Video on demand: Entertainment reimagined
Message from ASSOCHAM

With technological changes and extensive digitisation, the Indian media and entertainment sector has undergone a fundamental change in the recent past. It has completely changed the way entertainment is consumed by the masses and has revolutionised the distribution models, giving rise to VoD services on OTT platforms.

The entertainment and media industry is projected to grow at a CAGR of 11.7% from 30,364 million USD (1,978,045 million INR) in 2017 to 52,683 million USD (3,432,044 million INR) in 2022. Television, cinema and OTT will collectively account for 46% of the overall growth in the Indian entertainment and media industry for the period 2017 to 2022.

ASSOCHAM along with PwC with has come up with this publication to provide a comprehensive understanding of the VoD/OTT segment and its interplay with other segments of the media and entertainment sector.

I am confident that the efforts documented in the form of this publication will be useful to our readers.

I would like to offer my best wishes for the success of the summit.

Uday Kumar Varma
Secretary General, ASSOCHAM
Over the past decade, the video on demand (VoD) market has evolved across the world, including in India. Advancements in technology and telecom infrastructure have made ‘anything-anytime-anywhere’ a definite and scalable reality for content consumption.

With the launch of over-the-top (OTT) services, VoD has been at the forefront of disruption in the media industry, and the production budgets of companies like Netflix and Amazon now rival those of traditional studios. Moreover, this disruption has transformed the value drivers in the entire chain of production, aggregation and distribution, with consumer reach and satisfaction becoming the holy grail.

Physical media (such as video cassettes, CDs, DVDs) have given way to digital consumption over broadband or wireless connections. The sheer breath of content available presents customers with a wealth of choice. Businesses have become more global, yet the push to localise strategies and content has never been stronger. More importantly, VoD is no longer the exclusive domain of media industry players, with telcos, e-commerce companies, etc., entering the fray.

There is no doubt that OTT is synonymous with change for the service provider and the service recipient. Phenomena such as ‘cord cutting’, ‘cord shaving’ and ‘cord never’ are disrupting established business models. At the same time, the need to get (or rather ‘push’, given the sheer mind-boggling variety available to the consumer) the right content at the right time and the right price to the consumer is accelerating the science and practice of analytics and thus prompting conversations on data privacy and intrusions. Monetisation strategies are another key element, especially in India where, despite the falling cost of data, overall subscription charges for OTT platforms still do not compare favourably to those of traditional linear channels such as DTH and cable. As a result, OTT players are under pressure to strike the right balance between advertising and subscription even as new programs are developed to block and skip ads (such as in-content ‘post-production’ advertising). Also, conventional wisdom is getting tested every now and then as traditional studios announce forays into the OTT space, while pure OTT players seek theatrical releases for their content. In short, while consumers are enthusiastic and optimistic, media players are being more and more adventurous!

In many countries, regulators have struggled to keep pace with the unique and cross-border business models that have come into play for deployment of services to consumers – right from regulating the content, pricing and preferential access (net neutrality).

Disruption caused by OTT players has posed several major challenges to established media industry players in developed markets. However, in India, given the digital adoption stage that the country is at, media players can adapt to the changes by developing more customised business models and rolling them out in a controlled manner. Traditional and conventional media industry players in India will coexist and achieve impressive growth over the coming years. Collaboration between OTT players and traditional media industry players will give rise to new business models in the Indian context, ensuring the latter’s survival. By some estimates, India is amongst the fastest growing OTT markets in the world and will be one of the top 10 OTT markets by 2022.
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An overview of the VoD ecosystem in India
Of late, technological advancements have been the primary cause of disruption in every industry. Consumption of video content has traditionally been in the form of cinema and television. Originally, consumption of video content was made convenient in physical form through disc rental and delivery services via mail. Technological advancement has made it possible to add further convenience to video consumption through online streaming or video on demand (VoD).

Globally, rising populations, increasing disposable incomes and new technologies have fuelled the growth of all forms of content consumption, be it cinema, television or over-the-top (OTT) services. In the Indian context, the entertainment and media industry is projected to grow at a CAGR of 11.7% from 30,364 million USD (1,978,045 million INR) in 2017 to 52,683 million USD (3,432,044 million INR) in 2022. Television, cinema and OTT will collectively account for 46% of the overall growth in the Indian entertainment and media industry for the period from 2017 to 2022.¹

Traditional VoD

VoD services, in their traditional form (i.e. movie disc rentals over mail), had taken off well in the first decade of the twentieth century, especially in North America. Netflix introduced this concept to the world in 1997 and enjoyed great success for over a decade. India also had its own share of success stories in the movie disc rental businesses that flourished during this period.

However, the advent of online streaming services, which provide viewers an uninterrupted viewing experience, changed the landscape. Given this, globally, the disc rental business is experiencing negative growth. In the Indian market as well, this business is expected to have negative growth of over 30% during the period 2017–22, bringing the overall market size down to a level of non-existence. In 2018, the business is expected to make a little over 0.1 million (1 million INR) in terms of revenue in India.¹

¹ PwC Global Entertainment & Media Outlook 2018–22 (https://www.pwc.com/gx/en/industries/tmt/media/outlook.html)
VoD services through OTT platforms

In its current form, VoD refers to streaming of content over the Internet or through applications typically referred to as OTT platforms. VoD services are classified based on the model of monetisation, namely subscription VoD (SVoD), transaction VoD (TVoD) and advertising VoD (AVoD). Amazon and Netflix would fall under the SVoD category, whereas iTunes has a transaction-based business model—that is, TVoD. One of the most preferred categories of content consumption in India is via the advertising-based model—that is, AVoD—which is led by YouTube.

OTT has caused huge disruption in the content consumption space. From an Indian perspective, where having multiple cable connections in a single Indian household is a distant dream, OTT platforms enable individual viewership. By providing the comfort of viewing at one’s convenience in terms of time, place and device, OTT has been a game changer. As opposed to television, where programmes work on a schedule, OTT provides the audience the option to view what they want at any time of the day.

The growth of OTT has given rise to concepts of ‘cord sharing’, ‘cord cutting’ and ‘cord never’. In many mature markets, it has had a significant impact on the growth and sustainability of linear media businesses such as cinema, television and newspapers.

Globally, the OTT market (TVOD+SVOD) is set to grow at a CAGR of 10.1% during the period 2017–2022. During the same period in India, the segment is expected to grow from 297 million USD (19,328 million INR) to 823 million USD (53,630 million INR) in 2022 at a CAGR of 22.6%. With increasing smartphone penetration and lower data tariffs, VoD is showing promising growth. Mobile video advertising (largely AVoD) is the fastest growing sub-segment of India’s Internet advertising market, projected to rise at a CAGR of 32.8% from 2017 to 2022 and to reach 317 million USD (20,641 million INR) by 2022.²

Globally, the industry has recently witnessed a shift in focus from content and distribution to ‘user experience’. However, for a country like India, content, specifically customised regional content, will play an important role in driving revenues.

Need to connect directly with the end user

We are now seeing the third wave of convergence in the entertainment and media space, across a variety of media, access (wireless/fixed), business models and geographies. Netflix began as a DVD rental service and Amazon, predominantly as an e-commerce platform. On the other hand, Apple’s success has been primarily linked to innovative devices. Yet, today, each one of them is acting as a producer/content aggregator, distributor and retailer of content. Convergence across geographies has been hastened due to the ability to seamlessly employ the same business model across countries. Emerging business models are a result of players wanting to build diversified revenue streams and, more importantly, to build a direct relationship with the end user.

The five fundamental drivers of this convergent business model are uninterrupted connectivity, mobile devices becoming the primary source of content consumption, the need to move away from traditional revenue streams, value shifting from content creators to platforms, and ability to provide a personalised offering to the consumer.

² PwC Global Entertainment and Media Outlook 2018–22 (https://www.pwc.com/gx/en/industries/tmt/media/outlook.html)
Monetisation models for VoD platforms
VoD services are monetised through consumer spending on video accessed via an OTT platform or Internet streaming service. In India, in addition to consumer spending on SVoD and TVoD platforms, the VoD market has a significant viewership under the AVoD category, with YouTube being one of the most prominent AVoD platforms that offers access to content free of cost.

Globally, while some platforms offer subscription-based consumption, others generate revenue through advertising. However, some operate through a ‘freemium’ model as well. The freemium model is intended to capture market share in terms of number of subscribers (largely non-paying) as well as generate subscription revenue via premium content. India’s leading OTT platform, Hotstar, is one such example. While the Indian shows are available on Hotstar free of cost, premium content such as ‘Game of Thrones’ and sports is available only to paid members. Another form of monetisation which is sparingly used by some new entrants is sponsored content.
Drivers
Accessibility

Data consumption in India will grow from 71,67,103 million MB in 2017 to 10,96,58,793 million MB in 2022 at a CAGR of 72.6%\(^3\). With lower than ever data tariffs and increasing smartphone penetration in the country, which is around 40% as of 2017, it is safe to assume that the VoD market will be a significant beneficiary of these developments. Internet consumption is clearly on the rise in India. While the average Indian used to spend more on voice services than on mobile data services until 2013, the majority of an average mobile bill is now spent on data according to a report by the Internet and Mobile Association of India (IAMAI). According to the report, the average monthly spend on voice services in 2013 was 214 INR compared to 173 INR spent on data. In 2016, the spend on voice fell to 124 INR, while data spends rose to 225 INR. Video streaming constitutes roughly 65–75% of the traffic according to the Nokia Mobile Broadband Index 2018.\(^4\) While Internet penetration is increasing in the country, with mobile Internet penetration set to reach 56.7% in 2022 from a mere 30.2% in 2017, connectivity and consistency in speed issues need to be addressed.

Today, connectivity is a necessity and not a luxury. Video consumption is heavily reliant on quality/Internet connectivity. Netflix recommends that the Internet connection support speeds of at least 5 Mbps to watch HD quality videos and speeds of at least 25 Mbps to watch ultra HD content.\(^5\) According to a report by Akamai, with respect to the first quarter in 2017, the average Internet speed in India has grown by 87% year on year at 6.5 Mbps, which is still much lower than South Korea’s 26.1 Mbps.\(^6\) Therefore, there is a requirement for considerable investment in Internet infrastructure in the country to maintain consistent high-speed connections.

In a country where approximately 65% to 70% of the population resides in rural areas, no service meant for the masses can afford to ignore this market. Internet connectivity and speed issues are significant in rural areas as against urban areas. It is important for OTT players to cater to the rural market if they wish to stay relevant. Thus, apps like YouTube, which support low Internet connectivity, will be able to penetrate faster into rural areas.

Another important factor for the VoD industry is the availability of devices that are compatible with online video viewing. A large volume of consumption occurs on smartphones. As of 2017, the number of smartphones in the country stood at 468 million. This is expected to grow at a CAGR of 12.9% to reach 859 million smartphones in 2022. At the same time, non-smartphone ownership in India will decrease from 701 million in 2017 to 504 million in 2022 at a CAGR of -6.4%.\(^7\) As more and more people opt for smartphones, it is evident that data consumption will be on the rise, which will eventually lead to an increasing number of hours spent on mobile devices for viewing content online. Tablets are another promising device for the VoD industry. However, India has just about 5.3% penetration as of 2017, and this is expected to go up to just about 10% in 2022. The low penetration is definitely a missed opportunity for players as tablets offer fairly larger screens which are better for consuming HD content as compared to smartphones.\(^8\)

Role of telecom service providers in providing a thrust\(^9\)

Roll-out of 5G in the country is an ambitious plan which may take a while. The government has established a dedicated committee for creating a pathway for the roll-out of 5G. The Telecom Regulatory Authority of India (TRAI) has begun consulting on spectrum auctions for the 3,300–3,400MHz and 3,400–3,600MHz bands, expecting sale to take place in 2019. The government intends to use 5G technology for developing next-generation broadband infrastructure by setting a target of 100% coverage of 10 Gbps in urban areas and 1 Gbps in rural areas. The timeline at present seems to be quite ambitious considering the fact that the BharatNet project, which was rolled out to connect 2,50,000 village councils with fibre, has fallen behind schedule. The telecom industry has faced major convergence in the last few years. With the Vodafone and Idea merger, it would be interesting to see how the dynamics play out. India’s second and third largest operators will combine to form the country’s largest operator in terms of subscriber base. Vodafone’s urban-focused network and Idea’s rural-focused network would definitely give the combined entity an advantage over its competitors. The fact that large telcos like Bharti Airtel are investing in data businesses validates the promising nature of the business. In 2017, Airtel acquired the fixed-wireless broadband provider Tikona Digital Networks (TDN) by paying 16 billion INR for TDN’s 4G business, acquiring 2,300 MHz spectrum in five circles. Increasing consumption will be driven by strong Internet connectivity and any operator who manages to provide quality data services will definitely be a strong player in the long run. This will provide a thrust to the growth of the VoD market.

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\(^3\) PwC Global Entertainment & Media Outlook 2018–22 (https://www.pwc.com/gx/en/industries/tmt/media/outlook.html)
\(^4\) https://www.livemint.com/Money/DSS5sikRzBkvyPVSeccoQu/What-you-actually-pay-for-video-on-demand.html
\(^5\) Ibid.
\(^7\) PwC Global Entertainment & Media Outlook 2018–22 (https://www.pwc.com/gx/en/industries/tmt/media/outlook.html)
\(^8\) Ibid.
User experience

Entertainment and media CEOs are dealing with the challenges of changes in consumer behaviour, availability of key skills, uncertain economic climate due to evolving geopolitical realities and speed of technological change, which have a direct impact on their ability to monetise their products and services. At the same time, consumers are struggling with the plethora of choices at their disposal, and their needs have to be catered to in the finite amount of time available to them and within their entertainment spending budget. This means that players in the entertainment and media sector need to evolve from being merely content and distribution focused to creators of a unique user experience for their customers.

While local and original content holds high value in the eyes of the consumer, at the end of the day, it is all about user experience. One way to do so is via bundling of services. Amazon Prime, which comes at a price of 999 INR per year, offers more than just video subscription. The annual subscription includes access to Prime Music, unlimited free delivery and exclusive deals on various products/categories on the e-commerce platform. New technologies such as AI, robotics, blockchain are being continuously deployed to improve user experiences and create unique experiences. Amazon uses meta tagging on its platform to provide information on cast and general trivia on every scene (X-Ray feature), which are added frills to the overall bouquet.

Across all segments of the entertainment and media industry, technology is enabling cheaper and more personalised content delivery. Cost efficiency is an integral part of any business and OTT players are no exception. Use of new technologies helps drive innovation for businesses and, at the same time, creates enhanced user experience. AI-driven tools would make advertisements more relevant for the target audiences. Artificial intelligence can help OTT platforms customise their output not only for showcasing the right advertisements to the right user group but also for recommending content based on user preferences.

Personalisation has become extremely relevant over the years. With data analytics coming into play, companies are now able to gather information about their users and use the same to create a personalised experience for each user or a set of users.

As regards viewership, the freemium/free content offered by platforms like Hotstar and Voot is viewed largely on mobile devices, whereas subscription-based content, like that of Netflix and Amazon Prime, is consumed on larger screens like TVs, according to data from Comscore.10 New and innovative products have enabled consumers to convert their televisions into smart TVs to some extent. Amazon’s Fire Stick and Google’s Chromecast have changed the utility of a television set from merely showcasing pay TV provider content to being a medium for viewing content via non-linear platforms. Although an additional cost is involved in acquiring these products, it is a one-time cost. The accessibility factor of VoD services has evolved quickly and efficiently. In addition to smart TVs and apps that can be installed on smartphones and tablets, OTT platforms are available via various kinds of media. From streaming devices to game consoles to Blu-ray devices, leading VoD services are accessible via various platforms. In fact, Netflix has gone a notch up and begun making recommendations in the television set space by showcasing the ‘Netflix Recommended TV’ logo to confirm that the TV has passed a rigorous evaluation process. The company ensures that every year the criteria evolves to list the best new TVs for a great Netflix experience in addition to other Internet TV services. The criteria involve fast and smart functioning television sets with an instant on feature so that the apps are available right when the television is switched on, as in a smartphone. Also, a Netflix button on the remote control enables the user to launch the app right at the click of a button. Thus, it is interesting to see how OTT players are also focusing on improving experiences for their consumers not just by providing the right content for the right audience but also by realising the importance of creating the right experience.

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9 PwC Global Entertainment & Media Outlook 2018–22 (https://www.pwc.com/gx/en/industries/tmt/media/outlook.html)
Pricing

In India, pricing is one of the most important aspects in deciding whether or not to purchase a product/service. Therefore, it is important to note the stark difference between the pricing of television channels, which is capped at 130 INR by TRAI for the first 100 free-to-air channels, and the cost of SVOD, which comes with an additional Internet cost.\(^\text{11}\)

Mobile Internet uptake rates have slowed since Jio began charging in April 2017, but the sector has grown strongly because other operators had to respond to Jio. Vodafone and Airtel have dropped tariffs to a great degree and added large or unlimited data packs to a fixed fee subscription plan. This would definitely boost the VoD industry as more data is available at cheaper rates.

With a population of over 1.3 billion, India has always been a market driven by volume. Price sensitivity is prominent despite rising disposable incomes. While international players such as Netflix charge as much as 500 INR a month, Indian platforms such as Hotstar, ALTBalaji and Voot provide free as well as paid content. Tie-ups with telcos have become the norm, with platforms being made available for free to users of certain telco operators. ALTBalaji has made its content library accessible to users of Jio TV, Airtel TV and Vodafone Play. In addition to this, the platform has crossed more than 1 million paid subscribers in less than a year.\(^\text{12}\) On the other hand, telco operators such as Vodafone have been offering package deals which include access to its entertainment platform, Vodafone Play, as well as an Amazon Prime subscription, in addition to its data, voice and text plan. Further, since consuming video content requires a lot of data usage, unlimited Internet packs at a fixed fee offered by major telco players such as Jio, Airtel and Vodafone provide good options for smartphone users.

Some of the prominent industry stakeholders believe that pure B2C models will not work in India. The VoD services need to be added onto customers’ monthly bills by tying up with telcos. They feel that acquiring customers via the existing large customer base of telcos would be much faster and efficient than getting individuals to subscribe separately. Bundling of services along with pay TV subscriptions is also becoming a common phenomenon. Tata Sky and Netflix have entered into a strategic partnership. In the coming months, subscribers of both the platforms will be able to access Netflix’s extensive content library through the future Tata Sky platform.\(^\text{13}\)

\(^\text{11}\) https://economictimes.indiatimes.com/industry/media/entertainment/trai-caps-cable-bill-at-rs-130-for-100-fta-channels/articleshow/57461892.cms
\(^\text{13}\) https://www.tatasky.com/wps/portal/TataSky/footerpages/mediaroom/tata-sky-and-netflix-partnership
Content continues to be king
India is a highly diverse market and a one-size-fits-all approach would lead to dire consequences for companies. International OTT players such as Netflix and Amazon Prime have realised the importance of customised regional content. To compete with local players such as Hotstar and Voot, which have access to their respective parent companies’ extensive regional and local content library, the international OTT players are creating exclusive local content. Netflix is expected to invest 500–600 crore INR per year in original content in India. Similarly, in early 2018, Amazon announced that it would be investing about 2,000 crore INR on original content in India.

The high SVOD charges can be justified to an extent because of increasing production costs. Original and localised content is the way forward and producing this content is a costly affair for the OTT platforms. The cost of a good TV show is anywhere between 15–20 lakh INR per episode, whereas the cost of production of original shows for the likes of Amazon Prime could be tenfold. As per reports, Netflix has acquired a debt of 20 billion USD (1,300 billion INR) to fund its content production.

The shrinking time frame between theatrical release of feature films and their availability on OTT platforms explains the premium pricing of OTT platforms. Considering that the average ticket price for a single movie for cinema goers was 0.82 USD (50–60 INR) in 2017, OTT seems a better bet by providing multiple new releases at a fixed subscription price which can be as low as 1.5 USD (100 INR) per month. Considering the fact that satellite rights cost much more than digital rights, digital players have an edge over broadcasters. Also, because television functions on a fixed schedule format, it is difficult to accommodate all possible releases. For instance, satellite rights for over 300 Tamil films have remained unsold in the last three to four years, with television channels criticising the quality of content. With TRAI capping advertisements at 12 minutes per hour, there has been an additional blow. Thus, OTT platforms have evolved as the next best choice for content producers.

Since OTT players are outside the purview of regulators, the content is not censored or monitored. This gives the service providers add-on benefits as compared to their television and cinema counterparts. They are able to provide a plethora of choices by investing in new content formats which would probably be problematic to showcase on televisions or in cinemas. However, a few players are banking largely on their cinematic library which is successfully driving subscription for them.

In India, YouTube had about 41 million monthly active users on its platform in 2016, a number that has been growing substantially over the past couple of years. During the same period, YouTube accounted for about 80% of the video market share in a relatively mature VoD market. Therefore, the relevance of user-generated content in the VoD story cannot be ignored.

In the recent past, with heavy marketing and growing interest of the masses in sports, one of the biggest drivers of online content consumption is live sports. With Hotstar having exclusive digital rights for ICC Cricket, IPL and Wimbledon, it has managed to capture wider audiences across the country. Hotstar broke a world record in terms of number of people simultaneously streaming the live feed of an event online during the IPL 2018 finals. Further, digital rights of premier sports are the primary driver for Hotstar’s paid subscriber base. In fact, the demand for sports content is so huge in the online consumption space that even social media platforms like Facebook and Twitter are bidding for digital rights to broadcasting sports content online. For example, BCCI’s auction of IPL rights attracted bids from multiple players in the digital space. That social media players are seriously vying to become an alternative VoD platform, at least for sports content, was clear when Facebook successfully inked a deal for La Liga broadcast rights for the Indian subcontinent. This strategy could work well, given the existing user base and widespread presence of social media platforms.
Impact of VoD on the cinema and television industry
Cinema

Even though India has been a significantly under-screened country and will continue to remain so for the next few years, cinema is set to grow at a CAGR of 9.4% from 1,785 million (116,262 million) in 2017 to 2,802 million USD (1,82,528 million INR) in 2022. The average ticket price was just about 0.82 USD (50-60 INR) in 2017, which is way below China’s at 5.07 USD (300–350 INR). However, the fact that India has the highest number of admissions in the world accounts for its high revenue and will place the country as the third largest cinema market by end of 2019 itself. This can be attributed to the ‘community viewing’ culture which is prevalent in India.20

Recently, the extent to which Indian films have travelled globally is commendable. In 2017, Baahubali 2: The Conclusion grossed more than 121 million USD globally and 20 million USD in the USA itself. Even though Bollywood is starting to gain international appeal, the fact remains that within the country, it accounts for less than 18% of the releases annually.21 Another interesting trend is the shifting attitude of consumers with respect to international content. Disney’s The Jungle Book was the all-time highest grossing foreign film in India.19

On the basis of the above discussion, one can argue that growth of VoD will have no impact on the cinema industry in India. This is logically supported by the fact that the experience of cinema cannot be substituted with VoD and, therefore, VoD in any form cannot be a substitute for cinema. At best, it can serve as an alternative to consumption of cinema content within the comfort of one’s home.

This is in sharp contrast to the trend in mature markets. The rise in VoD through OTT has forced studios to concentrate on ‘franchise’ properties, which rely on a big-budget, big star cast and cinematic experiences to counter consumption on OTT, and to get audiences into the theatre. However, notwithstanding the fact that in the next 5–10 years, the growth of OTT in India will not eat into the growth of cinema, it needs to be appreciated that the Indian OTT growth story is still significant enough to thrust it into the 10 largest OTT markets in the world by 2022.19

Television

Television is the largest sub-segment within the entertainment and media industry and will continue to remain so in the near future. While the Indian television industry is set to grow from 13,314 million USD (8,66,181 million INR) in 2017 to 22,003 million USD (14,33,137 million INR) in 2022 at a CAGR of 10.6%, the global growth average is as low as 1.4%.19 This proves that India will continue to ride on traditional forms of entertainment despite the disruption in the industry. Television is one of the most economical forms of content consumption, making it a popular source of entertainment for rural India.

The recent merger of Dish TV and Videocon d2h has given rise to the largest pay TV operator in the country. While Dish TV brings in close to 16 million subscribers, Videocon has over 13 million, taking the total number of subscribers of the combined entity to more than 29 million. Audience measurement has always been a challenge. However, with the BARC coming into play, there has been considerable improvement.

Shrinking time between the theatrical release of a movie and its availability on VoD platforms, along with the lower cost of digital rights vis-à-vis television broadcasting rights, is giving VoD service providers an edge over television broadcasters. However, given the lower cost of subscription and deeper penetration in rural areas, from an Indian context, there is a still a long way to go before television gets replaced by digital distribution. This is in contrast to some global trends where the number of VoD subscribers has surpassed that of television subscribers in a few countries and where cord sharing, if not cord cutting, is prevalent. In the Indian context, it would be interesting to assess the potential impact of the ‘cord-never’ generation moving into the disposable income category.

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22 Ibid.
Source: PwC Global Entertainment & Media Outlook 2018–22
Global and India trends
Global and India trends

India’s per capita media and entertainment spend will be capped at a mere 32 USD (2,080 INR) by 2021 as nominal GDP per capita reaches 2,560 USD (1,66,400 INR) for the projected year. The spend is much lower than that of China, which will stand at 222 USD (14,430 INR) for the same period, and that of the USA, which will have the highest spend at 2,260 USD (1,46,900 INR). India is one of the fastest growing entertainment and media territories in the world, with a CAGR of 11.7% from 2017 to 2022, growing from 30,363.72 million USD (19,78,045 million INR) in 2017 to 52,683.15 million USD (34,32,044 million INR) in 2022. It is set to be in the top 10 entertainment and media markets globally by 2021 in terms of absolute numbers. SVOD and TVOD will collectively grow from 296.69 million USD (19,328 million INR) in 2017 to 823.25 million USD (53,630 million INR) in 2022 at a CAGR of 22.6%, with SVOD holding a majority share throughout the projected period. Hotstar has had a first-mover advantage in the OTT space in India. Other top players in the OTT ecosystem include Voot, SonyLIV, Netflix, Amazon Prime, Eros Now and ALTBalaji. Start-ups such as Arre and YuppTV are an additional presence. With multiple platforms to choose from, consumers are spoilt for choice. However, OTT platforms do not just compete amongst themselves, but also with DTH players. In recent times, there have been new opportunities or areas of growth for VoD services. With increasing traffic in metro cities, the time spent on viewing videos is also on the rise. Cab aggregators such as Ola have installed tablets inside their cabs with a wide range of curated content for passengers at no additional cost.

Globally, the OTT landscape is projected to grow at 10.1% from a base of 36,021.11 million USD (23,46,595 million INR) in 2017 to 58,369.29 million (3,802,467 million INR) in 2022. The VoD market is well established in many markets such as the USA. Though the USA will remain the largest OTT market globally over the next 5 years, strong growth rates in SVOD platforms globally will reduce its dominance. Cord cutting has been slower than expected, but it is still happening at a much faster rate than in countries like India. In markets like the USA, Internet usage to access television content has increased drastically. However, consumers are also increasingly overwhelmed by the sheer proliferation of available services. On the other hand, the relative lack of pay TV options is comforting for the OTT industry as more and more consumers get inclined towards bundled services. In developing markets like India, television and OTT will continue to coexist in the near future, with television continuing to hold the larger piece of the pie. Although cord cutting is far from becoming a widespread phenomenon in the country, OTT services will ride on the cord-never audience as the majority of the country’s population is under the age of 35. The coming generations would directly get hooked to VoD as opposed to previous generations, which started with television as the main source of entertainment. While in developed countries like the USA, a majority of VoD consumers access paid content through the largest player, Netflix, in India, Hotstar leads the market, with a majority of its viewers coming onto the platform to watch content for free. India’s immediate neighbour China is the second largest OTT market in the world. China shows a clear trend towards the organic revenue structure as far as OTT players are concerned. There is a clear inclination towards subscription-based models as opposed to ad-based models. Baidu’s iQiyi, Tencent Video and Alibaba’s Youku Tudou dominate over 60% of China’s online video industry. The Chinese regulator, the State Administration of Press, Publication, Radio, Film and Television (SAPPRFT), has ensured that all OTT businesses partner with or pay premiums to one of China’s seven approved licensed providers in order to offer online content through OTT TV. The regulator also forbids foreign-owned OTT companies or foreign joint ventures from operating as service providers for Internet Protocol television (IPTV) or OTT TV.

PwC Global Entertainment & Media Outlook 2018–22 (https://www.pwc.com/gx/en/industries/tmt/media/outlook.html)
India
Million USD

2017 2018 2019 2020 2021 2022
SVOD TVOD Mobile video advertising

Global
Million USD

2017 2018 2019 2020 2021 2022
SVOD TVOD Mobile video advertising

Source: PwC Global Entertainment & Media Outlook 2018–22
Regulatory framework
The regulatory framework for VoD services provided through OTT platforms could be considered along two broad parameters. The first is the regulatory framework impacting business operations at various stages of the life cycle and the second is the regulatory framework for the content being consumed by users.

India currently does not have any regulations governing OTT service providers. Industry stakeholders directly impacted by the business models of OTT service providers have been lobbying for regulations similar to those governing competing services, like licensing requirements and pricing and quality standards. In 2015, TRAI released a consultation paper proposing a regulatory framework for OTT service providers. The paper had termed OTT service providers as communication service providers or application service providers, a term corresponding to telecom service providers (TSPs) and Internet service providers (ISPs), for which TRAI is the governing authority. Key elements of the paper required consultation on whether there is a need to bridge the regulatory gap between the TSPs and OTT service providers and thereby provide a level playing field for both business models. Another important aspect of the paper was the call for a policy framework on net neutrality within the country. However, no formal policy or report has been released since then.

Any regulatory framework, in general, could impact the model of operations, structure of transactions and funding arrangements. As mentioned above, India currently does not have any regulatory framework or an overarching policy on provision of services through OTT platforms. However, certain exchange control regulations would be applicable, as in the case of any other service provider where the structure of the transaction involves dealing with foreign exchange.

We have separately discussed the regulations applicable to Indian VoD service providers (viz. Hotstar and Voot) and foreign OTT service providers (viz. Netflix and Amazon Prime Video) below.

Indian OTT service providers

An OTT service provider being an entity engaged in providing services through applications or over the Internet, there are no approvals required or restrictions imposed on sourcing foreign equity investments.

Further, just like any other export of service for which payment is received by Indian service providers, any payment receivable from foreign advertisers, ad agencies or foreign partners for sale of ad airtime and subscription revenue received from subscribers outside of India is freely permissible and has to be realised or repatriated to India within prescribed timelines. However, the impact of laws in the country of operation would have to be evaluated.

India has always been a big market for Hollywood. Therefore, Indian OTT service providers procure rights for Hollywood content and pay fees for such rights. This would be a typical content licensing payment and subject to regulations generally applicable to any import of service.

Foreign OTT service providers

In the case of foreign OTT services providers with no presence in India, advertising revenue directly collected from Indian advertisers/ad agencies or subscription revenue from Indian subscribers would be subject to import regulations as applicable to any other import of service.

Alternatively, foreign OTT service providers are increasingly adopting a model of setting up an intermediary in India with distribution rights for the Indian territory. In that case, the fee paid by the Indian intermediary for distribution rights is typically permissible under the exchange control regulations without any restrictions. However, from an exchange control perspective, there are some challenges around collection of revenue by the Indian intermediary as an agent of the foreign OTT service provider. These would need to be evaluated before implementing an agency model vis-à-vis a principal model.

Further, the scope of the definition of a foreign company which is required to be registered with the Registrar of Companies, India, is broad enough to cover foreign companies having a direct or indirect presence, or even a mere digital presence. Therefore, it will have to be evaluated on a case-by-case basis if foreign OTT service providers, whether operating through an intermediary or otherwise, are required to obtain such registration and therefore undertake the compliances that follow.

Net neutrality

Discussions around net neutrality reached a peak a few years ago. The issue was partially settled with TRAI’s issuance of the ‘Prohibition of Discriminatory Tariffs for Data Services Regulations, 2016’ order. It was TRAI’s attempt to immediately course correct the practice of data service providers (i.e. TSPs and ISPs regulated by TRAI) allowing free access to some specific websites and applications over their network. Put simply, net neutrality is the attempt to curb data service providers from promoting, blocking, prioritising, accelerating or decelerating a specific service/application/content over their network. The Government of India recently released a comprehensive regulatory framework on net neutrality dated 31 July 2018, which ensures that the Internet would remain free and open in India. Some have also categorised it as the world’s strongest net neutrality rules.

The recent forms of collaboration between OTT service providers and telecom service providers of bundling services (viz. free subscription to an OTT platform with post-paid connections) have not been subjected to the arguments of net neutrality, as this does not amount to biased use of the network itself.

Personal Data Protection Bill

As part of the registration process, some personal and financial information (for processing of the payment) is collected by OTT service providers. Therefore, OTT service providers would have to comply with the proposed regulations once they come into force. The bill, on becoming an act, would regulate the collection and storage of information and also processing of the same for commercial use. Restrictions have been imposed on the usage of financial information. It is also to be seen if the proposed law is interpreted to cover any usage of information collected by the OTT service provider to enhance user experience by providing recommendations, etc.
Content classification

Having discussed the regulations that could impact operations, one needs to consider the regulations over the content being consumed. The Cinematograph Act, 1952, is applicable to the exhibition of content in public, primarily cinema. As per the act, all content for public exhibition is required to be certified by the Central Board for Film Certification. At times, the board is critically referred to as the Censor Board. Similarly, the content broadcasted on television is self-regulated by the Indian Broadcasting Federation. However, there are no regulations governing content consumed over OTT platforms. This is the trend globally with a few exceptions. Some of the major OTT service providers do follow globally accepted rating parameters to classify content for suitable consumption. Having said that, towards the end of last year, India’s Minister for Information and Broadcast had clarified that the Information Technology Act of 2000 (which was further strengthened in 2008) would apply to content provided over OTT platforms in the country. The much-debated provision of the aforesaid law, which has been held to be constitutionally valid by the apex court of the country, empowers the enforcement authority to block any content or website as a whole, if the authorised officer is satisfied that it is necessary or expedient to do so in the interest of sovereignty, integrity or defence of India, or to maintain public order, etc. Further, there are other provisions applicable to the publishing and hosting of content which could impact the content made available via OTT platforms. PILs have been filed with some courts in India for regulation of online content. At the same time, stakeholders have been advocating self-regulation, which is the global norm.

The Indian government has recently formed an inter-ministerial committee to, inter alia, look into digital broadcasting and related issues. The committee will also be evaluating an overall regulatory framework for online content platforms. Another issue is regulating the user-generated content available for streaming online and through applications. OTT service providers that carry user-generated content largely rely upon their users to flag inappropriate content, which may not be the most optimal form of self-monitoring, and this has caught the attention of regulators.
Taxation
GST has brought about a universal indirect tax scheme

It’s been a little more than three months since India celebrated its first GST anniversary and bid farewell to multiple indirect taxes. It is the complexity of the earlier tax framework which forced us to put in place a unified tax measure, mirroring that of developed economies. The government has been popularly referring to this regime as ‘cooperative federalism’ as it brings together the Centre and state bodies for joint implementation of a tax scheme.

To put it simply, a person trading in goods was subject to different state-specific tax (VAT) legislation, whereas the manufacturer and service provider were regulated by Central legislation. Therefore, a person exclusively dealing in services did not experience much difficulty as compared to traders and even manufacturers because the supply chain of goods starts from the manufacturing unit and completes at the retail counter.

The implementation of GST has woven a common tax fabric across the nation, especially because it extends to the state of Jammu and Kashmir, which had its own tax legislation for services and trading of goods prior to the implementation of GST. It is for this reason that the service tax law (Part V of the Finance Act, 1994) was applicable to the whole of India except the state of Jammu and Kashmir. The GST legislation, which was not initially extended to the state, was made applicable to it vide the Constitution (Application to Jammu and Kashmir) Amendment Order, 2017, w.e.f. 6 July 2017.

Why was including Jammu and Kashmir so important for GST?

GST is a destination-based consumption tax; therefore, principally, the consumption of the services must happen in India (to which the GST legislation extends) to make it taxable. Therefore, determination of place of supply is essential to conclude taxability of any transaction from the GST perspective. Barring a few exceptions, it is provided in the GST statute that, in general, the location of the service recipient is the place of supply. Now, note that a majority of the consumer base for the entertainment and media sector, specifically for VoD, consists of individuals, and therefore, excluding one state from the jurisdiction of India could have created more difficulties and led to a dual-GST system.
VoD from the GST lens

The Integrated GST Act, 2017, contains a definition of ‘online information and database access or retrieval (OIDAR) services’, which refers to services whose delivery is mediated by information technology over the Internet or an electronic network and the nature of which renders their supply essentially automated and involving minimal human intervention and impossible to ensure in the absence of information technology.

The list of OIDAR services in the act is inclusive and illustrative and embraces the following electronic services:

1. advertising on the Internet;
2. providing cloud services;
3. providing e-books, movie, music, software and other intangibles through telecommunication networks or the Internet;
4. providing data or information, retrievable or otherwise, to any person in electronic form through a computer network;
5. online supplies of digital content (movies, television shows, music, etc.);
6. digital data storage; and
7. online gaming.

Thus, provisioning of movies through a telecommunication network or the Internet and online supplies of digital content (movies, television shows, music and the like) would qualify as OIDAR services.

In the case of B2B supply, generally, import of services in India is taxed under the reverse charge mechanism whereby the recipient of services pays tax to the government and, in turn, claims input tax credit of the taxes thus paid. Import of B2C supplies are ordinarily not subject to tax as only a registered person can pay tax to the government.

As an exception, a foreign OIDAR service provider engaged in B2C or B2G supplies in India has to register for GST and charge taxes on its invoices. This means that consumers bear 18% GST on the import of such services.

To further understand the GST and corporate tax implications for a VoD service provider, let us divide the discussion in two parts: Indian OTT services providers and foreign service providers.

Indian OTT service providers

An Indian OTT service provider may render services to domestic consumers and to its overseas clients. The supply of services (OIDAR services) to overseas clients will be treated as export of services. Similarly, the subscription revenue would qualify as exports. On the other hand, import of licenses and exclusive rights by the Indian OTT service provider would attract payment of GST under reverse charge in the hands of the licensee (i.e. the service recipient). However, the taxes paid under reverse charge would be available as input tax credit for the Indian OTT service provider.

Further, based on the past positions of the Indian tax authorities in similar circumstances, it is likely that the licence fee paid to the foreign licensor would be considered to be in the nature of royalty and therefore, the Indian OTT service provider would have to undertake withholding tax compliances on such payment. Though arguments could be made otherwise, it would be highly litigative.

Foreign OTT service providers

As discussed in brief, foreign OTT and OIDAR services providers (i.e. a person located in non-taxable territory) providing B2C and B2G services would have to comply with GST, register in India and pay taxes. However, in the case of a B2B model, the recipient located in India would pay GST under reverse charge.

Indian advertisers/ad agencies purchasing ad air time on an OTT platform owned by foreign service providers would typically have to pay GST under reverse charge. Further, subscription revenue received from Indian subscribers would be subjected to OIDAR regulations and therefore, the OTT service provider may have to register in India and deposit GST on the subscription revenue. If the foreign OTT service provider has adopted an intermediary model, then the intermediary is required to pay GST on the distribution rights fee paid to the foreign OTT service provider under reverse charge. The GST paid is available as a credit against output tax liability arising on sale of ad airtime and receipt of subscription fee and should therefore not be a cost to the business.
**Taxing the bundled services**

Offering a bundle (of services) is not an innovation but a business compulsion nowadays. The GST legislation calls it a ‘composite supply’ which means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, one of which is a principal supply. It also includes any combination of goods and/or services, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business.

A ‘principal supply’ means the supply of goods or services which constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary.

The taxability of the composite supply is contingent on the nature of the principal supply, and therefore a case-to-case determination becomes important. This decision making gets difficult, because no guidance is provided in the legislation or otherwise to determine the predominant element in a supply. The Central Board of Indirect Taxes and Customs (CBIC) did issue a few circulars but more than providing clarity, they have appeared to create confusion as no bundling is identical and business discretion plays an important role in combining one or more services together.

For example, if a telecom service provider is offering telecommunication and OIDAR services (i.e. supply of movies, music and videos, etc., on demand) at a single price, then it would call for a detailed analysis of applicability of GST rates and, most importantly, for determination of place of supply in a given transaction.

Advertisement revenue paid by the Indian advertiser/ad agencies would be subject to equalisation levy at the rate of 6%. Equalisation levy is India’s measure aligned to BEPS Action Plan 1 dealing with taxation of the digital economy.

In connection with the fee paid for distribution rights under the intermediary model, the applicability of equalisation levy or corporate tax (if the fee for the grant of distribution rights is categorised as royalty) will have to be evaluated on a case-by-case basis and has been a topic of debate in the recent past. Further, depending on the arrangements between the foreign OTT service provider and the intermediary in India, challenges with the taxability of a foreign OTT service provider having a permanent establishment will have to be considered. In the absence of protection under any tax treaty, the recently amended business connection clause, including the concept of significant economic presence, would be applicable. Given that the intermediary in India is typically a group company, transactions need to satisfy the test of Indian transfer pricing regulations. Foreign OTT service providers with an Indian subscriber base would have to deal with rather unique withholding tax requirements with respect to their content licensing arrangements. As mentioned earlier, Indian tax authorities would argue that the licence fee paid for content is in the nature of royalty and since the content is being consumed in India, the Indian tax authorities may further argue that a portion or the whole of the content licensing fee paid to foreign content owners would be chargeable to tax in India under the second source rule. Therefore, a foreign OTT service provider with no presence in India would have to undertake withholding tax compliance on content procured for global consumption.

**Proposed taxation law for VoD services in Brazil**

As per the proposed law by Brazil’s Ministry of Culture, a VoD Service provider will have to opt for taxation either based on its catalogue of content or based on the number of subscribers. The proposed law also provides for tax sops to VoD service providers. A tax discount would be provided for the inclusion of local Brazilian content. The reductions in tax will depend on how many local videos are added to the catalogues. The objective is to encourage and promote local content and help the Brazilian movie and film production industry.
Recommendations
Governments all over the world have been contemplating a framework to regulate OTT service providers. India is also working on a holistic policy framework that encompasses all aspects of digital broadcasting.

Regulators should consider the learnings from countries where attempts have been made to regulate OTT service providers and include the best practices while determining the policy framework for OTT service providers in India. Further, regulation of content should be in the form of self-regulation and only from the classification perspective.

From a taxation standpoint, more clarity on taxability of foreign OTT service providers, especially on the fee received from the Indian intermediary for the grant of distribution rights, would be important.

Concerns over intellectual property (IP) laws in India have been prevalent even before the advent of the digital medium of distribution. A robust plan to upgrade the IP laws of India to meet global standards and, at the same time, cater to the digital era of content consumption and distribution should be a priority on the government’s agenda.
Future of VoD
With the third wave of convergence under way in the entertainment and media sector, the future of VoD would be dependent on five factors, namely uninterrupted connectivity, mobile devices becoming the primary source of content consumption, the need to move away from traditional revenue streams, value shifting from content creators to platforms, and ability to provide personalised offerings to the consumer.

Quality content, delivered with a focus on ‘user experience’, is set to become the cornerstone of success for any VoD service provider. Needless to say, telecom infrastructure would be key to the development of the overall VoD market. However, with regulations around ‘net neutrality’ in place, the status of telecom infrastructure can only drive the market, and not become the reason for success of individual players within the market. An exception to this would be VoD service providers that can leverage technology to address the challenges that low bandwidth poses to streaming of videos.

With user experience being a key differentiator, technology would play an important role in the coming years. Technologies such as blockchain could enable OTT players to track content assets, avoid contractual disputes and measure digital advertising impact. Piracy is one of the biggest issues faced by VoD platforms and blockchain can solve this issue by tracking the transfer of files over the Internet. In addition, AI and robotics are being deployed to improve user experiences and create a service differential. The ‘skip intro’ feature of Netflix is one such example.

Of late, trust is becoming a major differentiator for not just consumers but also B2B relations. Advertisers need to know if the audience projected by the content distributors is the relevant audience for their products/services. Advertisers have also raised questions about quality and appropriateness of content during which their advertisements are shown. As some ads may accompany objectionable content, advertisers are becoming increasingly conscious of the impact of such association on their brand.

For consumers, trust involves being assured that all their personal data, including sensitive information such as credit card details, is well protected. Typically, trust is assumed to be a qualifier for operating businesses; however, in today’s digital age, it is not just a necessity but also a differentiator. Emerging technologies can help companies build a competitive advantage by providing transparency to consumers as well as business partners, which will enable them to build stronger and long-lasting relationships.

With most of the regulators around the globe working towards governing OTT players, the future of VoD cannot be imagined without a regulator. Regulations on content classification can be expected in the near future.

Conclusion
While the Indian video OTT market is at a fairly nascent stage, the video OTT market globally has entered into the growth phase of the market life cycle. With a CAGR of 22.6% during the period of 2017–2022, the Indian video OTT market is poised to outperform the global video OTT market, which is pegged to have a CAGR of 10.1% during the same period. Also, by 2022, the Indian video OTT market will be amongst the top 10 markets globally with a market size of 823 million USD (53,630 million INR).²⁴

Further, a comprehensive policy embracing learnings from other markets globally would help in building a stable platform for OTT service providers to grow. In this digital age, an upgrade to the IP laws along with strict implementation is needed more than ever before. Clarifications under IT and taxation laws would also go a long way in providing certainty.

Rapid convergence in the entertainment and media industry has led to consolidation of companies which operate in different segments of the industry. In fact, consolidation is not just confined to the entertainment and media industry—with telecom players also increasingly showing interest in investing in media businesses. OTT services are one such segment which has recently managed to garner a huge amount of interest from various players within the industry as well as outside of it. Five fundamental drivers of change have ensured that segments such as VoD will continue to flourish in the long run. With ongoing investments in technology and broadband, consumers are promised ubiquitous connectivity. Low data tariffs and increasing smartphone penetration have ensured that consumers and their devices are always connected and on. Mobile devices are becoming the consumer’s preferred choice to consume content. This has made it crucial for content creators and distributors to tailor their content and services for the mobile consumer. Diversifying revenue streams is one of the most essential aspects of survival in the increasingly competitive entertainment and media space. Many businesses are seeing OTT services as a reliable investment option, as they realise the power of digital viewing. As a result, there has been a value shift to platforms. Social media and technology platforms, instead of content creators and packagers, have emerged as the primary beneficiaries of the increase in user time and spending. Another major aspect in the journey of OTT players would be the ability to personalise experiences. Emerging technologies would help companies create unique experiences that add value to the services provided to users.

²⁴ PwC Global Entertainment & Media Outlook 2018–22
**About ASSOCHAM**

**THE KNOWLEDGE ARCHITECT OF CORPORATE INDIA**

**Evolution of Value Creator**
ASSOCHAM initiated its endeavour of value creation for Indian industry in 1920. Having in its fold more than 400 Chambers and Trade Associations, and serving more than 4,50,000 members from all over India. It has witnessed upswings as well as upheavals of Indian Economy, and contributed significantly by playing a catalytic role in shaping up the Trade, Commerce and Industrial environment of the country.

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ASSOCHAM is seen as a forceful, proactive, forward looking institution equipping itself to meet the aspirations of corporate India in the new world of business. ASSOCHAM is working towards creating a conducive environment of India business to compete globally.

ASSOCHAM derives its strength from its Promoter Chambers and other Industry/Regional Chambers/Associations spread all over the country.

**Vision**
Empower Indian enterprise by inculcating knowledge that will be the catalyst of growth in the barrierless technology driven global market and help them upscale, align and emerge as formidable player in respective business segments.

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As a representative organ of Corporate India, ASSOCHAM articulates the genuine, legitimate needs and interests of its members. Its mission is to impact the policy and legislative environment so as to foster balanced economic, industrial and social development. We believe education, IT, BT, Health, Corporate Social responsibility and environment to be the critical success factors.

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ASSOCHAM represents the interests of more than 4,50,000 direct and indirect members across the country. Through its heterogeneous membership, ASSOCHAM combines the entrepreneurial spirit and business acumen of owners with management skills and expertise of professionals to set itself apart as a Chamber with a difference.

Currently, ASSOCHAM has more than 100 National Councils covering the entire gamut of economic activities in India. It has been especially acknowledged as a significant voice of Indian industry in the field of Corporate Social Responsibility, Environment & Safety, HR & Labour Affairs, Corporate Governance, Information Technology, Biotechnology, Telecom, Banking & Finance, Company Law, Corporate Finance, Economic and International Affairs, Mergers & Acquisitions, Tourism, Civil Aviation, Infrastructure, Energy & Power, Education, Legal Reforms, Real Estate and Rural Development, Competency Building & Skill Development to mention a few.
Insight into ‘new business models’
ASSOCHAM has been a significant contributory factor in the emergence of new-age Indian Corporates, characterized by a new mindset and global ambition for dominating the international business. The Chamber has addressed itself to the key areas like India as Investment Destination, Achieving International Competitiveness, Promoting International Trade, Corporate Strategies for Enhancing Stakeholders Value, Government Policies in sustaining India’s Development, Infrastructure Development for enhancing India’s Competitiveness, Building Indian MNCs, Role of Financial Sector the Catalyst for India’s Transformation.

ASSOCHAM derives its strengths from the following Promoter Chambers: Bombay Chamber of Commerce & Industry, Mumbai; Cochin Chambers of Commerce & Industry, Cochin; Indian Merchant’s Chamber, Mumbai; The Madras Chamber of Commerce and Industry, Chennai; PHD Chamber of Commerce and Industry, New Delhi and has over 4 Lakh Direct / Indirect members.

Together, we can make a significant difference to the burden that our nation carries and bring in a bright, new tomorrow for our nation.

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With the booming Indian economy, the entertainment and media sector continues its upward growth journey. PwC works across sectors, namely television, radio, films, print and digital, amongst others, and helps organisations improve effectiveness and achieve long-term results.

With new evolving revenue models in the entertainment space, our team can help you with financial forecasting, finance transformation, project management, revenue recognition and supply chain management. With digital media being delivered across new mediums, intellectual property disputes and risk management have become common. Our team helps you resolve these disputes along with content and licensing management. Our practice also provides services around merger integration, financial and commercial due diligence, valuation and tax-effective restructuring solutions.

We have aligned our Entertainment and Media practice around the issues and challenges that are of utmost importance to our clients in this sector. We analyse and understand the environment in which our clients operate and how it impacts our clients’ businesses.