copyright and intellectual property rights principles, and improved institutional capacity for enforcement at the local level, and inclusiveness in government consultations.

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