Film Industry in North India: 
Reaching new heights
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Film Industry in North India: Reaching new heights
Foreword

There has been a revived interest in regional cinema with films doing well both domestically and internationally. This trend is reflected in the rising share of regional films in the Indian box office collections. Having realized the cultural and economic potential of the regional film industries, several Indian state governments are taking initiatives to effect the growth of their native film sectors. The objective of this publication is to provide an overview of the north Indian film industry in India and highlight key initiatives that may be undertaken by various stakeholders to propel growth.

In order to understand the growth opportunities, the report assesses the current state of the industry with respect to industry structure, language-wise split, formats of delivery, and expected growth. The north Indian film industry has lagged behind its southern counterpart in reach and ability to monetize the various distribution channels. The report analyses underlying factors to overcome these challenges.

Supporting industries such as the music industry and the skill development industry, infrastructure facilities such as technical studios and animation and VFX labs, and industry collaborations play a critical role in development of the film industry. The report also provides a review of the current state of these factors and identifies the key areas for development.

The north Indian film industry is currently in its growth stage and is sensitive to the policy and taxation structures. The report evaluates the regulatory framework impacting the industry and elucidates initiatives to create a more nurturing environment for the industry.
Executive Summary
The Indian film industry is the largest in the world in terms of number of films produced, ~1,900 films released in 2016 across 20 languages. The industry is dominated by the Hindi film industry, contributing 43% of the overall revenues, remaining 50% and 7% contributed by regional and international films respectively. In the regional film industry space, North Indian film industry is currently a small but a growing segment with favorable future prospects.

North Indian film industry consists of films produced in Punjab, Haryana and Himachal Pradesh. Punjab is the leading film industry in the region, with Haryana and Himachal film industries comparatively nascent. Punjab film industry has grown at ~52%\(^1\) compound annual growth rate (CAGR) during 2010-2015 on a low base of ₹210 million in 2010 to reach ₹1,720 million in 2015. The key growth drivers that will shape the future growth are:

- Audience demand and interest, domestically and globally
- Participation of national and international media houses
- Setting up of Punjab Entertainment Industry and Film Tourism Promotion Policy (PEIFTPP)
- Critical acclaim for Punjabi movies at a national and international level
- Pan-India exposure and acceptance of the Punjabi language and content

Despite the growth drivers and encouraging future prospects, the North Indian film industry has had lower realizations than regional counterparts such as South Indian, Marathi and Bengali film industries. Reasons for this could be attributed to:

- Low infrastructure penetration
- Multiple layers of decision making
- Lack in skill development and skill gap
- Limited monetization of revenue streams – broadcasting and OTT (Over the Top) applications
- Restricted industry collaboration and associations

Going forward the industry will need to focus on a number of aspects to sustain growth in the long term. These include:

- Infrastructure development and financial investments
- Adoption of emerging technologies
- Skill development
- Cross-industry collaboration
- Increasing the national footprint through country wide promotions
- Monetization of newer revenue streams
- Film tourism both, inbound and outbound

\(^1\)News Articles and Industry Discussions
Overview of the Indian Film Industry
India is a diverse country with 22 scheduled languages and more than two thousand ethnic groups. The Indian Film Industry, considered one of the largest film industries in the world (by number), produces ~1,900 films annually in different languages.

The Indian film industry is dominated by the Hindi film industry contributing 43% of the revenue while regional and international films contribute the remaining 50% and 7% respectively. Within the regional film industry, South Indian film industry contributes approximately 36%² of net box office revenues followed by Bengali and Punjabi Films.

Figure 1: Market size of the Indian film industry (₹ Billion)

Source: FICCI Frames, Media for the Masses: The Promise Unfolds, India Media and Entertainment Report, 2017

²Indywood report on Indian Film Industry, Deloitte, 2016
Snapshot of the North Indian Film Industry
The North Indian film industry consists of films produced in Punjab, Haryana, and Himachal Pradesh. The film industries in Haryana and Himachal are relatively small in comparison to Punjab and other film industries in India. The very first Haryanvi film, Dharti, was released in 1968. Since then, the industry has grown and approximately 30plus films have had theatrical releases including a national award winning film– ‘Pagdi-The Honour’. The Himachal Pradesh film industry has started its journey recently with its first release ‘Saanjh’ in April 2017. Saanjh has been recognized both at a national and international level. Screening of the film took place in multiple countries and it won the best feature film at Borrego Springs Film Festival (USA) and Award of Merit at Accolade Global Film Competition (USA).

A comparison of film industries across Haryana, Himachal Pradesh and Punjab, places the Punjabi film industry as the most established film industry in North India producing around 30-40\(^3\) films annually. 2016 saw the certification of 45 feature films in Punjabi, 4 feature films in Haryanvi, and 1 feature film in Himachali.\(^4\)

The Punjabi film industry is estimated to be one of the leading film industries in India and has grown at a CAGR of ~50% between 2010 and 2015. Chaar Sahibzaade, a 3D animation historical drama with VFX and Computer Generated Imagery (CGI), grossed more than ₹ 700 million in 2014. The Punjabi film industry has also witnessed an increase in the number of films crossing ₹ 100 million in box office collections during this period.

**Figure 2: Revenue from Punjabi Film Industry (₹ million)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (₹ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>210</td>
</tr>
<tr>
<td>2011</td>
<td>360</td>
</tr>
<tr>
<td>2012</td>
<td>930</td>
</tr>
<tr>
<td>2013</td>
<td>1,480</td>
</tr>
<tr>
<td>2014</td>
<td>2,410</td>
</tr>
<tr>
<td>2015</td>
<td>1,720</td>
</tr>
</tbody>
</table>

Note: The revenues have been estimated based on box office collections reported by films released in the corresponding years
Source: News Articles, Industry expert interviews

\(^3\)Industry Discussions
\(^4\)CBFC Annual Report 2015-16
The industry has grown on a low revenue base of ₹ 210 million to reach ₹ 1,720 million between 2010 and 2015. Going forward, due to a higher base, this growth is expected to moderate. However, a higher number of releases and blockbusters with individual collections of more than ₹ 100 million and increasing interest from national and international production houses will drive growth of the Punjab film industry.

Evolution of the Punjabi Film Industry
The Punjabi film industry started in 1923 when the first silent film was released, followed by the first Punjabi talkies in 1935. The industry faced a slowdown in the 1980s. The Punjabi film industry was revived again in late 90s and early 2000 with the advent of celebrated artistes like Jaspal Bhatti who made Punjabi political satire a national craze and Manmohan Singh who introduced Punjabi cinema to romance, comedy and drama which became the prototype of commercial Punjabi films.

The success of commercial films in Punjab attracted several national and international media houses like Eros International, UFO, UTV Motion Pictures, and Dar Motion Pictures (Dubai) to invest in the industry.
Table 1: Snapshot of Punjabi films by national and international media houses

<table>
<thead>
<tr>
<th>Name of the Film</th>
<th>Indicative Box Office Collection (₹ million)</th>
<th>Name of media house</th>
<th>Year of Release</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super Singh</td>
<td>75-80</td>
<td>Balaji Telefilms</td>
<td>2017</td>
</tr>
<tr>
<td>Ambarsariyaan</td>
<td>200+</td>
<td>Tips Industries Limited</td>
<td>2016</td>
</tr>
<tr>
<td>Kaptaan</td>
<td>30-35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mukhtiar Chadha</td>
<td>50+</td>
<td>Eros International</td>
<td>2015</td>
</tr>
<tr>
<td>Shareek</td>
<td>70+</td>
<td>White Hill Studio</td>
<td>2015</td>
</tr>
<tr>
<td>Chaar Sahibzaade</td>
<td>700+</td>
<td>Eros International and Baweja Films</td>
<td>2014</td>
</tr>
<tr>
<td>Saadi Love Story</td>
<td>50+</td>
<td>Eros International</td>
<td>2013</td>
</tr>
<tr>
<td>Taur Mittran Di</td>
<td>50</td>
<td>Eros International and Jimmy Shergill</td>
<td>2012</td>
</tr>
<tr>
<td>Heer Ranjha</td>
<td>25-30</td>
<td>Eros International</td>
<td>2009</td>
</tr>
</tbody>
</table>

Source: News Articles, Industry Expert Interviews

Many initiatives have been undertaken to encourage participation and investments and thereby growth of the Punjabi media and entertainment industry:

01. Setting up of Punjab Entertainment Industry and Film Tourism Promotion Policy (PEITPP) by Punjab Heritage and Tourism Promotion Board & National Development Corporation of India
02. Award ceremonies like Jio Filmfare Awards and PTC Punjabi film awards have been introduced to encourage talent and attract investments in the industry⁵.
03. Film festivals, both domestic and international, such as Punjabi Film Festival organized in Amritsar, Punjabi International Film Festival (PIFF) in Toronto, Ma Boli International Punjabi Film Festival in Canada, and Sikh International Film Festival in New York showcase Punjabi films to a wider audience and also enable higher acceptability of films.

However, the industry continues to face several challenges which limits contribution of Punjabi cinema to the Indian film industry.⁶

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⁵The highly anticipated PTC Punjabi Film awards are back!, Times of India, March, 2015: https://timesofindia.indiatimes.com/entertainment/punjabi/movies/The-highly-anticipated-PTC-Punjabi-Film-Awards-are-back/articleshow/46607256.cms

⁶Setting a new benchmark, The Indian Express. 29 August 2015 and Amritsar plays host to second Punjabi Film Festival, One India, February, 2009
Lack of adequate collaboration across various stakeholders in Punjab creates several challenges for the film industry. Production houses need to play a larger role in the films they produce by bringing in technical expertise and industry knowledge to enable larger acceptance of Punjabi films at the national stage.

Punjabi films are promoted primarily in Punjab, Haryana, and parts of Rajasthan. This results in a lost opportunity to monetize other probable markets across the country with substantial Punjabi population. Telugu, Tamil, and Bengali films have leveraged a national and international promotion strategy to great success, with commercially successful films like Bahubali, Enthiran, etc. promoted aggressively across India and the globe.

While a few Punjabi film festivals are being organized currently, organizing an international film festival in cities within Punjab can further help the industry. These festivals help showcase Punjabi films on the same platform as other regional, national and international films. They also provide an opportunity for regional technicians and filmmakers to gain exposure to technology and techniques employed by the industry leaders. This can further contribute to the maturity and quality of films produced in the region and provide an opportunity to attract audience to films produced in Punjab.

It will also be useful to explore the option to build a film city Punjab. While this was attempted in the past (Chandigarh), but did not materialize.

**Audience Behavior and Genre Focus**

Punjabi film industry is dominated by light hearted romance comedies which are widely accepted by Punjabi youth. However, films like Punjab 1984 gain both commercial and critical success in India. Typically a commercial film generates ₹70-90 million at the box office. A critically acclaimed film generates around ₹100 million at the box office. A film clocking more than ₹150 million is considered a block buster.

Punjabi as a language has achieved exposure at a national level through representation in mainstream Hindi cinema and popularity of Punjabi music across India. Punjabi language has similarities to Hindi and is relatively easier to understand than several other regional languages. Several Hindi films have been extremely successful despite having more than 50% of their dialogues in Punjabi and Haryanvi. (Refer to table 2)
Table 2: Snapshot of Hindi films showcasing Punjabi/Haryanvi language and culture

<table>
<thead>
<tr>
<th>Name of Film</th>
<th>Year of Release</th>
<th>Total Net Earnings (₹ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mubarakan</td>
<td>2017</td>
<td>546.7</td>
</tr>
<tr>
<td>Udta Punjab</td>
<td>2016</td>
<td>581.5</td>
</tr>
<tr>
<td>Sultan</td>
<td>2016</td>
<td>3006.7</td>
</tr>
<tr>
<td>Dangal</td>
<td>2016</td>
<td>3745.3</td>
</tr>
<tr>
<td>A Flying Jatt</td>
<td>2016</td>
<td>307.6</td>
</tr>
<tr>
<td>Tanu Weds Manu Returns</td>
<td>2015</td>
<td>1488.4</td>
</tr>
<tr>
<td>Singh is Bling</td>
<td>2015</td>
<td>710.7</td>
</tr>
<tr>
<td>Luv Shuv Tey Chicken Khurana</td>
<td>2012</td>
<td>64.1</td>
</tr>
<tr>
<td>Vicky Donor</td>
<td>2012</td>
<td>410</td>
</tr>
<tr>
<td>Son of Sardaar</td>
<td>2012</td>
<td>886.8</td>
</tr>
<tr>
<td>Singh is Kinng</td>
<td>2008</td>
<td>679</td>
</tr>
</tbody>
</table>

Source: Box office India

This creates an opportunity for Punjabi film makers to create bilingual films by exploring content which can have national and international acceptance.
Key Trends in Delivery of North Indian Film Content
Currently, Punjabi films are delivered through single and multi-screen theatres, satellite television channels, and OTT. Revenue generated from theatres is estimated to be the highest compared to the other two mediums.

**Overview of Single and Multi-Screen Theatres**
India has a screen count of only 6 per million people as compared to 23 for China and 126 for US.7 This screen density further varies greatly ranging from 20 per million in urban India to 1.5 per million in certain smaller towns.8 South Indian and Gujarat Film Industry has witnessed significant growth in screen density over the past few years driven by government support to increase ease of setting up screens in tier-II and below cities.

Closure of several single screen theatres driven by preference for multiplexes has affected screen density in India. However, number of screens in Punjab have been growing steadily over the last 10 years. Number of multiplexes in Punjab has grown from 4 in 2007 to 36 in 2016 with 99 multiplexes under construction.9

![State-wise screen density across India (2016)](image)

<table>
<thead>
<tr>
<th>Screen density Categorization</th>
<th>Screen density range (screen/mn population)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>&gt; 10</td>
</tr>
<tr>
<td>Moderate</td>
<td>&lt; 10 and &gt; 6</td>
</tr>
<tr>
<td>Low</td>
<td>&gt; 4 and &lt; 6</td>
</tr>
<tr>
<td>Very low</td>
<td>&lt; 4</td>
</tr>
</tbody>
</table>

Source: Census 2011, DAVP website

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8Industry Discussion
Screen density in entire North India remains low as compared to South India. Punjab film industry could benefit from the growth in screen density especially in tier-II and below cities. Multiplexes can play a role in attracting middle class audience to regional films. Several film producers are of the opinion that Punjabi audience prefer Punjabi films over Hindi or English films, provided the content is appealing. However, a few film makers and actors believe that Hindi films are preferred over regional films at comparable ticket prices. Thus, regional film tickets, if priced lower than Hindi films, can lead to higher occupancy.

Overview of Satellite Television Channels
While Indian films generate 13% of their revenue from satellite and TV rights, Punjabi films have so far met with limited success in monetizing this channel:

01. As opposed to 4-5 general entertainment and music channels in Punjabi, Tamil and Bengali media have 4 dedicated film channels and 20+ entertainment and music channels. There is no dedicated film channel for Punjabi movies. This provides a huge opportunity to generate revenue post box office collections;

02. Several South Indian films are dubbed in Hindi and released on Hindi TV channels across the country. Punjabi films can also explore options of dubbing and releasing films in multiple Hindi channels to overcome the limitation of viewership in Punjab. A typical dubbing exercise costs ₹ 300,000 - 400,000 but has the potential to generate high returns.
Overview of Digital Content Medium (Over the Top)

Internet has emerged as an important medium of distributing content. Low priced data plans and increasing connectivity has further supported this channel. Home videos have also been replaced by video on demand and several large regional, national and international TV channels like HBO, ZEE, Sun TV and Star have launched their own over the top (OTT) platforms — both mobile applications and websites. Production houses have also started monetizing this channel actively, by releasing films on the OTT platform shortly after the theatrical release. Besides, OTT players like Netflix and Amazon Prime are aggressively acquiring local content in India and investing in producing original content in India as well.

Several initiatives have been taken in other regional markets in South India to develop the OTT channel:

01. BigFlix has partnered with Unisys Infosolutions to offer 200 full length films in various languages including Tamil, Telugu, Kannada and Malayalam;
02. Spuul.com is a film streaming service which has acquired 50 Tamil classic films from Rajshri media and has a large Tamil film library;
03. Eros uses Ayangaran Studio’s film library on its internet subscription platform ‘Eros Now’;
04. Hungama.com launched a digital store, Hungama Films, in partnership with Intel Insider which offers Hindi and regional content in various languages such as Bengali, Malayalam, Punjabi, Gujarati, Marathi, Telugu and Tamil.

While Punjabi films are featured regularly on Dailymotion and Hungama Films, very few of them are available on sites like Netflix and Amazon Prime (~2 and ~5 on Netflix and Amazon Prime respectively10). OTT applications showcasing movies such as Hotstar, DittoTV and Voot have multiple language options for regional content (Bengali, Kannada, Malayalam, Tamil, Telugu, etc.), however, Punjabi is not provided as a language option. There is an opportunity for distributors, producers, and channels to explore the above partnerships and options for Punjabi films.

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Network/Group</th>
<th>Channel</th>
<th>Frequency</th>
<th>Channel Combined Weekly Impressions (000's) Sums</th>
<th>Network Combined Weekly Impressions (000s) Sums</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PTC Network</td>
<td>PTC Punjabi</td>
<td>8</td>
<td>4,75,274</td>
<td>4,95,995</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PTC Chak De</td>
<td>1</td>
<td>20,721</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Doordarshan</td>
<td>DD Punjabi</td>
<td>8</td>
<td>4,05,568</td>
<td>4,05,568</td>
</tr>
<tr>
<td>3</td>
<td>Charhdikala Group</td>
<td>Chardikla Time TV</td>
<td>8</td>
<td>2,37,178</td>
<td>2,37,178</td>
</tr>
<tr>
<td>4</td>
<td>MH 1 Media</td>
<td>MH One Music</td>
<td>8</td>
<td>1,94,823</td>
<td>1,94,823</td>
</tr>
<tr>
<td>5</td>
<td>9X Media Group</td>
<td>9X Tashan</td>
<td>7</td>
<td>1,25,514</td>
<td>1,25,514</td>
</tr>
</tbody>
</table>

Source: Broadcast Audience Research Council India (BARC) – Weekly Data

Table 3: Top Punjabi television channels in Weeks 1 to 8 of 2017

10As on 12th October 2017
State of Ancillary and Allied Industries in the North Indian Film Industry

Film Industry in North India: Reaching new heights
**Digitization and Use of Advanced Technology**

Digital printing costs 80% less than normal printing thereby enabling a wider distribution of content across the country and higher penetration into tier-II and below cities. Digital content is delivered through satellite or hard drive and nearly all theatres have adopted digital technology. Digitization also helps distribution of films in other countries which usually use 2k or higher formats.

Below are the advantages of digitization in terms of time and cost:

**Figure 7: Advantages of digitization**

<table>
<thead>
<tr>
<th>Value Chain</th>
<th>Pre-Production</th>
<th>Production</th>
<th>Post Production</th>
<th>Marketing</th>
<th>Exhibition</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Proportion of Production Costs</em></td>
<td>0.25-0.5%</td>
<td>80-85%</td>
<td>-5-7%</td>
<td>-5-7%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><em>Qualitative Degree of Digitalization</em></td>
<td><img src="https://via.placeholder.com/150" alt="Proportion" /></td>
<td><img src="https://via.placeholder.com/150" alt="Production" /></td>
<td><img src="https://via.placeholder.com/150" alt="Post Production" /></td>
<td><img src="https://via.placeholder.com/150" alt="Marketing" /></td>
<td><img src="https://via.placeholder.com/150" alt="Exhibition" /></td>
<td><img src="https://via.placeholder.com/150" alt="Distribution" /></td>
</tr>
<tr>
<td><em>Typical Time for Value Chain Component</em></td>
<td>1-6 months</td>
<td>3-8 months</td>
<td>2-3 months</td>
<td>1-3 months</td>
<td>1-2 months</td>
<td>1-3 months</td>
</tr>
<tr>
<td><em>Impact of Digitalization on Timelines</em></td>
<td>Reduction in time for films with exhaustive location services</td>
<td>Immediate access to final frame</td>
<td>Reduction in workflow in sound and DI</td>
<td>Digital distribution of trailers over different mediums</td>
<td>Large number of releases simultaneously reduces piracy</td>
<td>Allows producers a wider release possibility</td>
</tr>
<tr>
<td><em>Cost Impact of Digitalization</em></td>
<td>Reduces cost of prints in screen tests</td>
<td>Reduction in raw stock, running expenses, crew size leads to -5% savings</td>
<td>-50% of consumables cost in post-production comes down</td>
<td>Savings of about ₹10,00,000-15,00,000 of trailer print for 500 prints</td>
<td>Digital print is only about 1/5th of the cost of film print</td>
<td>Single screen theatres must be viable to recover cost of projector</td>
</tr>
<tr>
<td><em>Quality/Creativity Considerations</em></td>
<td>Increase in choice and improved creativity in costume designs</td>
<td>Accuracy in bringing concept to screen</td>
<td>Makes non-linear editing simpler and boosts creativity</td>
<td>The process is green</td>
<td>None</td>
<td>Hollywood films are best viewed in d-cinema which is expensive than e-cinema</td>
</tr>
</tbody>
</table>

Source: The Digital March, Media & Entertainment in South India, Deloitte
It is estimated that ~90% of Punjabi films are shot with digital camera. However, film makers face difficulty in finding cinematographers and production houses to shoot and edit digital, 3D and animated films in Punjab. High costs (~₹35,00,000-40,00,000) of sound upgradation coupled with lack of skilled manpower has led to limited growth of 3D and surround sound innovations.

**Animation and VFX Opportunity**

The Indian VFX and CGI industry has been growing over the last few years and has been trying to meet global standards. This is driven by the following factors:

01. Cost of animation and VFX is cheaper than countries like US and UK due to lower cost of manpower in India. This has led to outsourcing of work from these countries to India, thereby creating manpower and development of infrastructure in the country. Currently, India has nearly 300 animation and 40 VFX studios, employing over 15,000 professionals;  
02. Acceptance of animation and films with special effects by the Indian audience has helped films such as Robot, Bahubali, and Bajirao Mastani generate ₹1 billion box office collections;  
03. The budget allocation to VFX and technology in Indian films is expected to grow from a current 10-15% to 35% in the next few years.

Use of VFX, animation, and CGI in Punjabi films is not common. ‘Char Sahibzaade’ series (I and II) was one of the few animated 3D films with VFX. It had one of the largest box office collections in the history of Punjabi cinema establishing the interest of Punjabi audience in such films.

There are a few studios present in Punjab which have the technological capabilities for animation, VFX, and CGI. The two major local production houses of Punjab are taking steps to integrate animation and VFX into their films. The government is supporting the digitalization wave by opening educational institutes like the Film Institute, Mohali, and a faculty of film in GNA University in Phagwara (Jalandhar) for skill development. This is expected to boost the sector in the region and benefit Punjabi cinema. However, majority of this work is currently done by large production studios which are located in Mumbai.

**Music - Key Driver of Punjabi Film Industry**

Punjabi music industry is one of the most widely accepted and growing music industries in India. Punjabi music is widely accepted in India and abroad. Many leading film stars in Punjab such as Gurdas Mann, Harbhajan Mann, and Diljit Dosanjh started off as singers before becoming actors. The music industry is greatly inspired by international genre and technology. It successfully mixes local creativity and traditional music with modern beats and instruments. Punjabi songs are part of most of the Hindi films made currently.

The Punjabi music industry has seen investments from several large national music companies like T-series. These companies not only invest financially, but also provide technology, mixing, and studio facilities in Punjab and Mumbai. Also, most of the Punjabi songs can qualify as multilingual songs since the lyrics are a mix of Punjabi, Hindi, and English languages. This further shows that multilingual formats have a far wider acceptance and generate success.

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1. Indywood report on Indian Film Industry, Deloitte, 2016
Inbound Tourism and Infrastructure

North India boasts of a variety of locations with high tourism and historical value. Kashmir, Amritsar, Chandigarh, and Shimla are just a few examples of regions and cities with optimal film shooting potential. The presence of shooting locations alone is not sufficient to attract filmmakers and production houses to the region. Supporting infrastructure is required to enhance the viability of a region and location for shooting films and can provide a significant advantage over locations in other regions. Few aspects contributing to the growth of inbound tourism are as follows:

Film Cities

Availability and presence of infrastructure is critical for attracting talent and production houses to a state for shooting and post production work. States such as Uttar Pradesh (UP) have formally announced the intent to promote creation of film infrastructure. Till the time this proposed infrastructure is not available, the UP state government is making efforts to remove shortcomings in the existing setup.

Infrastructure required for development of films can be classified in general as follows:

- Infrastructure for shooting and film production like studios, processing labs and film cities;
- Infrastructure for film screenings (Multiplex, Single Screen and broadcasting);
- Equipment;
- Training facilities for artists, technicians as well as expertise in specific areas.

Film cities not only attract film makers but also act as a leading medium to promote tourism in the state/city. There are numerous examples of film cities that have been setup in India across states. Some key film cities currently operating within India are as follows:

- BIG ND Studio, Karjat, Maharashtra
- Dadasaheb Phalke Nagar, Mumbai, Maharashtra
- MGR Film City, Chennai, Tamil Nadu
- Noida Film City, Noida, Uttar Pradesh
- Prayag Film City, Chandrakona, West Bengal
- Ramdev Film City, Thane, Maharashtra
- Ramoji Film City, Anajpur, Telangana
- Sai Bollywood Film City, Dikwal, Maharashtra

UP has the largest functional film city in North India, however it caters majorly to the TV broadcasting sector.

Punjab has indicated a plan to set up the first Film City in Pathankot[12] for promoting Punjabi films. The Film City is proposed to be set up on 100 acres of unused government land in Jugial village near Pathankot. The Film City will be developed on the Build Operate and Transfer (BOT) basis so that the government could monetize the investment quickly.

[12]Daily post – Punjab moots plan to set up film city, drama school in Pathankot
Technical Studios

Punjab currently also requires investments in studios with post production technical capabilities and digital film making. Most theatres in Punjab have upgraded to digital technology, however the state lacks the necessary production and post-production skillsets for shooting and processing digital films. As a result many film makers recruit cinematographers and supporting crew from Mumbai for shooting films in Punjab. Lack of skilled manpower increases cost and time of productions thereby acting as a deterrent for film makers to choose Punjab as a preferred state.

Globally, film production incentive schemes attract foreign producers and film makers through the economic and social benefits brought to them by the destination countries. The incentives include both monetary and non-monetary benefits based on which producers decide which country could be most suitable as a shooting destination. Several countries provide incentives to the Indian film industry based on a film treaty. The table highlights the different kind of incentives offered by various countries across the globe. These 10 countries were selected since they constitute for the majority share (more than 40%) of the films shot abroad.

Table 4: Incentives provided by foreign countries for shooting films

<table>
<thead>
<tr>
<th>Country</th>
<th>Canada (Ontario)</th>
<th>Australia</th>
<th>Italy</th>
<th>Malaysia</th>
<th>United Kingdom</th>
<th>Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Incentive</strong></td>
<td>Refundable Tax Credit</td>
<td>Cash Rebate</td>
<td>Tax Credit (can be used to offset VAT, corporate and regional tax)</td>
<td>Cash Rebate</td>
<td>Cash Rebate</td>
<td>Tax Credit</td>
</tr>
<tr>
<td><strong>Incentive Detail</strong></td>
<td>Any credit minus the Ontario taxes will be paid to qualifying institutions</td>
<td>Producer offset provides a cash rebate of 40% on Qualifying Australian Production Expenditure (QAPE)</td>
<td>Tax Credit upto 25% of qualifying production costs of foreign films</td>
<td>Film in Malaysia Incentive Scheme (FIMI) gives 30% cash rebate on Qualifying Malaysian Production Expenditure (QMPE)</td>
<td>25% cash rebate on UK qualifying film production expenditure</td>
<td>15% tax rebate on eligible costs with a cap of $2.8 million</td>
</tr>
<tr>
<td><strong>Eligible Film Formats</strong></td>
<td>Feature Films Single Episode program, Series or Season Short film animation</td>
<td>Entire Audio Visual Production Chain, Theatrical Films Products for Television and Web</td>
<td>Feature Films Single Episode Program/ Documentary Commercials Series or Season Short film animation Game and Reality shows</td>
<td>Feature films intended for theatrical release</td>
<td>Classified as feature film or audio-visual work (TV film, series)</td>
<td></td>
</tr>
<tr>
<td><strong>Computed Economic Benefit (Net Savings)</strong></td>
<td>13.3%</td>
<td>36.4%</td>
<td>13.9%</td>
<td>29.6%</td>
<td>25%</td>
<td>18.7%</td>
</tr>
</tbody>
</table>
Table 5: Incentives provided by foreign countries for shooting films

<table>
<thead>
<tr>
<th>Country</th>
<th>Mauritius</th>
<th>Abu Dhabi</th>
<th>South Africa</th>
<th>Ireland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Incentive</td>
<td>Cash Rebate</td>
<td>Cash Rebate</td>
<td>Cash Rebate</td>
<td>Tax Credit</td>
</tr>
<tr>
<td>Incentive Detail</td>
<td>30% to 40% rebate on Qualifying Production Expenditures incurred in Mauritius</td>
<td>30% rebate of Abu Dhabi Qualifying Production Expenditure</td>
<td>20% rebate of Qualifying South African Production Expenditure</td>
<td>Tax Relief of 32% with a lower cap; Eligible Expenditure 80% of Total production cost EUR 50 million ($66 million)</td>
</tr>
<tr>
<td>Eligible Film Formats</td>
<td>Feature Films, Documentaries, Tele-films or singles episode drama, Episodes of factual, natural history, lifestyle magazine</td>
<td>Feature film, Commercial theatrical documentary, TV Programs and series Commercial/advert</td>
<td>Feature Films, Tele-films, TV Drama Series, Documentaries, Animation</td>
<td>Feature Film, TV Drama, Animation, Creative Documentary</td>
</tr>
<tr>
<td>Computed Economic Benefit (Net Savings)</td>
<td>29.6%</td>
<td>15.9%</td>
<td>9.9%</td>
<td>32%</td>
</tr>
</tbody>
</table>


Australia and Ireland turn out to be the most economically beneficial countries with computed economic benefits of 36.4% and 32% respectively. Punjabi films can enjoy incentives from countries like Australia, Ireland, Malaysia, Mauritius, and UK as their average budget (₹ 20-40 million) falls within the minimum investment laid out by the countries. While, these countries offer the highest net savings, the proportion of films shot in these locations is less compared to other common destinations which offer lesser financial incentives like Canada (13.3%) and the UK (25%).

While most of the incentives listed above are applicable for any international film shot in the country, there are additional tailor-made incentives that are negotiated between the production houses and the regulatory body of the country.

Apart from the financial and non-financial incentives, population diversity of the country, presence of Indian and Punjabi population, and a well-established network of Indian or Punjabi agents play a crucial role in prioritizing countries.

Often, films shot in Canada and other countries are not done through the formal route which makes it difficult for film makers to claim eligible incentives. The major reasons identified are:

01. Typically, a few core actors travel along with support crew for a period of 3-4 weeks for shooting. Film makers chose locations with a large Punjabi population which makes it easier for them to make arrangements for background actors and support staff at a very short notice and in a cost effective way;

02. There is low awareness of film incentives;

03. While the overall investment in a Punjabi film may be over ₹ 30-40 million[^13], only a portion of it is spent at the foreign location which reduces the available benefits.

[^13]: Industry discussions conducted by Deloitte
Skill Development: The Need of the Hour

The Indian media and entertainment industry witnesses large influx of untrained, unskilled, and self-trained personnel who are trained on the job. While there is competition for actors, there is a huge supply gap when it comes to content creators, cinematographers, technicians—especially the special effects technicians.

There are multiple initiatives in effect that aim to increase vocational training in the film sector, the most significant of which are:

- FICCI has been promoting the media and entertainment skills council (MESC) with financial support from NSDC. MESC has been given a mandate to create 1.2 million skilled workforce across 72 job profiles in the media and entertainment industry by 2022.14;

- Government institutions are looking to involve veteran actors and film makers to conduct lectures and workshops at training and skill development institutes. Ministry of Information and Broadcasting (MIB) has received support across the film fraternity and is in process of formulating schedules for holding lectures and conducting workshops;

- State governments such as Karnataka, Maharashtra and Telangana have started investing in animation and VFX courses for enhanced skill development of the workforce in the respective film industry. Karnataka government's Animation, Visual effects, Gaming and Comic (AVGC) policy aims to set up a center of excellence with a strategic focus to promote learning and training in animation, visual effects, and gaming. Maharashtra is promoting AVGC through provisions in its ITES Policy. Telangana Government has announced opening of a center in Hyderabad to promote Innovation in Multimedia, Animation, Gaming and Entertainment and will be known as IMAGE. Similar such initiatives are expected to take roots across other states;

- Private companies have also begun investing in training centers to bridge the skill gap in the industry. Some such examples being:
  - Reliance Animation, has started 21 training centers across major cities in India;
  - Prime Focus, a provider of creative services, production rentals, and post-production services, has programs for development of its staff and for fresh graduates looking to enter the industry; Maya Digital Studios, an animation production company, started a training institute, Maya In Studio Training (MIST) focusing on latest technology in animation, visual effects, and 3D stereoscopy environments.

The average crew size for a Punjabi film varies from 500-600 people. The projected growth of the Punjab film industry is expected to create a skill shortage unless there is investment in training personnel in Punjab. The industry currently also witnesses a huge outflow of talent to Bollywood for better opportunities.

Northern India has approximately 10 to 12 schools and 4 major educational institutes which provide courses in film and television. This is low as compared to 55 in Mumbai and 30 in South India. The density is also varied—Punjab has one institute whereas Haryana, a smaller state, has three. The close proximity to Delhi opens door to a lot of opportunities where the density of schools is comparatively higher. Majority of the institutes in Northern India are concentrated around Delhi and the NCR including two major ones- National School of Drama and Noida Film City.

Lack of trained labor in Punjab continues to be a pain point for film makers. Overruns in terms of time and cost are often related to lack of skilled manpower. However, film makers believe that this skill gap can be reduced by training in-house talent with public private partnerships and government investments and initiatives.

14Indywood report on Indian Film Industry, Deloitte, 2016
Policy and Taxation Environment in North India
Punjab government is currently drafting a film policy for the state. It is on the basis of this policy that investments from regional, domestic as well as international markets are expected to be drawn. The policy is expected to cover several areas such as:

- Infrastructure;
- Skill Development;
- Subsidies and incentives to both public as well as private enterprises;
- Support Collaborations.

While states like Uttar Pradesh and Jharkhand have a formal policy, Karnataka and Haryana are in the process of finalizing and formalizing their policies.

**Single Window Clearance for Film Shooting**

Many destinations such as Amritsar, Patiala, and Chandigarh in Punjab have emerged as preferred destinations for film shooting because of the Golden Temple, the forts, royal palaces, other landscapes, and rich culture.

However, in order to get the mandatory clearances for shooting, the film staff is currently required to visit many different government departments. Despite these, there is no surety of smooth and conducive arrangements for film shooting in the state. Being a border State and sharing its border with Pakistan, getting Government permissions for every film shoot is more challenging for film makers.

A single window clearance in order to improve the ease of shooting and promote film tourism. Single window clearance would allow domestic as well as international film makers to fulfill all the regulatory requirements for shooting in a structured manner by providing a single entry point. This would also infuse

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**Case study: Single window clearance instituted by Ministry of Information and Broadcasting (MIB) for film shooting in India**

**Context:** Over 30 authorities were involved in granting permission for film producers to shoot in India, this led to an increase in process time from the stipulated three weeks to over three months for obtaining the requisite permissions.

**Initiatives undertaken:**

- Government declared the launch of a single window clearance to facilitate film making in the country in 2013. The clearance aimed to ease securing approvals and in turn promote film shooting in India
- MIB announced the formation of a Film Facilitation Office (FFO) in 2016, the FFO is to be operated by the National Film Development Corporation (NFDC). The FFO would include representatives from key ministries like Home, Tourism, Culture, Railways, Civil Aviation, Defence and External Affairs ministries to coordinate and provide quick clearances
- State governments have been requested by the FFO to appoint dedicated nodal officers for promoting and facilitating film shootings in their state. Regular engagement with the nodal officers will be undertaken by the FFO to assist in removal of roadblocks and ease the process of permissions. The initiative will conduct Familiarization (FAM) tours for foreign filmmakers to promote film production in regional locations and ensure participation and exposure of regional locations within international markets
- FFO will ensure development and implementation of standard operating procedures to accord clearances for film shooting by domestic and foreign filmmakers across the country

**Impact:**

Since its inception the Film Facilitation Office has steadily secured shooting permissions for a growing number of foreign films. In 2016, permissions were obtained for 40 film crew for shooting in India through support of FFO (Highest number of clearances issued in India till date and over a 30% increase over the previous year).

**The way forward:**

FFO would be expanding its roles and functions in the future to provide assistance throughout a film’s production life cycle and aim at promoting India as a favored region for film shooting. FFO would soon be launching a web portal, which will enable film makers to apply for the shooting clearances online as well as offer a locations database, information on filming policies and co-production treaty, and directory of crews and facilities. FFO’s function and structure would be modelled on the lines of film commissions across the world that provide the complete range of pre-production services.15

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transparency and accountability in the system and improve the demand for shooting in the northern states. The central government has implemented single window clearance and many states such as Delhi, Gujarat, Rajasthan, Madhya Pradesh, Goa and Jammu and Kashmir have already adopted or are in the process of adopting the same.

**Regulation and Taxation**

**Direct Taxes**
The key direct tax issues for the film industry are outlined below:

**Indian films shot overseas**
- It is common for Indian films to be shot in overseas jurisdictions (partly or fully). Typically, in such cases the Indian producer contracts with a line producer in the respective jurisdiction for assistance in shooting and the film producer pays him line production fees. At times, the Indian producer may also consider setting up a presence in the overseas jurisdiction (e.g., branch, company). In respect of overseas film shoots, one needs to bear in mind the issue of having a permanent establishment in the overseas jurisdiction.
- The Revenue authorities have taken a position that such line production fees amount to fees for technical services and taxes should be withheld by the Indian producer on such payments.
- The Tribunal and the Authority for Advance Rulings have held that line production fees are not in the nature of fees for technical services and, accordingly, taxes are not required to be withheld on such payments.
- It may be noted that the taxability / withholding tax applicability on line production fees should be evaluated based on the contractual terms (i.e. role / responsibilities) agreed and documented between the parties.

**Film incentives**
- Governments of certain countries offer grants / subsidies (film incentives) for shooting of films in that country. The issue which arises is regarding the tax treatment of such grants / subsidies i.e. whether grants / subsidies should be considered as income or reduced from cost of production of the film.
- The cost of production has to be reduced by subsidy received by the film producer under any scheme from the Government as per the Rules. One needs to evaluate whether the term “Government” in the Rules includes foreign governments also.
- If this is not the case, an issue arises that whether one may still reduce this from the cost of production (considering the specific nature of rebate, which would be based on evaluation of such film incentive scheme).

**Deduction for cost of production of films**
- Rules 9A and 9B deal with deduction of expenditure for production / acquisition of films and the same are as follows:
## Milestone Deductibility

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Deductibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Release 90 days before end of financial year</td>
<td>Entire cost of production / acquisition allowable</td>
</tr>
<tr>
<td>Release less than 90 days before end of financial year</td>
<td>Deduction of cost of production / acquisition allowable to the extent of amount realized by exhibiting film on a commercial basis</td>
</tr>
</tbody>
</table>

- The aforesaid Rules refer to exhibition of films on a commercial basis and are silent on the modes of such exhibition.
- The Tribunals have held that the modes of exhibition should not be limited to theatrical but can include other modes as well such as television. In such cases, amount realized from other modes of exhibition should also be considered for the purpose of Rules 9A and 9B.
- With the growth of digital business and advent of new revenue streams, this is an important issue which the film industry is grappling with.

## Film co-productions

At times, a film is co-produced by two or more parties. In such a situation, one should evaluate the issue of association of persons (AOP). The implication is that an AOP is considered as a separate entity for tax purposes. The term “AOP” has not been defined under the tax laws. The CBDT has clarified in the context of engineering, procurement and construction contracts / turnkey contracts that an arrangement with the following attributes should not constitute an AOP:

- Each member is individually responsible for executing its part of work through its own resources and bears the risk for its scope of work.
- Each member earns profits / incurs losses based on performance within its scope of work.
- Personnel / materials used for an area of work are under the risk and control of the respective members.
- Control and management is not unified and common management is only for inter-se co-ordination for administrative convenience.

Though the above Circular is issued in the context of turnkey contracts, the guidance should be considered while structuring film co-productions. There may be additional factors / aspects that should be considered for this issue based on the factual matrix of each case.

## Abandoned films

- Deduction of cost of production of films certified for release by the Board of Film Censors is available as per Rule 9A. In case of films abandoned, a certificate for release from the Board of Film Censors is not received.
- The CBDT has clarified that cost of production of abandoned films should be treated as a revenue expenditure and deduction allowed under Section 37 of the Income-tax Act, 1961 (Act) i.e. general business expenditure.

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16Circular does not apply to related parties
17Members may contract price at gross-level only to facilitate billing convenience
Film producer filings

- A film producer is required to furnish a prescribed statement (Form No 52A) outlining the details of expenses incurred. Such statement is required to be submitted per film per year within 30 days from the end of the financial year or completion of film, whichever is earlier.

Foreign films shot in India

In recent times, the Indian Government is making efforts to promote India as a filming destination. In connection with film shooting in India, tax implications should be evaluated for film producers / studios, actors (in front of the camera) and crew (behind the camera).

- Foreign film producers / studios: Income of foreign producers should not be taxable in India in respect of operations confined to shooting of a film in India based on an exemption under the domestic tax law.

- Foreign actors: Income of a non-resident actor (not a citizen of India) earned from his performance in India should be taxable in India as per Section 115BBA of the Act whilst, the taxability of non-resident actors are covered under Article 17 / 18 of tax treaties (Taxation of entertainers and sportsperson). Income from personal activities, as such, performed in India (i.e. performance in India) should be taxable in India as per tax treaties. At times, income from acting fees is paid to star companies or loan-out corporations, i.e., companies owned by such actors. In such cases, the income-tax implications in the hands of star company or loan-out corporation also needs to be evaluated.

- Foreign crew would include behind the scene personnel. Taxability of their income should be evaluated based on criteria such as nature of services, legal form of entity, presence / period of stay in India, relevant tax treaty provisions

Based on the above, the foreign film producers / studios are required to undertake Indian tax compliances and meet its Indian tax obligations (such as withholding tax on payments) and contractual arrangements should be structured appropriately to avoid / mitigate tax risks.

Tax clearance certificates

- Individuals (e.g., foreign film actors), not domiciled in India, who visit India for purposes of business / profession and earn income from a source in India, are required to obtain a tax clearance certificate from the Revenue authorities before departing India.

Indirect Taxes

Prior to the implementation of GST on July 1, 2017, the film sector was levied with both state as well as central taxes. At the central level, service tax and custom duty was charged and at state level VAT as well as entertainment tax was charged on different components of income and expenses.

Service tax was levied at a base rate of 14% on which Swach Bharat Cess at 0.5% and Krishi Kalyan Cess at 0.5% was introduced by the honorable Finance Minister bringing the effective tax rate to 15%. The purpose of the increase in the service tax rates was to bring it in accor with the eventual GST rates.

In addition, import of goods is liable to custom duty, which included basic custom duty, countervailing duty and special additional duty.
On the other hand, entertainment tax was levied on the value of the gross ticket sale and different states had different tax rates. The state government had the authority to provide exemptions or lower rates at their own discretion.

The above taxes did not interface with each other, meaning that taxes paid under one legislation were not available as credit against taxes to be paid under another legislation. For instance, service tax paid on procurement of services could not be offset against entertainment tax liability on sale of tickets.

While the changes in tax laws are likely to increase the cost of production and cost of tickets, this change affects the entire Film Industry and is not specific for Punjab. Industry people believe that the state government should take initiatives to provide incentives to bring down the cost and support the industry.

**Table 6: Entertainment tax levied in different states prior to GST**

<table>
<thead>
<tr>
<th>S No.</th>
<th>State</th>
<th>Entertainment Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Andhra Pradesh</td>
<td>20% (15% for Telugu Films)</td>
</tr>
<tr>
<td>2.</td>
<td>Assam, Himachal Pradesh, Jammu &amp; Kashmir, Punjab and</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Uttaranchal</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Bihar</td>
<td>50%</td>
</tr>
<tr>
<td>4.</td>
<td>Delhi</td>
<td>20%</td>
</tr>
<tr>
<td>5.</td>
<td>Gujarat</td>
<td>20%</td>
</tr>
<tr>
<td>6.</td>
<td>Haryana</td>
<td>30%</td>
</tr>
<tr>
<td>7.</td>
<td>Jharkhand</td>
<td>110% (Nil for Jharkhand Films)</td>
</tr>
<tr>
<td>8.</td>
<td>Karnataka</td>
<td>30% (Nil for Kannada Films)</td>
</tr>
<tr>
<td>9.</td>
<td>Kerala</td>
<td>30%</td>
</tr>
<tr>
<td>10.</td>
<td>Madhya Pradesh</td>
<td>20%</td>
</tr>
<tr>
<td>11.</td>
<td>Maharashtra</td>
<td>45% (Nil for Marathi Films)</td>
</tr>
<tr>
<td>12.</td>
<td>Orissa</td>
<td>25%</td>
</tr>
<tr>
<td>13.</td>
<td>Rajasthan</td>
<td>30% (Nil for Rajasthani Films)</td>
</tr>
<tr>
<td>14.</td>
<td>Tamil Nadu</td>
<td>15% (Nil for Tamil Films)</td>
</tr>
<tr>
<td>15.</td>
<td>Uttar Pradesh</td>
<td>30% to 40 %</td>
</tr>
<tr>
<td>16.</td>
<td>West Bengal</td>
<td>30% (2% for Bengali Films)</td>
</tr>
</tbody>
</table>

Source: Film Guild India
However from July 1, 2017, with the introduction of GST, the central taxes, except basic custom duty, as well as the State taxes have been subsumed into one single tax. The GST rates applicable in the case of movies would be applied under two slabs, depending upon the pricing of the tickets:

- 28% would be applicable in case the price of the ticket is above ₹ 100
- 18% would be applicable in case the price of the ticket is below ₹ 100

With GST being implemented, there was certain relief in case of states where the entertainment tax that was levied was high such as Maharashtra and Rajasthan. However in states where the entertainment tax was zero, they would see an increase in the price of the tickets such as Punjab, Himachal Pradesh etc. However, availability of tax credit under GST, which was not available under the previous indirect tax laws, will help in reducing the overall costs.

An illustration which would show a comparison between pre and post GST in relation to the state of Punjab is as below:

<table>
<thead>
<tr>
<th>Table 7: Illustrative comparison of pre and post GST ticket prices in Punjab</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Detail</strong></td>
</tr>
<tr>
<td>Ticket price (₹)</td>
</tr>
<tr>
<td>Entertainment tax rate</td>
</tr>
<tr>
<td>Service tax</td>
</tr>
<tr>
<td>GST</td>
</tr>
<tr>
<td>Tax liability (%)</td>
</tr>
<tr>
<td>Total tax liability (₹)</td>
</tr>
</tbody>
</table>

Source: Deloitte Analysis

On account of the same, single screens would be impacted to a large extent as they are already operating on low margins due to high operating costs. Further multiplexes would become even more expensive for the consumers.

However, as indicated above, on account of GST, the industry would now have an advantage of claiming input tax credit which was previously not available thereby reducing the overall tax liability. For example: as per the earlier tax regime, Tax paid on rent, common area maintenance, electricity, security, housekeeping, etc. was not allowed to be set off against the output liability.

In addition to this, the burden of compliances under the multiple indirect taxes such as service tax and entertainment tax will be replaced by compliances under GST, which should be less complicated.
Concluding Remarks
Concluding Remarks

### Government

#### Policy and Regulations
- Developing and formalizing a film policy in collaboration with industry stakeholders to outline the vision of the state to promote film making and the film sector as a whole;
- Replicating the single window clearance mechanism for the media and entertainment sector. This will enable reduction in lead time to commence film shooting thereby increasing margins for producers and making the state the preferred destination for shooting films;
- Incentivize domestic and foreign filmmakers utilizing Punjabi technicians and workers, promoting Punjabi culture and locations;
- Institute state level awards for the media and entertainment sector, focussed on providing recognition to Punjabi actors, technicians, directors, writers, producers etc. This will incentivize the industry and act as a catalyst to promote Punjabi films at a national level.

### Investments and Infrastructure
- Renew and upgrade existing film pre-production, film shooting and post-production infrastructure (film studios, recording studios, iconic locations of significance) available within the state;
- Build and develop new infrastructure to provide centralised services to regional filmmakers and attract other domestic and foreign filmmakers to shoot films in Punjab. Invest in building film cities with state of the art facilities for film shooting and post-production. Alternatively, provide incentives and subsidies to private enterprise investing in development of infrastructure dedicated to film making in the state;
- Support in increasing screen density in Punjab, this will in turn provide higher revenues and jobs across the state.

### Skill Development
- Development of institutes, scholarships, diplomas and certifications for various requirements across the film making value chain.
- Push for formalization and recognition of courses in the media and entertainment space by leading universities.
Concluding Remarks

Industry Promotional push across India

- Partner with regional institutions and distributors with pan-India presence for targeted marketing and promotional push across a pan-India audience.

Monetization of Newer Revenue Streams

- With relatively limited opportunities of monetizing Punjabi film content through regional channels, evaluate expansion and coverage of a wider audience through assimilation of content into mainstream broadcasting (e.g., Several South Indian films after a substantial period post release are dubbed into Hindi and released straight to TV on dedicated Hindi film channels such as Zee Films);

- With the increasing penetration of smartphones across the nation and lowering of data tariffs, video has become the single most important driver for data usage in India. The Indian audience is demanding local content from OTT and digital content platforms (Netflix and Amazon Prime Videos; the latest global OTT video platforms to enter India have invested heavily in locally sourced content). The industry needs to monetize the OTT opportunity by promoting Punjabi content presence on leading content apps.

Technology Adoption

- Maximize the opportunities for lowering production cost and lead time of a film to reach from pre-production to launch and beyond through technological advancements, such as, VFX, drone shooting, advanced cameras etc.

Skill Development

- Attract the youth towards a career in film making through representation and promotion of the growth opportunities in the sector;

- Conduct skill enhancement sessions in newer technologies and methods being employed in other domestic as well as foreign film industries.
Concluding Remarks

Industry Bodies

Drive Industry Collaboration

• Incorporate a sense of collaboration in the industry through formation of forums and associations to present challenges and issues facing the industry in one consolidated voice to relevant government and bureaucratic institutions to drive policy decisions.

Drive Investments

• Attract large production houses and foreign players to invest in Punjabi films. This will increase reach to a wider audience and increase the opportunities for expanding the revenue base (e.g., Baahubali was released in collaboration with Karan Johar led Dharma Productions and this partnership resulted in the largest revenue earning film of all time in India);

• Create funds for films shot in Punjab or promoting Punjabi language and culture. Enable production of quality content to showcase the prowess of artists and technicians in the Punjabi film industry (e.g., NFDC has co-produced critically acclaimed and highly awarded films such as Chauthi Koot and Anhe Ghore Da Daan).

Skill Development

• Hold conferences and film festivals in the region and foreign locations to enable a knowledge transfer of industry leading practices and training of local professionals on newer and better ways of film making;

• Hold placement sessions for students of media related courses to enable higher occupation rates and better long-term prospects;

• Utilize the Digital India initiative to provide opportunities for completing online course for targeted skill enhancement and diplomas;

• Create opportunities for training of Punjabi technicians under the tutelage of industry leaders in other regions.
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Jaivi Dhanda, Director
Rajiv Sharma, Director
Mohit Soni, COO - M&E Sector Skill Council
Harish Kataria, Producer
Rajesh Thadani, Film Distributor
Munish Sahni, Managing Director – OMJEE Pvt Ltd
Amarjot Bhasin, Managing Director – Blue Tomatoes
Pankaj Jaysinh, COO – India Operations – UFO Movies
Praveen Pahuja, Vice President – Enterprise Sales – UFO Movies
Jasmin Roy, Senior manager – UFO Filmz
Vikramjit Roy, Head – Film Facilitation Office – National Film Development Corporation (NFDC)
Gurleen Kaur, Managing Director – Ghaint Punjab
Alice Guram, CEO – Media Pulse PR
Prof. Satish Verma, Youth Welfare Department – Punjab University

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