



BACKGROUNDERS

Press Information Bureau

Government of India

Powering the AVGC-XR Revolution

India's Leap into the Future of Media and Entertainment

November ... 2025

Key Takeaways

- India's media and entertainment sector is a sunrise industry, projected to **cross USD 100 billion by 2030**, powered by digital innovation and creative-tech growth.
- The **Indian Institute of Creative Technologies (IICT)** is reshaping creative education through global partnerships with **Netflix, Google, Microsoft, NVIDIA** and others, building a world-class talent ecosystem.
- Indian VFX and animation studios now play a key role in **global cinema**, contributing to blockbusters like **Avatar, Thor: The Dark World, and Game of Thrones**.

India's Creative Economy at an Inflection Point

India's Media and Entertainment sector has emerged as one of the country's fastest-growing industries, powered by digital innovation, youth-driven demand, and a surge in creative entrepreneurship. Recognised by the government as a high-potential segment within the services economy, the sector is projected to grow at a compound annual rate of about **7 percent**, reaching approximately **₹3,067 billion by 2027¹**. The national outlook envisions this ecosystem scaling up to **USD 100 billion by 2030**, signalling a decisive shift from a content-consuming nation to a global creator and exporter of intellectual property².

¹ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2126105>

² <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1862505&utm>

The strategic vision for the sector rests on three core pillars:



Current initiatives aim to strengthen domestic capability in animation, visual effects, gaming, and extended reality through investments in training, digital infrastructure, and innovation-driven institutions. At the same time, inclusive participation across regional and linguistic boundaries remains a key policy priority, ensuring that creative opportunities extend beyond metropolitan clusters and into emerging cultural economies.

Economically, the Media and Entertainment sector contributes significantly to value addition and job creation, with its gross value-added share steadily increasing over the last decade. India offers a **40 to 60 percent cost advantage** in animation and VFX services, supported by a large skilled workforce. This comparative edge has attracted a steady inflow of international projects and positioned India as a preferred destination for global post-production work. The sector's growing global resonance is equally visible in digital media, where nearly **25 percent of total viewership for Indian OTT content originates from overseas audiences**. This reflects not only the commercial appeal of India's creative output but also its expanding role in **cultural diplomacy**, as Indian stories continue to build emotional and cultural connections across continents³.

The AVGC-XR Revolution

This creative resurgence finds its most dynamic expression in the AVGC-XR sector, where technology, storytelling, and innovation converge to define the next chapter of India's media and entertainment growth. It is here that India's creative ambition meets its digital capability marking a shift from producing content for audiences to shaping experiences for the world.

Genesis and Institutional Framework

India's creative economy has entered a transformative phase with the formal recognition of the **Animation, Visual Effects, Gaming, Comics and Extended Reality (AVGC-XR)** sector as a key driver of growth. The policy journey gained momentum in 2022 with the constitution of the **AVGC Promotion Task Force**, established to formulate a comprehensive national strategy for nurturing India's AVGC-XR ecosystem as a global hub for creative technology and digital content production.



³<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2126724&utm>

The Task Force recommended the establishment of a **National AVGC-XR Mission** with a “Create in India” focus to position the country as a global hub for digital content creation and creativity⁴. The AVGC Promotion Task Force’s report projected the creation of **around 20 lakh direct and indirect jobs** in the coming ten years, while estimating that the sector could contribute to India’s GDP through production, exports, and allied services⁵.

One of the most significant milestones in India’s AVGC-XR journey has been the creation of a dedicated institutional framework to nurture talent and innovation. The **National Center of Excellence (NCoE) for AVGC-XR**, approved by the Government in 2024, was envisioned as the country’s apex body for training, research, and industry collaboration in animation, visual effects, gaming, and immersive media⁶.

In 2024, the **Indian Institute of Creative Technologies (IICT)** was unveiled in

Mumbai, Maharashtra, as the **National Centre of Excellence for AVGC-XR**⁷. Set up as a **Section 8 company**⁸—a not-for-profit entity that reinvests its resources into institutional growth—the institute brings together **academia, industry, and government** on one platform. By developing modern curricula, fostering joint research, and promoting global industry linkages, IICT is shaping a new generation of creators and innovators, positioning India at the forefront of the global creative economy.

IICT – From Vision to Action

- **May 2025:** Indian Institute of Creative Technologies (IICT) was formalised as a Section 8 company to advance India’s AVGC-XR ecosystem through education, research, and innovation, transforming policy intent into institutional action.
- **May 2025:** IICT onboarded **Google, YouTube, Meta, Adobe, Microsoft, NVIDIA, Wacom, and JioStar** as industry partners to co-develop curricula, offer internships and scholarships, and support creative-tech startups through incubation and mentoring.
- **July 15, 2025:** Admissions opened for the **first academic session** featuring **specialised courses** across Gaming, Post-Production, Animation, Comics, and XR, designed in consultation with industry experts. The institute has also signed an **MoU with the University of York (United Kingdom)** to facilitate **faculty exchange, collaborative research, and globally benchmarked curriculum development**.
- **July 18, 2025:** The **first IICT campus** was inaugurated at the **NFDC Complex, Mumbai**, with an initial **budget of ₹400 crore** and a goal of training around **300 students** in the inaugural batch alongside professional upskilling modules.
- **August 30, 2025:** The **WaveX Media-Tech Startup Incubator** was launched to nurture creative entrepreneurship. The first cohort included **15 startups**, receiving mentorship, infrastructure, and access to global partners.
- **October 7, 2025:** IICT signed an **MoU with FICCI and Netflix** to co-create curricula, conduct masterclasses, and provide scholarships under the **Netflix Fund for Creative Equity**, integrating global content expertise into India’s creative-education ecosystem.

⁴ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1886679>

⁵ https://indiacinehub.gov.in/sites/default/files/2023-12/69fc1be277962b21f3f6954db475c09b_0.pdf?utm0020

⁶ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2056000>

⁷ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2126452>

⁸ <https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2121017&utm>

Policy Momentum



Complementing national initiatives, several states are advancing the AVGC-XR vision through targeted policies and institutional frameworks. **Karnataka** has been one of the firsts to implement a dedicated **AVGC-XR Policy 2024–2029**, focusing on skilling, incubation, and global market competitiveness⁹. **Maharashtra**, too, has taken significant steps with the approval of its **AVGC-XR Policy 2025** in **September** this year, backed by a financial plan of **₹3,268 crore** and a **long-term roadmap extending to 2050**. The policy seeks to attract investments, create employment opportunities, and strengthen state-level production infrastructure through dedicated clusters and training initiatives¹⁰.

Policy Reforms and Infrastructure Development

From updated cinema laws and digital-governance frameworks to the development of integrated production facilities, the following initiatives collectively demonstrate India's commitment to building a globally competitive and future-ready media and entertainment industry:

Cinematograph (Amendment) Act, 2023

The **Cinematograph (Amendment) Act, 2023**, represents a landmark reform in India's film legislation¹¹. The amendment strengthens the regulatory and enforcement framework of the **Cinematograph Act, 1952**¹², introducing for the first time **stringent anti-piracy provisions** to curb unauthorised recording and distribution of films¹³. **Sections 6AA and 6AB** make digital piracy a punishable offence, with imprisonment of up to **three years** and fines that may extend to **5 per cent of a film's audited gross production cost**. The newly introduced **Section 7(1B) (ii)** authorises the Government to direct online intermediaries to remove or restrict access to pirated film content hosted on their platforms, ensuring timely action against digital infringement¹⁴.

The Act also modernises certification by introducing **age-based**, streamlining recertification for television and OTT release, and enabling **permanent certification validity** for films. Together, these provisions align creative freedom with audience protection and content integrity. As one of the key policy milestones under the government's broader media-reform

⁹ https://eitbt.karnataka.gov.in/avgc/public/uploads/media_to_upload1726919870.pdf

¹⁰ <https://www.newsonair.gov.in/maharashtra-cabinet-approves-avgc-xr-policy-2025-with-%E2%82%B93268-crore-outlay/>

¹¹ <https://www.pib.gov.in/PressReleaselframePage.aspx?PRID=1944435>

¹² <https://mib.gov.in/sites/default/files/2024-12/cinematograph-act-1952-incorporating-latest-amendments.pdf>

¹³ <https://egazette.gov.in/WriteReadData/2023/247494.pdf>

¹⁴ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2148494>

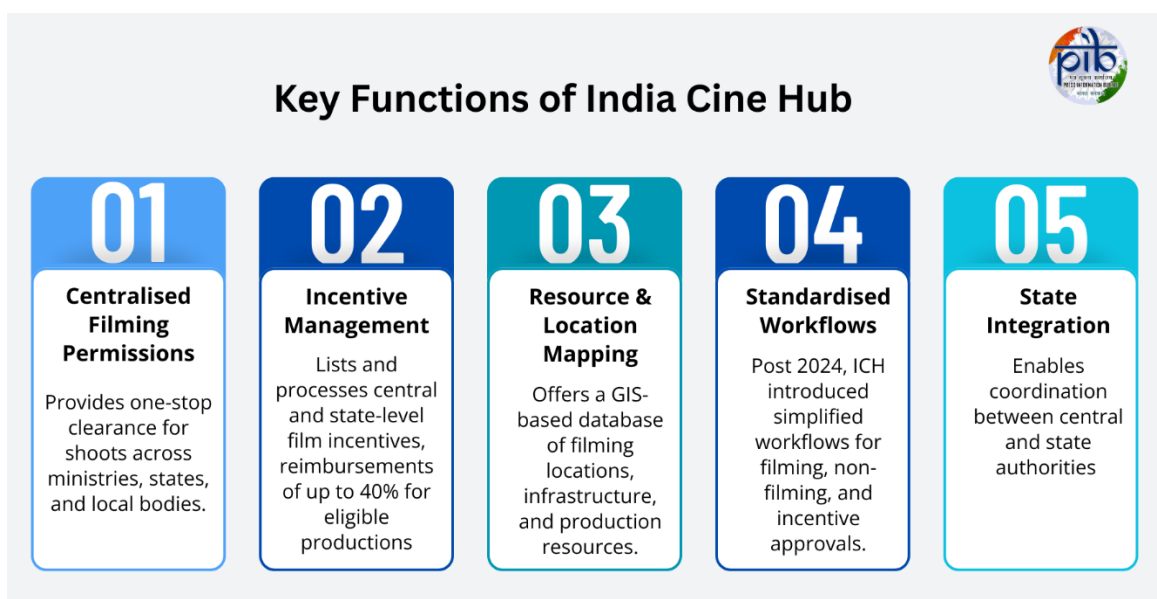
agenda, the amendment underscores India's commitment to a transparent, secure, and innovation-friendly cinematic ecosystem¹⁵.

National Broadcasting Policy

The **National Broadcasting Policy** is being developed to create a modern, inclusive, and growth-oriented framework for India's broadcasting ecosystem. It will focus on promoting **content diversity, fair competition, and investment in digital infrastructure**, while ensuring **ethical standards, intellectual property protection, and audience trust**. The policy also aims to strengthen India's global footprint in media and entertainment by fostering innovation, supporting local content creation, and integrating traditional broadcasting with emerging digital platforms to build a future-ready communication environment.¹⁶

India Cine Hub

India Cine Hub (ICH), developed under the Ministry of Information & Broadcasting and managed by the National Film Development Corporation (**NFDC**), serves as the Government's **single-window platform** for film facilitation across India. It streamlines processes, promotes transparency, and enhances India's appeal as a global filming destination.



By integrating permissions, incentives, and production resources, **India Cine Hub** has become the **digital backbone of India's film facilitation ecosystem**, reinforcing the country's position as a premier global filmmaking hub¹⁷.

¹⁵ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2148494>

¹⁶ http://www.trai.gov.in/sites/default/files/2024-09/CP_02042024.pdf

¹⁷ <https://indiacinehub.gov.in/>

WAVES: India's Global Platform for Creative Collaboration

The **World Audio Visual and Entertainment Summit (WAVES)** is India's first integrated platform to showcase and strengthen the country's creative economy on a global scale. The platform serves as a convergence point for policymakers, industry leaders, creators, and investors across the film, television, OTT, animation, VFX, gaming, and XR sectors.

The inaugural edition, held from 1st - 4th May 2025 at the Jio World Convention Centre in Mumbai¹⁸ and inaugurated by the Hon'ble Prime Minister¹⁹, brought together participants from across the world and global majors in content, technology, and investment. The four-day summit combined ministerial roundtables, market screenings, investor forums, masterclasses, and B2B networking, setting the stage for India's leadership in the global media landscape.



Source: PIB

Key highlights included the adoption of the **WAVES Declaration on Global Media Cooperation**, a ₹1,328 crore business pipeline generated through the **WAVES Bazaar**, and a ₹50 crore investment pool unveiled at **WaveX** for media-tech start-ups. Anchored in the vision of **Viksit Bharat 2047**, WAVES underscores India's growing role as a hub for creative technologies, digital storytelling, and international co-production partnerships²⁰.

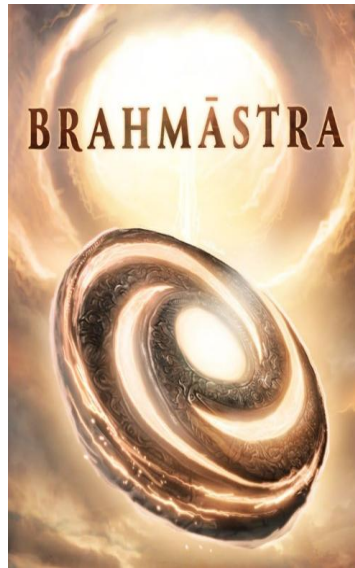
¹⁸ <https://www.pib.gov.in/waves/2025/index.aspx>

¹⁹ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2125725>

²⁰ <https://www.pib.gov.in/PressReleaselframePage.aspx?PRID=2126844>

Achievements and Impact

India's technological evolution in this sector reflects a decade-long progression from experimentation to excellence. The use of motion capture and CGI in films such as *Ra.One* (2011), *Baahubali: The Beginning* (2015), and *Brahmastra* (2022) etc. demonstrated early domestic capability in high-end production²¹. Since then, Indian studios have advanced rapidly, adopting real-time rendering, volumetric capture, and virtual-production pipelines to produce immersive storytelling experiences. This growing technical maturity has strengthened India's competitiveness in global post-production and VFX markets, with an increasing number of international studios outsourcing advanced creative work to Indian facilities.



Source: IMDb

The AVGC-XR ecosystem has also witnessed remarkable progress in professional training and creative capacity building.

Skilling and Workforce Development

Through initiatives led by the **Media and Entertainment Skills Council (MESC)**, professionals are being trained in specialised disciplines such as animation, VFX, gaming, and post-production²². Industry-academia collaborations have led to the development of competency standards and modular courses that reflect international benchmarks.

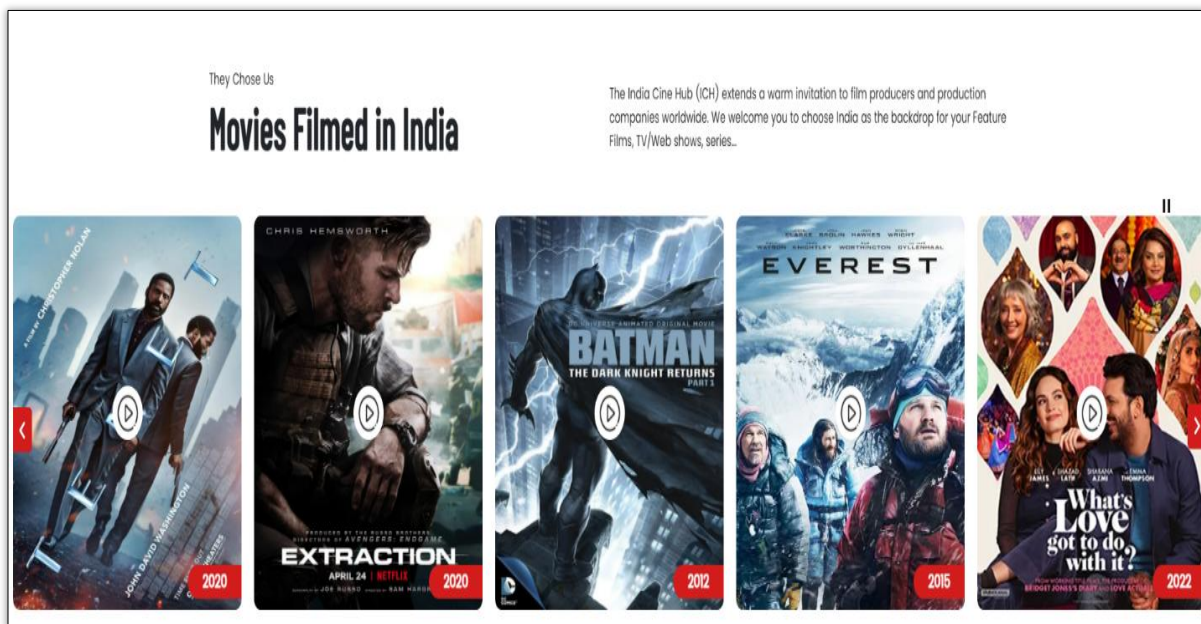
Ecosystem Growth and Global Visibility

²¹ https://indiacinehub.gov.in/sites/default/files/2023-12/69fc1be277962b21f3f6954db475c09b_0.pdf

²² https://indiacinehub.gov.in/sites/default/files/2023-12/69fc1be277962b21f3f6954db475c09b_0.pdf (page 115)

India's growing mastery in visual effects and animation has positioned it among the world's most sought-after creative destinations. The country's studios are now integral to large-scale domestic and international productions, contributing to some of the most visually complex projects in global entertainment. This evolution reflects the sector's shift from service-based outsourcing to high-value creative collaboration, where Indian talent drives innovation, precision, and storytelling at par with global standards.

- **RRR:** Featured over 2,800 VFX shots. All animal scenes were synchronised using **radio-controlled cars, programmed to operate at specific speeds**, reflecting the high sophistication of India's VFX workflow
- **Thor: The Dark World:** The VFX work was partially executed by a Mumbai-based studio, illustrating India's expanding participation in international productions
- **Game of Thrones:** The iconic dragons (**Khaleesi's dragons**) were animated in India, highlighting India's growing technical credibility in high-end animation and creature design
- **Avatar:** Over 200 VFX shots for *Avatar* were completed by an **Indian company**, reflecting India's collaboration on top-tier global productions



Source: India Cine Hub

Innovation and Enterprise

- India's gaming industry, driven by titles such as BGMI (Battlegrounds Mobile India) and FAU-G (Fearless and United Guards), represent the emerging home-grown gaming ecosystem and local IP creation
- The Indian comics industry continues to thrive with iconic characters like Suppandi, Chacha Chaudhary, Tenali Raman, and Shikkari Shambhu, several of which are being adapted into animated series and films, signalling the convergence between traditional storytelling and new media platforms.

The rise of start-ups in gaming, XR, and immersive storytelling marks a major shift toward indigenous innovation. Indian studios are now developing mobile and console games rooted in local narratives, mythology, and heritage—reflecting a move from service-driven work to original content creation. Indie developers have introduced culturally resonant titles such as *Raji: An Ancient Epic* and *Indus Battle Royale*, which have earned global attention for their design and storytelling depth. These ventures also attract increasing investor interest,

signalling growing confidence in India's creative-tech potential and its readiness for the metaverse economy.

Academic-Industry Integration

The creation of dedicated AVGC hubs and the establishment of the Indian Institute of Creative Technologies (IICT) have enabled long-term academic-industry collaboration. They serve as incubation grounds for digital creators, offering specialised courses and collaborative spaces that connect students with production studios and technology companies. Several state-level initiatives are also promoting regional clusters for animation and gaming, ensuring that creative opportunities expand beyond metropolitan centres.

Further reinforcing India's creative technology infrastructure, the WaveX Media-Tech Startup Accelerator has partnered with T-Hub, Hyderabad, to establish dedicated innovation hubs for the AVGC-XR ecosystem. The collaboration will focus on nurturing media-tech start-ups, facilitating access to mentorship, funding, and infrastructure, and building bridges between creative professionals and technology enterprises.²³

The Road Ahead for India's AVGC-XR Sector

India's AVGC-XR sector is entering a phase of strategic growth marked by innovation, skill development, and policy convergence. The focus ahead lies in transforming the creative economy into a global powerhouse, driven by indigenous talent, technological advancement, and creative entrepreneurship²⁴.

Animation and Visual Effects (VFX)

²³ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2183506>

²⁴ https://indiachinehub.gov.in/sites/default/files/2023-12/69fc1be277962b21f3f6954db475c09b_0.pdf

- Develop Centres of Excellence and introduce fiscal incentives to strengthen India's position as a global VFX and post-production hub.
- Promote co-productions and international partnerships to integrate Indian talent into global content ecosystems.
- Encourage IP-led animation projects that reflect India's cultural depth and creative diversity.



Gaming and eSports

- Foster a structured gaming and eSports ecosystem to support original Indian games and professional tournaments.
- Expand start-up incubation and investment avenues for gaming technologies across entertainment, education, and healthcare.
- Institutionalise ethical gameplay and monetisation frameworks to build a credible and responsible gaming environment.



Extended Reality (XR) and Emerging Technologies

- Scale XR applications across education, tourism, defence, and healthcare, extending beyond entertainment.
- Create standards for accessibility and interoperability, ensuring responsible and inclusive technology use.



Comics and Digital Intellectual Properties

- Digitise and reimagine Indian comic and folklore IPs for animation, gaming, and cross-platform storytelling.
- Promote new transmedia franchises that blend cultural authenticity with global market appeal.
- Strengthen collaborations among artists, publishers, and studios to expand creative ecosystems.



Strategic Enablers and Cross-Sectoral Priorities

- Integrating **AVGC-XR courses** within mainstream higher education and vocational training, supported by certification standards and a national talent registry.
- Strengthening **intellectual property frameworks** and facilitating access to global markets through “*Create in India*” and “*Brand India*” initiatives.

Collectively, these measures envision a **holistic ecosystem** that integrates policy reform, human capital, and creative technology to accelerate India's emergence as a **global powerhouse in the AVGC-XR domain**.