

# IMAGE Policy

Learnings from Telangana in development  
of a holistic AVGC ecosystem

18th April 2023

New Delhi



# Agenda

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# Introduction

The AVGC policy of the Government of Telangana is a comprehensive plan aimed at promoting the growth of the animation, visual effects, gaming, and comics industries in the state.

This policy has been successful in creating a conducive environment for the development of these industries, leading to the emergence of Telangana as a hub for AVGC activities in India.

Telangana was the first state to have a dedicated AVGC Policy called the IMAGE Policy (2016)

Over 30,000 jobs created since inception of IMAGE policy

# IMAGE Policy - Objectives



Make	<ul style="list-style-type: none"><li>• Make Hyderabad the most favored destination for investment in Animation, Visual effects, Gaming and Comics sector.</li></ul>
Encourage and support	<ul style="list-style-type: none"><li>• Encourage and support appropriate manpower development, infrastructure development and business development.</li></ul>
Spread	<ul style="list-style-type: none"><li>• Spread awareness and create employment in the Animation, Visual effects, Gaming &amp; Comics sector.</li></ul>
Bridge	<ul style="list-style-type: none"><li>• Bridge the demand and supply gap of human resources through various skill development programmes.</li></ul>
Attract	<ul style="list-style-type: none"><li>• Attract global majors and R&amp;D companies in Gaming, serious gaming, Animation and serious animation into Telangana.</li></ul>
Strive	<ul style="list-style-type: none"><li>• Strive towards a larger share of the outsourcing opportunity in global Animation, Visual effects, Gaming &amp; Comics markets.</li></ul>
Facilitate	<ul style="list-style-type: none"><li>• Facilitate a legal framework for 'IP' creation and its protection.</li></ul>
Promote	<ul style="list-style-type: none"><li>• Promote growth of indigenous 'digital content' education and entertainment for the masses.</li></ul>
Set up	<ul style="list-style-type: none"><li>• Set up a "Centre of Excellence" - IMAGE Tower - with state-of-the-art facilities to act as a catalyst for the AVGC sector.</li></ul>

# IMAGE Tower

- IMAGE : Innovation in animation, Multimedia, Gaming, and Entertainment
- State-of-the-art facility in Hyderabad to serve as catalyst for the AVCG sector at an investment of Rs. 946 crore
- Extensive 16,00,000 sq. ft. area along IT Corridor of Hyderabad
- Will bring together all elements of production under one roof
- Dedicated blocks for AVCG companies, Labs (for Live Action, Motion Capture, Sound & Acoustics), Production Outsourcing,
- AVCG educational institutes and finishing schools
- Launch in Q1 2024



# Key Features of IMAGE Policy

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25% Capital investment subsidy limited to Rs.25 Lakhs for fresh investments made post declaration of the said policy. This is a one-time subsidy for an Investment above Rs.5 Crore and creates new employment of 50 employees and above.

Reimbursement of production cost of animation films, cartoon series, and games, up to 20% (with specific caps), if 80% of the production costs for the same were incurred in Telangana.

Entertainment Tax Exemption: Full fledge Animation VFX Theater films produced and released in Telangana will be entitled to Entertainment Tax exemption.

Reimbursement of Internet Bandwidth charges up to Rs.3 Lakhs per annum for a period of three, as compared to Rs. 2 Lakhs mentioned in the above section.

Additionally, for SC/ST and women entrepreneurs, additional fiscal benefits, over and above the common incentives, are provided.

AVGC companies shall be exempted from statutory power cuts and shall be encouraged to utilize renewable energy.

Training & Placement through Telangana Academy for Skill and Knowledge (TASK): a first-of-its-kind initiative in India to strengthen the quality of graduates coming out of colleges.

# Support for Startups & SME

IMAGE Center of Entrepreneurship : A flagship Centre of Entrepreneurship by STPI, MEITY and Government of Telangana

Collaborations with Industry bodies HYSEA & TVAGA

Research Partnership with IIT-Hyderabad

Mentorship & Market Access Support via TiE Hyderabad

Investment & Funding Support with SucSEED Fund, Hyderabad Angels and others

35+ Startups & SME supported with a target of 140 by 2025





## Collaboration with Industry Leaders

- TVAGA (Telangana VFX, Animation and Gaming Association) - a non-profit association dedicated to promote and develop Media & Entertainment ecosystem in Telangana
- Led by industry leaders and creative minds of AVGC
- IndiaJoy – India’s largest M&E event dedicated to AVGC sector with over 15000 participants
- Industry collaborations have led to establishment of training programs, knowledge-sharing initiatives, and joint ventures



# New Framework to support AVGC Skilling

Long term goal: A long term goal should be identified for each gap which should indicate what we envision once that gap is filled.

Government Intervention: Which policies should be adopted by the government to fill the gap.

Action Items: Which tasks should be initiated to implement the policies.

Owner Organisation: Which department / organisation should take ownership and accountability for executing the action items.

Identify stakeholders: The owner organisation of each action item should identify the external and internal stakeholders which they must work with for implementation.

Incentives: The government should provide suitable incentives to stakeholders for supporting the implementation.

# Promotion of Talent Development

TASK : Telangana Academy for Skill and Knowledge

TASK is a unique skill development initiative from the ITE&C department aimed at improving the quality of graduates coming out of college.

More than 715 colleges have registered with TASK.

Over 6.5 Lakh youth across the state of Telangana have been skilled since TASK's inception in 2014.

TASK has initiated Entrepreneurship Development Program to promote social innovation and rural entrepreneurship among the youth of Telangana.



# Conclusion

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- The AVGC policy of the Government of Telangana serves as a model for other states looking to promote the growth of the AVGC industry.
- By focusing on infrastructure development, support for startups and SMEs, collaboration with industry leaders, and talent development, the Government of Telangana has created a thriving ecosystem for AVGC activities in the state.



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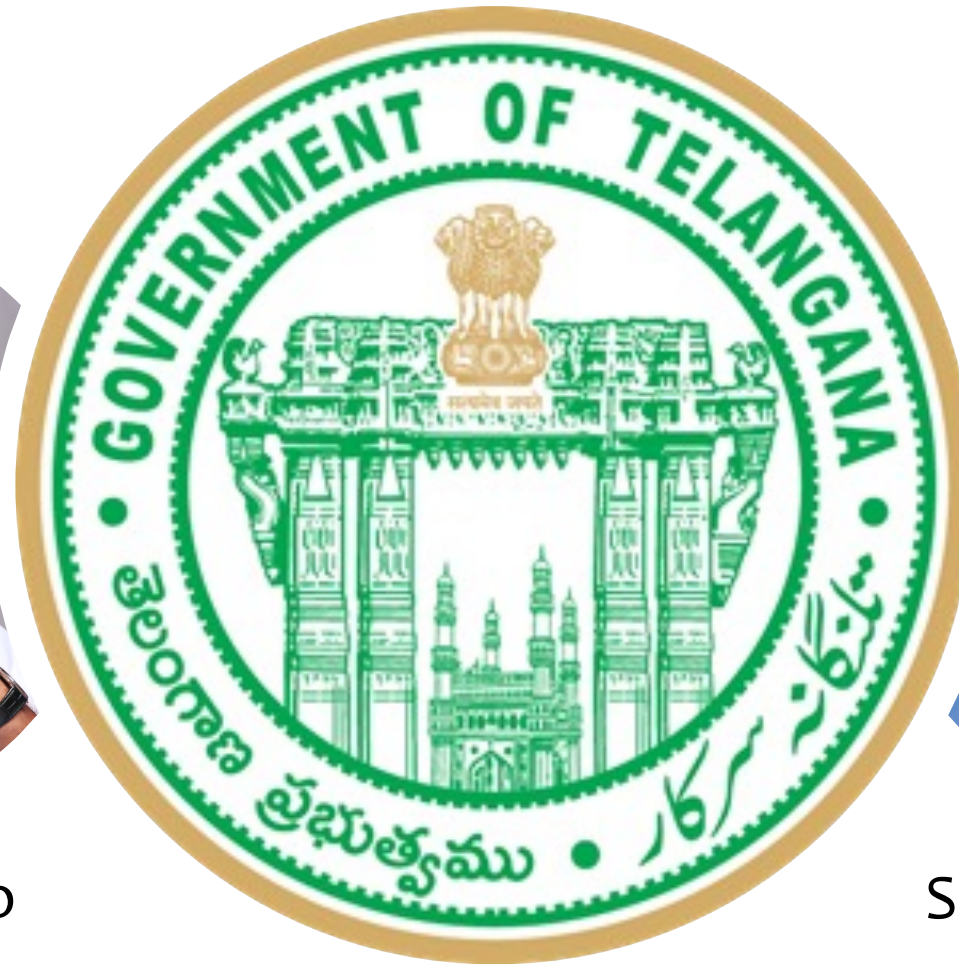


# Telangana's Success Stories



**Shri K. T. Rama Rao**

Minister for IT E&C, MA&UD  
and Industries & Commerce



**Shri Jayesh Ranjan, IAS**

Principal Secretary  
I&C, ITE&C Departments

**Thank you**