



Government of
Madhya Pradesh



Madhya Pradesh AVGC-XR Policy 2025





Government of Madhya Pradesh



“ माननीय मुख्यमंत्री का संदेश

मध्य प्रदेश एनीमेशन, विजुअल इफेक्ट्स, गेमिंग, कॉमिक्स और एक्सटेंडेड रियलिटी (एवीजीसी-एक्सआर) नीति 2025 प्रदेश को नवाचार और रचनात्मकता के वैश्विक केंद्र के रूप में स्थापित करने की दिशा में एक ऐतिहासिक कदम है। यह नीति हमारे युवाओं को कौशल और रोजगार के नए अवसर प्रदान करेगी, साथ ही मध्य प्रदेश को डिजिटल अर्थव्यवस्था के मानचित्र पर एक प्रमुख स्थान दिलाएगी।

माननीय प्रधानमंत्री श्री नरेंद्र मोदी जी के 'डिजिटल इंडिया' के सपने को साकार करते हुए, यह नीति चार मुख्य स्तंभों पर आधारित है: कौशल विकास, रोजगार सृजन, अत्याधुनिक अवसंरचना और वित्तीय प्रोत्साहन। हमने एवीजीसी-एक्सआर सेक्टर में उद्यमियों और रचनाकारों के लिए पूंजीगत व्यय समर्थन, उत्पादन लागत प्रतिपूर्ति और बौद्धिक संपदा (आईपी) निर्माण के प्रोत्साहन जैसे मजबूत प्रावधान किए हैं।

मध्य प्रदेश में एवीजीसी/मीडिया पार्क की स्थापना इस नीति का एक और महत्वपूर्ण आयाम है, जो उद्योग के लिए एक आदर्श परिस्थिति का तंत्र प्रदान करेगा। यह पार्क नवाचार और सहयोग का केंद्र बनेगा, जिससे प्रदेश को वैश्विक स्तर पर पहचान मिलेगी।

हमारा संकल्प है कि मध्य प्रदेश न केवल भारत बल्कि विश्व के रचनात्मक और डिजिटल मानचित्र पर एक अग्रणी राज्य बने। यह नीति हमारे युवाओं के सपनों को पंख देगी और प्रदेश को नई ऊंचाइयों पर ले जाएगी।

-डॉ. मोहन यादव
मुख्यमंत्री, मध्यप्रदेश



Government of Madhya Pradesh



Message from Chief Secretary

India, the fastest growing large economy in the world, has embarked upon a journey to become Atmanirbhar and Viksit Bharat. Madhya Pradesh, one of the fastest growing States, has become the preferred destination for investment. The State offers “infinite possibilities” powered by abundant resources, state of the art infrastructure, an integrated holistic approach and forward-thinking leadership. These coupled with central location, excellent industrial labour relations, all assimilating culture position Madhya Pradesh as a key driver of comprehensive economic growth.

The State has formulated 18 new policies after thorough collaborative consultation with the stakeholders. While these policies provide financial incentives at par with the best provided by any other State, yet the focus is to provide seamless investment climate, exemplary Ease of Doing Business and reduction of compliance burden. State has already put in place mechanisms to streamline approvals, with faceless interface and time-bound clearances. Madhya Pradesh initiated the concept of the Public Service Delivery Guarantee Act and is committed to ensure that all approvals are notified under this Act. Providing plug and play infrastructure for industries is another important corner stone of the policies.

The Madhya Pradesh Animation, Visual Effects, Gaming, Comics & Extended Reality (AVGC-XR) Policy 2025 is a pioneering initiative aimed at positioning the state as a leading hub in the AVGC-XR sector. This policy is designed to foster innovation, create high-quality content, and generate significant employment opportunities, driving economic growth and technological advancement in Madhya Pradesh. Built on three key pillars—skill development, enabling infrastructure, and fiscal incentives—the policy focuses on developing a highly skilled workforce through targeted training programs, scholarships, and the establishment of state-of-the-art AVGC-XR labs and a Centre of Excellence. Infrastructure initiatives include the creation of AVGC-XR media parks and the provision of land in IT parks, ensuring a conducive environment for industry growth.

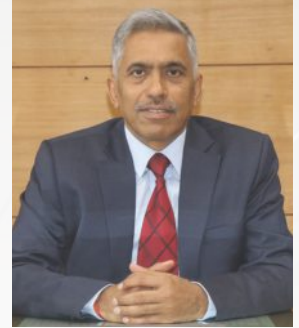
Hallmark of the Madhya Pradesh has been consistent, stable but yet nimble policy frame work coupled with pro-active and transparent governance for sustained growth. Opportunity like never before beckons all prospective investors to come and create lasting partnership for their own prosperity and growth of Madhya Pradesh. We welcome you to come and join the growth story of Viksit Madhya Pradesh.

-Anurag Jain, IAS
Chief Secretary,
Government of Madhya Pradesh



Government of Madhya Pradesh

Message from Additional Chief Secretary



We are excited to unveil the Madhya Pradesh Animation, Visual Effects, Gaming, Comics & Extended Reality (AVGC-XR) Policy 2025. This policy is designed to bridge existing gaps and create a thriving ecosystem for the AVGC-XR sector in our state.

To support this vision, we are establishing Centres of Excellence (CoEs) and AVGC-XR labs, which will provide advanced training and resources to nurture a skilled workforce. Our skilling support initiatives include targeted training programs, scholarships, and vocational training, ensuring our talent pool remains at the forefront of industry standards.

The policy also offers a range of production-linked incentives to AVGC-XR companies. These include capital investment subsidies, employment generation assistance, and reimbursements for production costs and quality certifications. These incentives are aimed at attracting global investments and fostering the growth of both new and existing AVGC-XR companies.

We are committed to supporting Intellectual Property (IP) creation and protection, encouraging local content development and innovation. This will position Madhya Pradesh as a leader in the AVGC-XR sector, driving technological advancement and economic prosperity.

We invite industry leaders and stakeholders to explore the opportunities in Madhya Pradesh and join us in building a vibrant and innovative ecosystem.

I extend my heartfelt gratitude to my colleagues in the department, industry representatives, and associations for their invaluable contributions in bringing this visionary policy to life.

-Sanjay Dubey, IAS
Additional Chief Secretary,
Department of Science and Technology,
Government of Madhya Pradesh



Preface

The Madhya Pradesh Animation, Visual Effects, Gaming, Comics & Extended Reality (AVGC-XR) Policy 2025 marks a pivotal moment in the state's journey to establish itself as a leader in the dynamic and rapidly expanding creative industries sector.

This forward-looking policy is the result of extensive consultations with key industry stakeholders, experts, and global best practices, ensuring that it is not only aligned with the needs of the AVGC-XR sectors but also benchmarks itself against successful state and national policies. It reflects Madhya Pradesh's vision to foster an ecosystem that supports innovation, drives economic growth, and creates significant employment opportunities for its youth.

The policy also aligns with the state's Film Tourism Policy, reflecting the convergence between media production and tourism. This integration will not only enhance Madhya Pradesh's reputation as a center for film and media production but also attract media-related tourism, generating new opportunities for businesses and local communities.

The Madhya Pradesh AVGC-XR Policy 2025 is a testament to the state's commitment to building a vibrant and sustainable creative economy. By combining skill development, cutting-edge infrastructure, and strong fiscal incentives, the policy is designed to foster a dynamic, globally competitive AVGC-XR sector that benefits not only Madhya Pradesh but also the wider Indian economy.



**Madhya
Pradesh
AVGC-XR
Policy 2025**

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1	2D	2 Dimension
2	3D	3 Dimension
3	AR	Augmented Reality Gaming
4	AVGC-XR	Animation, Visual Effects, Gaming Comics & Extended Reality
5	CAGR	Compound Annual Growth Rate
6	CAPEX	Capital Expenditure or Capital Expense
7	CGI	Computer Generated Imagery
8	CMMI	Capability Maturity Model Integration
9	CoE	Centre of Excellence
10	ESRB	Entertainment Software Rating Board
11	FICCI	Federation of Indian Chambers of Commerce & Industry
12	GDP	Gross domestic product
13	INR	Indian Rupee
14	IP	Intellectual Property
15	ISO	International Organization for Standardization
16	ISP	Internet Service Provider
17	IT	Information Technology
18	IT-BPM	Information Technology and Business Process Management
19	ITeS	Information Technology Enabled Services
20	M&E	Media and Entertainment
21	MPSEDC	Madhya Pradesh State Electronics Development Corporation
22	NASSCOM	National Association of Software and Service Companies
23	OTT	Over-the-top
24	PEGI	Pan-European Game Information
25	PPP	Public-Private Partnership
26	RMG Games	Real Money Gaming
27	SIGGRAPH	Special Interest Group on Computer Graphics and Interactive Techniques
28	Sq. ft	Square Feet
29	USD	United States Dollar
30	VFX	Visual Effects
31	VR	Virtual Reality
32	WCAG	Web Content Accessibility Guidelines
33	XR	Extended Reality
34	QPE	Qualified Production Expenditure



1. Background

The Indian Media and Entertainment sector is expected to grow at 8.8% CAGR to reach USD 35 billion in 2026¹. The Animation, VFX, Gaming, Comics and Extended Reality (together termed the AVGC-XR Sector) has evolved as an important growth engine of this sector and of the Indian economy. It has shown steady growth in recent years and has emerged as a highly promising sector. The AVGC-XR sector has the potential to produce powerful content and Intellectual Property that can contribute to India's GDP growth and employment. It has witnessed unprecedented growth rates in recent times, with many global players expressing interest in the Indian talent pool to avail offshore delivery of services. As per the experts, within the M&E Industry, the AVGC sector can witness a growth of 14-16%² in the next decade.

India is now seen as the primary destination for high-end, skill-based activities in the AVGC-XR sector. The sector has the potential to disseminate Indian culture to the world, connect the Indian diaspora to India, generate direct & indirect employment and benefit the tourism & other allied industries. The AVGC-XR sector has been on the rise both globally and in India. India possesses the necessary ingredients to become a major contributor to the global AVGC-XR sector. The umbrella sector encompasses the following sub sectors:

¹ FICII M&E Report 2022
Indian M&E sector grew 20% in 2022, touching the highest ever mark of INR2 trillion (ey.com)

² As per NITI Aayog estimates





The umbrella sector encompasses the following sub sectors:

1.1. Animation Sector

The Indian animation sector is growing fast and with an increasing number of animated series and features being produced in India; some of it has attracted global audiences. The demand for animation expanded with the increase in children's broadcasting viewership, availability of low-cost internet access, and growing popularity of OTT platforms. According to the FICCI March 2022 report, the animation sector has grown by 24% in 2021 to reach USD 370³ mn in India.

1.2. VFX Sector

The Indian VFX industry has been gradually making progress with adaptation of world-class techniques and innovative technology. The content creators are experimenting with their storytelling with high-quality VFX advancements. The VFX industry grew 103% in 2021 to reach USD 462 mn⁴. It is estimated that the industry is worth almost USD 1.7 bn by fiscal year 2024, indicating a significant growth potential. The Indian Animation and Visual Effects industry has the potential to reach 20-25% by 2025⁵, according to the latest media and entertainment industry Report. VFX & Animation can be the next IT-BPM boom for India and play a fundamental role in India becoming a USD 100 billion M&E industry⁶ by 2030.

³ FICCI M&E Report 2022
Indian M&E sector grew 20% in 2022, touching the highest ever mark of INR2 trillion (ey.com)

⁴ FICCI M&E Report 2022

⁵ India's AVGC sector can seize up to 25 per cent of global market share by 2025
<https://www.animationxpress.com/animation/indias-avgc-sector-can-seize-up-to-25-per-cent-of-global-market-share-by-2025/>

⁶ ManageEngine ServiceDesk Plus (indiaexpo2020.com)

1.3. Gaming Sector

FICCI's Media and Entertainment Report 2022 highlights that the online gaming segment grew 28% in 2021 to reach USD 1.2 bn⁷. This exceptional growth is fuelled by demographic factors, change in media consumption habits, as well as innovations by the industry during the past few years. Further, the COVID-19 pandemic has led to a long-lasting shift towards digital means of entertainment, which has resulted in exponential growth of the gaming industry during the pandemic. India is expected to become one of the world's leading markets in the gaming industry. Growing steadily for the last five years, it is expected to reach 3 times in value and reach USD 3.9 bn by 2025⁸.

1.4. Comics Sector

With the Indian economy opening in 1991 and major changes in the satellite television market, Indian comic readers were introduced to a plethora of international characters in mainstream media. The industry now has a host of new players which tapped into the India artist pool to come up with the new generation of Indian comics. The genres vary from superhero, mythology, folklore to many other social segments. This sector recently witnessed the acquisition of many comic book characters which will eventually be turned into animated series, films, or shorts.

⁷ 40 Online Gaming Firms Likely To Receive Fresh Tax Demand Of INR 10,000 Cr Following 28% GST Decision
⁴⁰ Online Gaming Firms Likely To Receive Fresh Tax Demand Of INR 10,000 Cr Following 28% GST Decision (inc42.com)

⁸ Big Bang Growth of India's Gaming Industry
Big Bang Growth of India's Gaming Industry - The Economic Times (indiatimes.com)



2. Madhya Pradesh's Entertainment Industry

Madhya Pradesh boasts a rich and extensive history within the Indian entertainment industry. Its breathtaking landscapes, teeming wildlife, historic sites, verdant greenery, and picturesque locations have long captivated filmmakers from across India and the world. From majestic rivers and idyllic countryside to captivating hill stations and sprawling forests, these elements have been prominently featured in countless films, further solidifying Madhya Pradesh's allure as a premier shooting location.

Over time, a multitude of critically acclaimed and commercially successful films have been shot within Madhya Pradesh's borders. Renowned filmmakers have consistently captured the state's essence and aesthetic on the silver screen. Productions such as "Naya Daur," "Narsimha," "Peepli Live," "Gangajal-2," "Rajneeti," "Padman," "OMG-II," "Panchayat", "Stress" and "Maharani" all prominently feature Madhya Pradesh's visually stunning locations, contributing significantly to their captivating narratives.

It was one of the first states in the country to implement a financial incentive program, offering up to Rs. 1 crore or 25% in film production support and has witnessed a surge in interest from filmmakers and directors nationwide. The success of the state's Film Policy and its efficient implementation have demonstrably streamlined the business of filmmaking in Madhya Pradesh, attracting an influx of production crews seeking this advantageous environment.

3. Need for AVGC-XR Policy

Madhya Pradesh has been emerging as a favoured destination for IT/ITeS and Data Centres, it houses the biggest names in the IT sector in the country and is attracting major data centre players.

The state also has a unique opportunity to become one of the major contributors in the booming AVGC sector. With a talented population and rich cultural heritage, the state has the potential to create high-quality animation, VFX, games, and comics. An AVGC policy can nurture this potential by providing financial incentives, skilling initiatives, and infrastructure support. This will not only create jobs and boost the economy, but also put Madhya Pradesh on the map as a global centre for creativity and innovation in the AVGC domain.

Untapped Potential: The AVGC sector is a rapidly growing industry with a projected CAGR of over 14%. A policy could help Madhya Pradesh capture a significant share of this growth.

Talent Pool: The state has a large and young population with a potential for a skilled AVGC workforce. The policy can help develop this talent through education and skilling initiatives.

Cultural Advantage: Madhya Pradesh boasts a rich cultural heritage and diverse landscapes. An AVGC policy can encourage the creation of content that showcases this heritage to a global audience.



Economic Benefits: A flourishing AVGC sector can create high-paying jobs, attract investments, and boost the state's overall economic development.

Innovation Hub: The policy can foster an environment for innovation within the AVGC sector, leading to the creation of cutting-edge content and technologies.

Global Recognition: With a robust AVGC ecosystem, Madhya Pradesh can establish itself as a leading center for animation, VFX, gaming, and comics, attracting national and international collaborations and recognition.



4. Madhya Pradesh AVGC-XR Policy 2025

4.1. Vision

To establish Madhya Pradesh as a leading hub for the AVGC sector in India, fostering innovation, creating high-quality content, and generating employment opportunities.

4.2. Objectives

- i. Developing the State as a national AVGC-XR hub by strengthening the support ecosystem
- ii. Promoting skill development to raise skill level and creating a pool of designers and artists in the state.
- iii. Developing AVGC-XR academia in the state through CoEs
- iv. Setting up AVGC-XR incubation centres, animation labs, plug and play facilities, postproduction labs, etc.
- v. Stimulating growth of new as well as already existing AVGC-XR companies by offering fiscal and financial incentives
- vi. Supporting the state's AVGC-XR industry by creating local infrastructure and software.
- vii. To create and manage an annual marquee AVGC-XR event in Madhya Pradesh to encourage global companies for investment in State

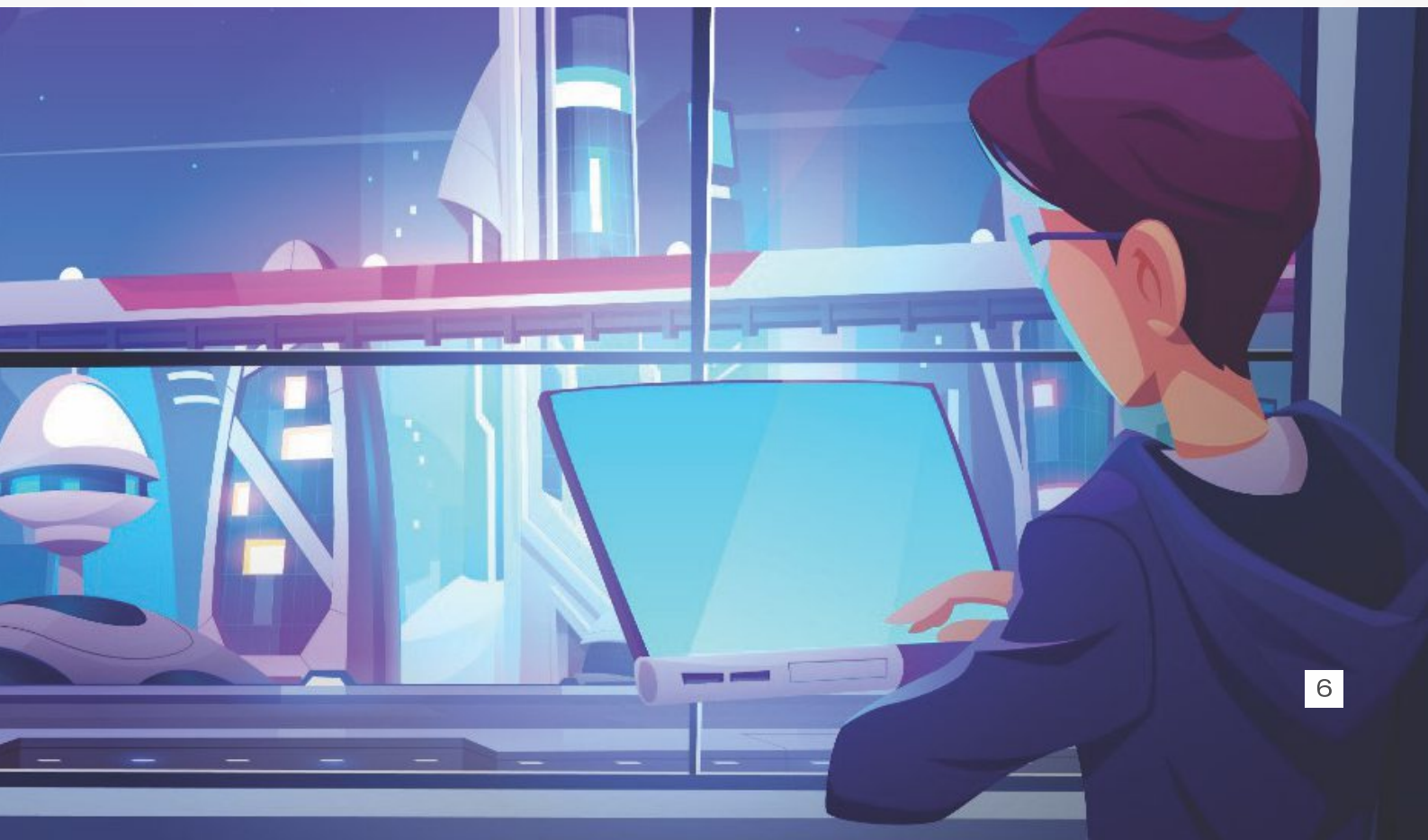
4.3. Quantifiable Goals

Aspect	Desired Outcome
Industry Growth	Drive inception and expansion of 250 AVGC-XR new companies, including MNCs, by 2029
Export Revenues	Account for 2% of India's export revenues in the AVGC-XR industry, by 2029.
Employment Generation	Create 20,000 new jobs, drive self-employment and freelance work in the AVGC-XR industry by 2029
Talent Creation	Education, skilling and Up-skilling professionally of 10,000 AVGC-XR professionals in Madhya Pradesh annually.
Start-ups	Incubate 150 AVGC-XR startups in MP by 2029
IP Creation	Account for at least 5% of AVGC-XR Content created in the country.

4.4. Skill Development & Employment Generation

4.4.1. Skill Advisory Committee for AVGC-XR

The AVGC-XR industry requires unique skills and keeping in mind its increasing importance to the state's creative and tech sectors, a special committee would be set up which will focus on identifying and addressing the specific skill gaps and needs of the AVGC-XR industry in Madhya Pradesh. The committee would have representation from the following:



- Department of Science and Technology (Chair)
- Madhya Pradesh State Electronics Development Corporation (Member Secretary)
- Department of Industries (Member)
- Department of MSME (Member)
- Department of Skill Development (Member)
- Department of Higher Education (Member)
- Industry Associations – FICCI, CII, AVGC Media & Entertainment Association of Madhya Pradesh, Media & Entertainment Skill Council, Indian Game Developer Conference
- Industry Representatives (Members) etc.
- Representation from renowned colleges and universities (Members)

The committee will not only focus on improving the current infrastructure and schemes available for the sector, but also implement new initiatives as mentioned below:

Holistic Curriculum Development: This initiative involves partnerships with prestigious educational institutions and industry leaders. The curriculum will encompass a comprehensive range of disciplines, from animation and visual effects to business management for the sector, ensuring graduates possess the necessary skill sets to meet contemporary industry standards. The Committee with help of Academia, Industry and Industry associations will assist the Madhya Pradesh Board of Secondary Education (MPBSE) and the Universities in formulating the curriculum for media and entertainment at large and AVGC-XR in specific.

Vocational Training: Formal education will be complemented by comprehensive vocational training in partnership with Industry and Academia. Schemes like Mukhya Mantri Seekho Kamao Yojana would be utilised for vocational training in the sector.

Train the Trainer/Teachers: Skill Advisory Committee will help identify and conduct Train the Trainer/Teacher program for all the schools, ITI Polytechnic, Universities and private training organisations.

Talent Recognition Platforms: Collaboration with industry leaders and academia to organize creative hackathons and startup challenges, providing a platform for individuals to showcase their creativity and ingenuity. Series of events will be organized to further cultivate this innovation ecosystem. These events will include hackathons, startup challenges, and rewarding recognition for the winners under AVGC-XR.



Skilling at Various Levels Holistic interventions will be made at different levels of education and academia to enhance the compatibility of the educational curriculum with the actual skills demanded by the AVGC-XR industry to ensure employability. The Skill Advisory Committee would also undertake the following activities:

- Existing faculty will be upskilled through approved certification programs or industry immersion programs.
- Experts Session and Industry meetups in colleges foster direct interaction between students and professionals.
- College campuses will be encouraged to establish mini labs dedicated to Media and Entertainment with workshops on Clay Modelling, Quelling, Sand Modelling, Pixilation and other classical animation techniques.
- School & College campuses will be encouraged to conduct short film contests to nurture creativity in students by organizing 48 to 72 hours short film projects
- Focus on Collaboration with global educational institutions to craft a cutting-edge curriculum by sending delegation to top Design & Art Universities

MPSEDC, under the aegis of Department of Science and Technology would be the nodal agency for implementing the policy in the state.

4.4.2. Scholarships

Government of Madhya Pradesh will work with the State-Level Bankers' Committee to provide Skill loans for approved programs in govt & private institutes.

Policy will encourage corporates to spend their set aside for Corporate Social Responsibility (CSR) budget for skilling initiatives on livelihood training within the state

Private Training Institutes in the state, offering specialised courses in AVGC-XR and related fields will be eligible for reimbursements up to 50% of the course fee. The incentive would be capped at Rs. 1 lakh/student or per the Common Cost Norms (CCN) defined by the Govt of India whichever is low and need to be translated as a discount in student fees. Government affiliated or accredited Colleges or Institutes will be eligible for this.

4.4.3. Reimbursement of training fees

Up to 50% reimbursement of the course expenses with a capping of INR 15 Lakhs per company for the policy period. Courses offered by government affiliated or accredited colleges or institutes in Madhya Pradesh offering specialized courses in gaming, animation, or related fields will be eligible for this incentive.

4.4.4. Annual AVGC XR Festival/Conclave

Creation of an aggregator platform to host prestigious international events and bringing together the AVGC-XR Industry to unfold opportunities for Investors, Corporations, Studios, Content Developers, Delegates, Consumers, Hardware manufacturers and students, through series of Networking, Trade Exhibitions, Product Launches, B2B and B2C events. Formulate official annual festival in AVGC-XR from Madhya Pradesh to showcase the content produced during the year. Event can highlight the state's achievements and foster networking within the industry. It could let the global audience know about incentives by the State and encourage studios to set up operations in MP.

4.5. Enabling Infrastructure

Identifying infrastructure as an essential component of AVGC-XR sector and a major driver for attracting investments, Madhya Pradesh is committed to providing high quality infrastructure to the industry. The policy provides the following incentives for development of enabling ecosystems in the state.

4.5.1. Setting up AVGC-XR training Labs

Madhya Pradesh government plans to set up four AVGC-XR labs in prominent fine arts colleges; These labs will be equipped with state-of-the-art technology to train students in animation, visual effects, gaming, and extended reality. The goal is to nurture creative talent, boost the AVGC-XR industry, and create job opportunities in the state. By providing access to advanced training facilities and industry experts, these labs will empower aspiring professionals to excel in the digital media sector

4.5.2. Centre of Excellence for Animation Gaming and Visual Effects

Madhya Pradesh government aspires to position the state as a leading AVGC-XR hub. To achieve this vision, we are committed to developing a robust ecosystem that empowers our talented workforce and fosters innovation. Through strategic partnerships and industry collaboration, Department of Science and Technology through MPSEDC will establish a Centre of Excellence (CoE) for Animation, Visual Effects, Gaming and Extended Reality.

This state-of-the-art facility, envisioned under a Public-Private Partnership (PPP) model, will provide competitive access to cutting-edge technology and resources. The CoE will not only enhance the capabilities of existing AVGC-XR companies in Madhya Pradesh but also serve as a magnet, attracting new businesses to set up bases in our state. The government will actively support this project, ensuring its alignment with industry needs and propelling Madhya Pradesh to the forefront of the AVGC sector.

4.5.3. Allotment of Land in IT Parks & Animation Theme Parks

Allotment of appropriate extent of Government/ Industrial Corporation lands across the state subject to fulfilment of prescribed obligations on employment, investment, and terms & conditions of allotment, will be undertaken for eligible Animation, Visual effects, Gaming & Comics Studios, XR Co's, Skilling Institutes & Theme Parks for their expansion and setting up of their own facilities. The companies would be eligible for the land rebates mentioned in the Madhya Pradesh IT, ITeS, & ESDM Investment Promotion Policy 2023.



4.6. Fiscal Incentives

4.6.1. Eligibility for Availing Financial Support

- i. Only registered companies on MPSEDC IT ITES portal can apply for the subsidies/incentives/grants available under this policy.
- ii. The company/entity/satellite office should be registered in Madhya Pradesh and the MP registered office should employ at least 50 percent of its workforce from Madhya Pradesh.

4.6.2. Capex Subsidy

25% Capital investment subsidy limited to Rs. 30 crore for fresh investments made in the AVGC-XR sector post declaration of the said policy.

Capex here means, an investment made by the unit in Plant & Machinery (viz. computer hardware, software, imported/indigenous/other machinery), electrical installations, office equipment, furniture & fittings, building construction, all civil works, expenditure on purchase of equipment for setting up of captive renewable energy plant (excluding investment made in land and dwelling units, site development, landscaping, vehicles).

4.6.3. Employment Generation Assistance

Employment Generation Assistance of Rs. 3,000 per employee per month for the first year of employment. This incentive is applicable for new jobs created and capped at Rs. 10 lakhs per company for the policy period.

4.6.4. Reimbursement on lease rentals

Reimbursements of 25% on lease rentals OR up to Rs. 10 lakh per annum whichever is lower, for a period of 3 years.

4.6.5. Reimbursement of Internet Bandwidth Charges

Up to Rs. 50,000 per annum for a period of 3 years will be reimbursed. The reimbursement is based on actual usage of Internet connectivity charges paid to an Internet Service Provider (ISP).

4.6.6. IP Creation and Protection

AVGC-XR companies/studios registered and operating in Madhya Pradesh can receive an incentive of 50%, up to Rs. 5 lakh for filing a domestic patent, and up to Rs. 20 lakh for filing an international patent, provided the patent is filed or granted within the policy period. Eligible expenses for patent filing include fees paid to the patent office, attorney fees, search fees, and maintenance fees. Each company is eligible for a maximum of five reimbursements (covering both domestic and international patents) during the policy period.

4.6.7. Participation in Trade shows and Events

Reimbursement of up to 30% of the costs incurred for participating in trade shows or expos, capped at Rs.1 lakh for domestic events and Rs. 10 lakh for international events per company per year. This is limited to 3 sanctions per company during the policy period. These incentives will only include the trade show and events registration fee and air travel support.

Alternatively, Madhya Pradesh Govt will setup special booths/pavilion in various domestic and international festivals and conferences of repute in India and abroad. The Government of Madhya Pradesh will provide travel incentives along with the booth participation. The list of eligible events would be available on nodal agency's website.

4.6.8. Quality Certification for the Studios

Reimbursement of up to 30% of the costs on recognition of prior learning and upskilling incurred for obtaining certifications, capped at Rs 5 lakh for domestic certifications, Rs. 10 lakh for international certifications; limited to 3 sanctions per company during the policy period.

Types of Certifications (including but not limited to) MESC, ISO Standards, CMMI, Six Sigma, PEGI or ESRB ratings, WCAG, NASSCOM Gaming Forum Certifications, SIGGRAPH, UNITY or UNREAL Engine Certifications etc.



4.7. Production & International Co-Production Incentives

Introduction of specific incentives for small production houses, recognizing that even modest financial support can significantly impact their growth and sustainability. To qualify for the production related grants, the following criteria must be adhered to:

- i. The company/entity/satellite office should be registered in Madhya Pradesh and the MP registered office should employ at least 50 percent of its workforce from Madhya Pradesh and registered with MPSEDC.
- ii. At least 80% of the project's qualified expenditure must be incurred in Madhya Pradesh.
- iii. For international co-production incentives, one of the applicants should fulfil both the criteria in points (i) and (ii) above and should be contracted by the international production house to execute the project
- iv. Qualified Production Expenditure (QPE): Costs and expenses incurred by the production house or content creator during pre-production, production, and post-production activities within the state during the policy period and would include personnel costs for those working on the project, costs for hiring studio and office space and utilities, and fees for hiring equipment or software subscriptions used for the defined activities.

4.7.1. Reimbursement on Production Cost for Animated Films

Reimbursement of 25% of the Qualified Production Expenditure ('QPE') for production of animated film (min. 90 mins) capped at Rs. 50 lakh per company per year, limited to 3 sanctions per company during the policy period. The Minimum QPE requirements for animation, postproduction and visual effects services to be able to qualify for the incentive is Rs. 30 lakh.

This incentive is applicable for either content produced by the company and marketed and broadcasted in their brand name, or for content produced for another production house under a defined service contract.

4.7.2. Reimbursement on Production Cost for Animated Series

Reimbursement of 25% of the Qualified Production Expenditure ('QPE') for production of animated series (min. 10 episodes of at least 6 mins each) capped at Rs. 50 lakh per company per year limited to 3 sanctions per company per year during the policy period. The Minimum QPE requirements for animation, postproduction and visual effects services to be able to qualify for the incentive is Rs. 30 lakh. This incentive is applicable for either content produced by the company and marketed and broadcasted in their brand name, or for content produced for another production house under a defined service contract.



4.7.3. Reimbursement on VR/AR/VFX Projects

Reimbursement of up to 25% of the qualified production expenditure (QPE), and incentives capped at Rs. 50 lakh per company during the policy period; limited to 3 sanctions per company during the policy period. The Minimum QPE requirements for animation, postproduction and visual effects services to be able to qualify for the incentive is Rs. 40 lakh. Project must meet specific industry standards concerning quality regards to rendering quality, user interaction and overall visual experience. This incentive is applicable for either content produced by the company and marketed and broadcasted in their brand name, or for content produced for another production house under a defined service contract.

4.7.4. For Game Development (Mobile and Non-Mobile)

Reimbursement of up to 25% of the qualified production expenditure (QPE), and incentives capped at Rs. 20 lakh limited to 3 sanctions per company during the policy period. The Minimum QPE requirements to qualify for the incentive is Rs 40 lakh. To be eligible for this incentive, companies must either demonstrate a total of Rs 2 lakh+ downloads across iOS, Google Play, or Windows platforms, or have their game win or be nominated for awards at prestigious gaming events, such as the NASSCOM Game Developers Conference. Refer Annexure 2 for detailed definition of Mobile and Non-Mobile platforms.

4.7.5. For International Productions

This incentive acts as a springboard to boost Madhya Pradesh's AVGC-XR industry's exports. It aims to not only attract and develop talent and innovation by offering financial aid for projects with global potential, but also to draw in foreign investment. Reimbursement of up to 25% of the Qualified Production Expenditure (QPE) for Animated Film, Animated Series, AR/VR/VFX, Game Art Development, capped at Rs. 2 crore per company limited to 3 sanctions during the policy period. The projects should be animated films & series which are meant for global audiences. The Minimum QPE requirements for animation, postproduction and visual effects services to be able to qualify for the incentive is Rs. 80 lakh. This incentive is available for content produced by the company and marketed under its brand name (as long as it has been broadcast at least once), or for content created for another production house under a defined service contract.



4.7.6. For International Co-Productions

International Co-Production is defined as the production of Animated Feature Films or Animation Series in collaboration with international companies or studios. An official Indian co-production, termed as a "Co-production," involves Indian producers partnering with producers from one or more countries under the bilateral co-production treaties on Audio-Visual Co-production recognized by the Ministry of Information & Broadcasting and upcoming treaties to be signed by the Government of India.

The government's incentive for International Co-Production aims to foster increased international collaborations and facilitate a transition towards prioritizing IP creation over service animation production. This initiative seeks to broaden horizons by encouraging partnerships across borders, thereby enhancing the global competitiveness and creative autonomy of the domestic animation industry.

An incentive reimbursing up to 30% of Qualifying Production Expenditure capped at Rs. 2 crore limited to 2 sanctions per company during the policy period.

Under this Incentive the project must have been granted a "Co-Production" status by the Ministry of I&B and the participating country(ies), under one of India's official bi-lateral co-production treaties on Audio-Visual Co-production.

4.8. Customised Incentives for Mega Projects

Special incentives and subsidies packages will be designed for mega projects with minimum capex investments of 50 crore in the state of Madhya Pradesh.

4.9. Convergence with Film Tourism Policy

The Madhya Pradesh Film Tourism Policy 2020' seeks to elevate the state's prominence as a premier destination for film productions. By fostering film tourism, the policy aims to invigorate the local economy. To incentivize filmmakers, the policy offers a range of benefits, including fiscal incentives such as cash subsidies for film production, television serials, and over-the-top (OTT) content. Incentives for postproduction for such projects can be applied under the Film Tourism Policy.

4.10. Single Window clearance system

MPSEDC will act as Nodal Agency for undertaking the formalities related to project clearance and facilitation. Nodal body to Implement a digital platform that serves as a one-stop solution for all applications and support related to the AVGC-XR sector.

4.11. Mandatory Registration with MPSEDC

To avail the policy benefits, all the State based AVGC-XR organizations to register with MPSEDC through a standardized registration process. This will ensure proper regulation and support. MPSEDC to implement a faceless and transparent process for applying for and receiving subsidies, grants, and other forms of support.

4.12. AVGC-XR Awareness Campaigns

Issue specific notification to School, Colleges in State to invite AVGC-XR Experts for Workshops & Sessions to increase awareness of its potential

4.13. Development of an AVGC/Media Park

The government will identify a 20 acre land parcel in the state for developing an AVGC/Media Park through a competitive bidding process. The proposed park will include the following facilities:

- State-of-the-art studios: Equipped with the latest technology for film, television, animation, and gaming production.
- Post-production facilities: Including editing suites, sound mixing studios, and visual effects labs.
- Production houses: Providing production services and support to AVGC-XR companies.
- Data centres: Offering cloud storage, computing power, and network connectivity.

Capex for AVGC/Media Park means, an investment made by the unit in Plant & Machinery (viz. computer hardware, software, imported/indigenous/other machinery), electrical installations, office equipment, furniture & fittings, building construction, all civil works, expenditure on purchase of equipment for setting up of captive renewable energy plant (excluding investment made in land and dwelling units, site development, landscaping, vehicles).



4.13.1. For Standalone Developers

Land would be provided at subsidised cost as per IT ITES ESDM Investment Promotion Policy 2023 with CAPEX assistance of 25% with a ceiling of 50 crores. The following conditions would be applicable:

- i. Building permission and groundbreaking to be done within one year from the date of in-principle approval accorded by the nodal agency.
- ii. Of the total built-up area, 80% of the saleable/leasable built-up area must be allocated to AVGC-XR units and remaining 20% built-up area may be utilized for any other activities.
- iii. Disbursement of CAPEX assistance will be based on stages of construction and occupancy.

I Instalment	50% construction
II Instalment	100% construction
III Instalment	40% occupancy of AVGC-XR Units
IV Instalment	60% occupancy of AVGC-XR Units
V Instalment	80% occupancy of AVGC-XR Units

- iv. Sale/lease in the proposed AVGC-XR park will be given only to AVGC-XR units registered with the nodal agency
- v. AVGC-XR units occupying office spaces within such facilities can claim all other incentives apart from Capex subsidy under this policy



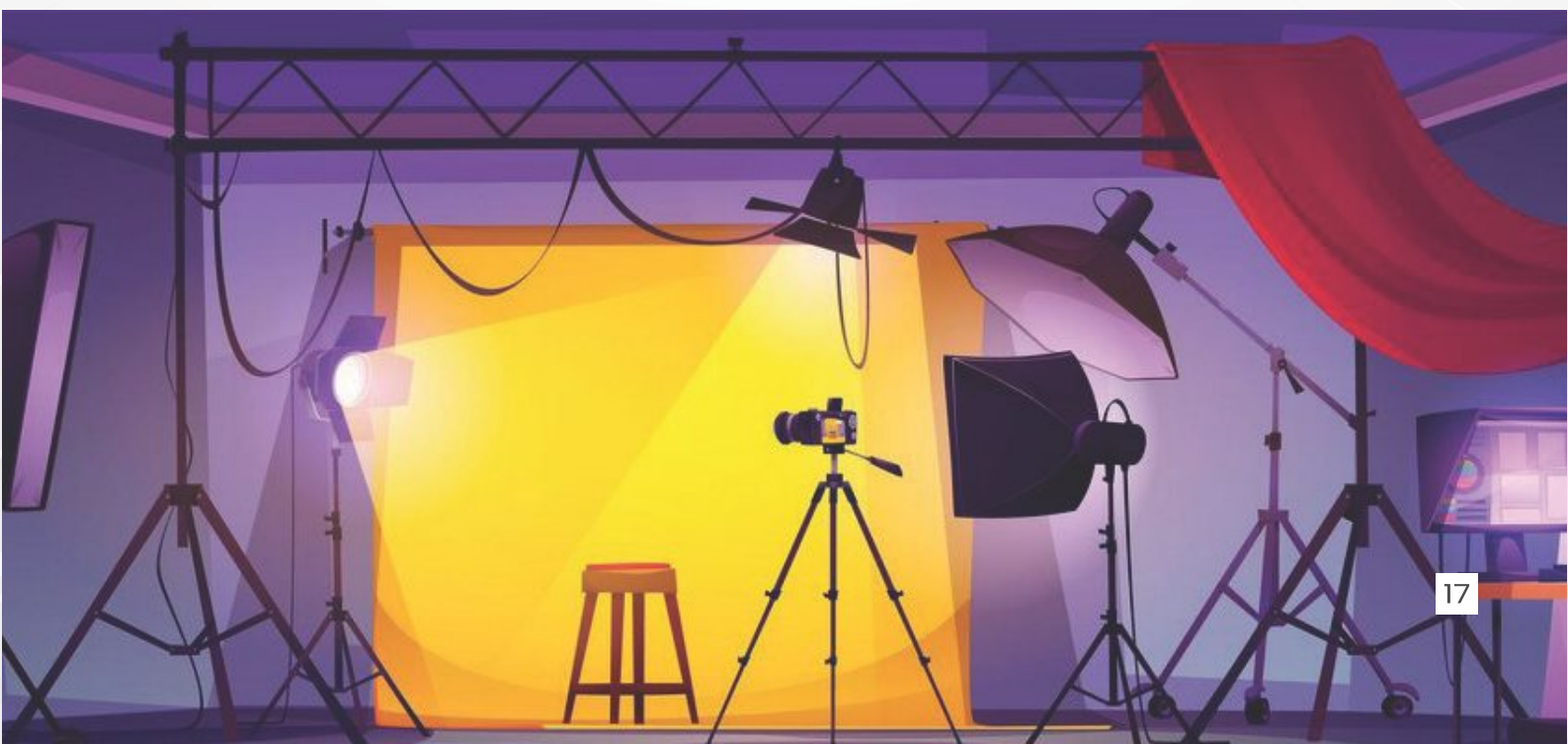
4.13.2. For Standalone Studios

A viability gap funding of Rs. 50 crores (up to 25 % of the Capex) will be available to any studio (or joint venture between studios) submitting a detailed proposal to the nodal agency for developing an AVGC-XR park in the State.

- i. Land would be provided at subsidised cost as per IT, ITES & ESDM Investment Promotion Policy 2023
- ii. Building permission and groundbreaking to be done within one year from the date of in-principle approval accorded by the nodal agency.
- iii. Of the total built-up area, 80% of the built-up area must be utilised for AVGC-XR activities and remaining 20% built-up area may be utilized for any other activities.
- iv. Disbursement of VGF assistance will be based on stages of project completion.

I Instalment	20% project completion
II Instalment	40% project completion
III Instalment	60% project completion
IV Instalment	80% project completion
V Instalment	100% project completion

The selected applicant would have to submit quarterly project competition report to the nodal agency (MPSEDC) for every instalment against the proposed plan submitted at the time of application.



Annexure 1: Definitions for the purpose of this Policy

S.no	Terms	Definition
1	Animation	Animation is the technology of displaying frames in succession to create an illusion of motion. It is used in entertainment, education, design, game development, simulations, etc. Animation is the method of showing movement by using a series of drawings, computer graphics, or photographs of 2D or 3D objects that create an illusion of movement when viewed in succession. Animation includes 2D animation, 3D animation, clay animation, paper animation, stop motion, shadow animation, etc. They can be recorded on either analog or digital media. Animation is increasingly finding use in mobiles, software applications, visual effects, visual communication, and advertising.
2	Visual Effects	Visual Effects (VFX) and postproduction refers to imagery created, manipulated, or enhanced for any film, or other moving media that does not take place during live-action shooting. It is also known as CGI (Computer Generated Imagery). Visual effects include computer generated imagery using the industry's most advanced 3D and compositing software and plugins.
3	Gaming	A game is an electronic game that involves human interaction with a user interface to generate visual feedback and immersive experiences on a device that shall include 2D, 3D, video, handheld devices, mobile, virtual, console, etc. The online skill gaming industry can be categorized into – casual games, real-money games (fantasy sports, card games and other RMG games) and Esports.
4	Comic	It is a publication that consists of comic art in the form of sequential panels that represent chronologically laid scenes that are used to tell a story or a series of stories. It extends to comic strips published in magazines and newspapers, and graphic novels that are long-format, standalone stories with more complex plots or a collection of short stories that have been previously published as individual comic books. This segment does not include novels or magazines.
5	Virtual Reality	It is an artificial environment that is created with software and presented to the user in such a way that the user suspends belief and accepts it as a real environment. On a computer, virtual reality is primarily experienced through two of the five senses: sight and sound.

S.no	Terms	Definition
6	Mixed reality	Stands for Mixed Reality. It is sometimes referred to as hybrid reality, the merging of real and virtual worlds to produce new environments and visualizations where physical and digital objects coexist and interact in real time.
7	Augmented Reality	It is the integration of digital information with the user's environment in real time. Unlike virtual reality, which creates a totally artificial environment, augmented reality uses the existing environment and overlays new information on top of it.
8	Extended Reality	Extended reality is a term referring to all real-and-virtual combined environments and human-machine interactions generated by computer technology and wearables. It includes representative forms such as augmented reality, mixed reality and virtual reality and the areas interpolated among them.
9	AVGC-XR sector	The AVGC-XR sector is represented by companies, joint ventures, focus groups, consultants, and creative professionals engaged in the business of conception, production, post- production, media and intellectual property rights management, publishing and marketing of animation, visual effects, special effects, editing, digital game development including mobile, console, desktop games (excluding gambling) and comics content. They also actively promote the products and related services such as the development of software used in pre-production, production and postproduction pipelines, education and advanced research, development of AVGC-XR subjects, related technology, and its business management.
10	AVGC-XR Company	Any company in the AVGC-XR sector as defined above.



Annexure 2:

Mobile and Non-Mobile Platform Definition

Mobile Platforms

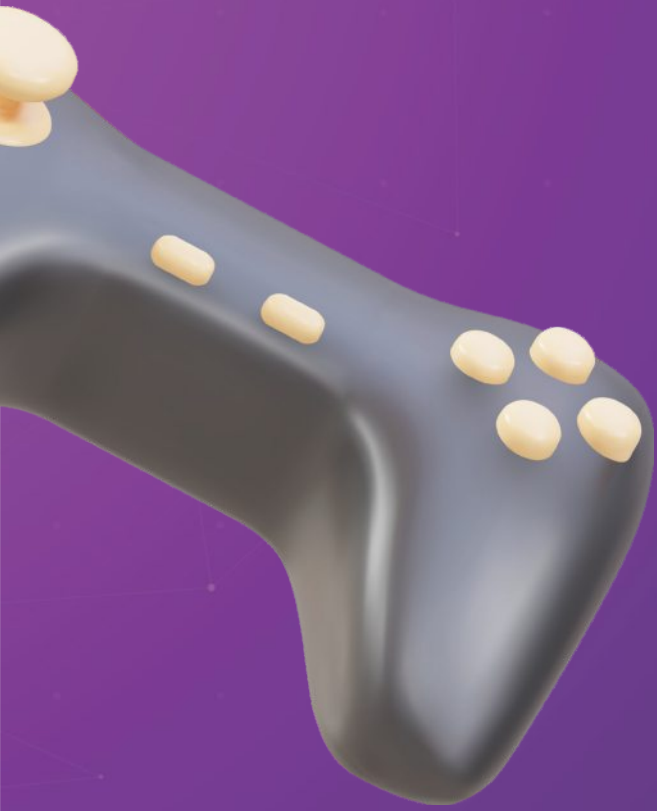
"Mobile Platforms" in the context of video game development and platforms refer to devices and operating systems designed for portability and used on the go. This includes:


- **Smartphones:** Devices running on iOS (e.g., iPhone) and Android operating system
- **Tablets:** Larger portable devices also running on iOS, Android, or other mobile operating systems, offering similar functionalities to smartphones but with larger screens.
- **Wearable Devices:** Smartwatches and other wearable tech that can run games or gaming applications, although these are less common as primary gaming platforms.

2. Non-Mobile Platforms

"Non-Mobile Platforms" in the context of video game development and platforms refer to devices and systems that are generally stationary and not designed for portability. This includes:

- **Handheld Gaming Consoles:** Portable gaming devices such as the Nintendo Switch (in handheld mode), PlayStation Vita, Steam Deck and similar devices that are designed primarily for gaming but are portable.
- **Consoles:** Home gaming consoles such as PlayStation, Xbox, and the Nintendo Switch (in docked mode), which are typically connected to a TV or monitor and are designed to remain in one location.
- **PCs:** Desktop and laptop computers running on operating systems such as Windows, macOS, or Linux. While laptops can be portable, they are generally considered non-mobile in this context due to their usage scenarios and development considerations.
- **Arcade Machines:** Dedicated gaming machines found in arcades or entertainment centers, which are stationary and not designed to be moved.
- **Virtual Reality (VR) Systems:** VR setups that include headsets and sensors, which are typically used in a fixed location due to the need for external tracking hardware and space requirements.
- **Browser-Based Games:** Games that run directly in a web browser (e.g., Chrome, Firefox, Safari) using technologies like HTML5, JavaScript, and WebGL. These games do not require downloading and can be played on any device with a compatible browser.
- **Cloud Gaming Services:** Platforms that allow streaming of games through a web browser, such as NVIDIA GeForce Now, and Microsoft xCloud. These services run games on remote servers and stream the video output to the player's device.

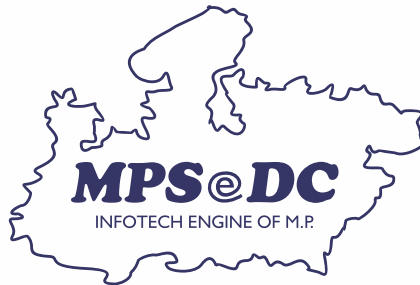




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