



**Ministry of Information
& Broadcasting,
Government of India**

GUIDELINES OF THE INCENTIVE SCHEME

FOR

**PRODUCTION OF FOREIGN FILMS IN
INDIA**

&

**OFFICIAL COPRODUCTION UNDER AV
COPRODUCTION TREATY**

NFDC
cinemas of india



INVEST INDIA
NATIONAL INVESTMENT PROMOTION
& FACILITATION AGENCY

FILM IN INDIA



FILM FACILITATION OFFICE

The Ministry of Information and Broadcasting, Government of India, has launched Incentive Schemes for International Film Productions projects and services in India (including live shoots, animation projects, post production and visual effects services) and Official Co-productions under the bilateral Audio Visual Coproduction Agreements that India has with other countries

Upto 40% of the qualifying production expenditure incurred in India, with an enhanced cap of the incentive payout of Rupees 300 Million/ INR 30 Crore (significant enhancement from earlier limit of Rupees 2.5 Cr), can be claimed by the Indian Production Services Company on behalf of the Foreign Production or the Official Co-production.

The scheme is administered by the Film Facilitation Office set up by the Ministry under National Film Development Corporation and managed by Invest India.

This document sets out the guidelines for the incentives schemes including quantum of incentives, eligibility and application process



SUMMARY OF FILM PRODUCTION INCENTIVES IN INDIA				
Criteria	Foreign Film Production in India		Co-production under the Treaty Agreement	
	Live Shoots	Postproduction, Animation, VFX	Live Shoots	Postproduction, Animation, VFX
Eligible Formats	Feature Films, Web Series, Animation Films (Min 75 minutes), Documentaries (more than 30 minutes), .	Pure Animation, Post Production, Visual Effects	As per the co-production treaty. So format & duration not to be specified.	As per the co-production treaty. So format & duration not to be specified.
Prior Permission Required	Yes (Ministry of I&B /Ministry of External Affairs -for documentaries)	No prior permission	Yes (Ministry of I&B /Ministry of External Affairs -for documentaries), and Coproduction Approval application also required.	Only Coproduction Approval application required in due course.
Who should apply	Indian Line Producer/ Line Production Company	Indian Animation, Postproduction or VFX company	Indian Co producer	Indian Coproducer
Application for Interim Approval	Before start of shoot and alongwith copy of MIB permission	Within one month of finalisation of contract	After receipt of coproduction approval.	After receipt of coproduction approval.
Application for Disbursal	Within 90 days of finish of shoot in India	Within 90 days of finish of work in India	Interim disbursal (upto 50%) after 50% of qualifying expenses spent. Application for full disbursal after all work in India completed.	Interim disbursal (50%) after 50% of qualifying expenses spent. Application for full disbursal after all work in India completed.
QPE Attributes	Expenses in India. Conveyance, marketing expenses, capital expenses excluded. Above the Line cost limited to 10% of QPE	Invoice Value. Actual receipt of Forex (FIRC)	Expenses in India. Conveyance, legal costs, office expenses excluded. No rest. Of Above the line cost.	Invoice Value. Actual receipt of Forex
% of QPE as Incentive	30	30	30	30
% of QPE for labour as bonus	5%	Nil	Nil	Nil
% of QPE for Significant Indian Content (SIE) as additional bonus	5%	5%	Nil	Nil
Definition of SIE	1. At least 10% of total budget to be spent in India 2. One lead character to be Indian (Committee of 3 Script Evaluation Officers to decide on Significant Indian Content based on evaluation of script and synopsis)	Committee of 3 Script Evaluation Officers to decide on Significant Indian Content based on evaluation of script and synopsis	NA	NA
Minimum QPE	Rs 3 Crore (Nil for Documentaries)	Rs 1 Crore	Nil	Nil
Interim Disbursal	No interim disbursal	No interim disbursal	Interim disbursal up to 50% of qualifying expenses spent. Application for full disbursal after all work in india completed.	Interim disbursal up to 50% of qualifying expenses spent. Application for full disbursal after all work in India completed.
Full Disbursal	90 % on final approval & 10% after submission of affidavit regarding release of film (theatrical/festival/OTT/Digital/Streaming). If SEO recommends NOC from Indian Mission, then 20% after approval, 70% on noc from Indian Mission, 10% after submission of affidavit regarding release of film (theatrical/festival/OTT/Digital/Streaming)	90 % on final approval & 10% submission of affidavit regarding release of film (theatrical/festival/OTT/Digital/Streaming)	100% on final approval & NOC if required.	100% on final approval & NOC if required.
Maximum incentive allowed (Incentive Cap)	30 Crore	30 Crore	30 Crore	30 Crore
Minimum Annual Payment Limit	10 Cr	10 Cr	10 Cr	

GUIDELINES OF FILM INCENTIVES

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PART I:

**INCENTIVES FOR PRODUCTION OF
FOREIGN FILMS IN INDIA**

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1 Executive Summary

INCENTIVES FOR PRODUCTION OF FOREIGN FILMS IN INDIA

Ministry of Information and Broadcasting has announced incentives for film production projects and services performed in India (including live shoots, animation projects, post production and visual effects services) on behalf of foreign entities. Upto 40% of the qualifying production expenditure incurred in India subject to a maximum incentive payout of Rupees 300 Million/ INR 30 Crore can be claimed by the Indian Production Services Company on behalf of the foreign production.

Salient features of the Scheme:

(A) For Live Shoot Projects:

- Minimum Qualifying Production Expenditure (QPE) of Rs 3 Crore/ INR 30 Million in India (Nil for Documentaries)
- Incentive Cap of Rs 30 Crore/INR 300 Million (significant enhancement from earlier limit of Rupees 2.5 Cr), which includes:
 - Reimbursement of upto 30% of QPE.
 - Bonus incentive of 5% of QPE for employing at least 15% Indian Labour.
 - Additional bonus incentive of 5% of QPE for Significant Indian Content.
- Type of International Projects eligible for incentives which must have been granted permission to shoot in India, after 1st April 2022:

Type of Project	Permitting Authority	Where to apply for Permission
Feature Films at least 72 Minutes duration	Ministry of Information and Broadcasting	Film Facilitation Office Web portal
Commercial TV/Shows Series		
Web Shows/ Series		
Documentaries of at least 30 minutes duration	Ministry of External Affairs	Nearest Indian Mission

- Indian - Line Producer/ Production Services Company can apply
- Prior Film Shooting Permission has to be obtained for applying for incentives
- Process of applying for incentives:
 - Apply for Interim approval of incentives to FFO before start of film shooting/production in India, in the prescribed format along with copy of contract, production schedule and budget estimate.
 - Apply for Final approval and disbursement within 90 days of finish of production in

India, in prescribed format, alongwith copy of interim approval, audited financial statements and declarations and other documents as specified in the guidelines.

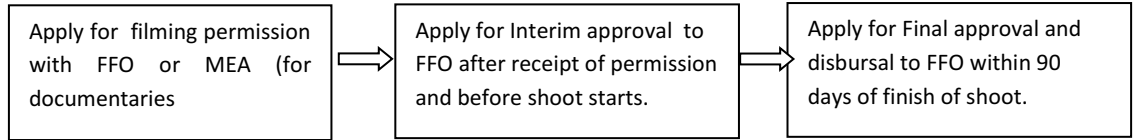
- Disbursal Milestones
 - 90% of approved incentive to be disbursed on grant of final approval. Rest 10% on submission of final film with credit line and affidavit regarding release.
 - For Documentaries, and the projects where Script Evaluation Officer (SEO) recommends NOC from and Indian Mission - 20% to be disbursed on grant of approval, 80% on submission of NOC and 10% on submission of final film with credit line and affidavit regarding release.

(B) For Animation, Visual Effects and Post Production Projects:

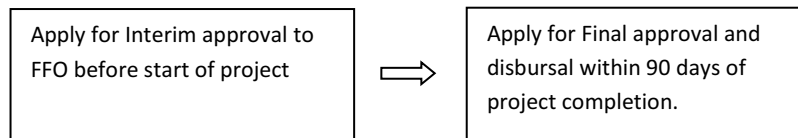
- Minimum Qualifying Production Expenditure (QPE) of Rs 1 Crore/ INR 10 Million in India
- Incentive Cap of Rs 30 Crore/INR 300 Million, which includes:
 - Reimbursement of upto 30% of QPE.
 - Additional bonus incentive of 5% of QPE for Significant Indian Content (SIC).
- International Animation (including Animation Feature Films), Visual Effects and Post Production Projects that have used the services of an Indian company are eligible for incentives.
- The Indian Post Production, Visual Effects and Animation Services Company apply for the incentive.
- Process of applying for incentives:
 - No prior permission required to be taken such as film shooting. The process integrated with interim approval in such projects
 - Apply for Interim approval of incentives to FFO, within 'one' month of signing of contract between Indian Post Production, Visual Effects and Animation Services Company and the Foreign company in the prescribed format along with copy of contract, production schedule and budget estimate.
 - Apply for Final disbursal within 90 days of finish of production in India in proper format alongwith copy of interim approval, copy of invoice and Foreign Inward Remittance Certificate (FIRC) duly certified by auditor alongwith other documents as specified in the guidelines.
- Disbursal of 90% of incentive amount on grant of final approval and 10% on submission of proof of incorporating credit line and affidavit regarding release.

Application Process:

- Live Shoots (Feature Films, Documentaries, Reality Shows, etc.)



- Post Production, Visual Effects or Animation Projects



2 General: Incentives for Production of Foreign/Co-production Films in India

- 2.1 These guidelines will be applicable from the date of its publication and would not have retrospective effect.
- 2.2 The Government has formulated a scheme for providing incentives for production of foreign films in India. The Government has set up Film Facilitation Office (FFO) under the aegis of National Film Development Corporation (NFDC) with a view to promote global collaboration in filmmaking and facilitate film production by domestic and international filmmakers in India. The incentive scheme shall be executed through FFO.
- 2.3 The “Reimbursement” is an incentive provided by Ministry of Information & Broadcasting, reimbursing up to 30% of Indian qualifying production expenditure (“QPE”, please see Clause 3.4) plus an additional 5% bonus for employing 15% or more manpower (available only for projects that involve live shoot in India) in India and an additional 5% for Significant Indian Content (SIC).
- 2.4 The incentive is intended for International Production Companies applying through an Indian Line Producer/ Line Production Services Company, Animation or Post Production Agency (PPA).
- 2.5 This document sets out the guidelines for incentive Reimbursement to applicants (“Applicants”) referring to Line Producers (“LP”) / Line Production Services Company (“LPSC”) Animation Companies or Post Production agencies (PPA) and outlines the requirements for the application process. These guidelines may be subject to change from time to time and their interpretation and application are at the sole and absolute discretion of the Ministry of Information & Broadcasting, Government of India.
- 2.6 This guidelines have been formulated in two parts, for incentives (including quantum, eligibility and process of applying and disbursement) as follows:
- 2.6.1 Section A** for projects involving Live Shoots in India and
 - 2.6.2 Section B** for projects that involve pure animation, post production and visual effects services and have not live shoot component in India.
 - 2.6.3** *In case of projects involving both live shoot and post production in India, application will be made under live shoot. The overall caps and other conditions will be as per live shoot guidelines.*
- 2.7 The reimbursement would be subject to the Qualifying Production Expenditure incurred by the Production in India and would be subject to a maximum incentive of Rs 30 Crore/ INR 300 Million per project.
- 2.8 Total available incentive will be subject to availability of allocated annual budget during the financial year (April to March) which would be specified in the beginning of the Financial year i.e April every year and will be disbursed on a first come first serve basis. For the first two years i.e financial years 2023-24 and 2024-25, the total available budget will be Rs 1.5 Billion/150 Crore each.
- 2.9 Within the available budget for the Financial Year, a minimum sum of Rs 10 Crore/ INR 100 million each, will be set aside for a) Live Shoot project; b) CoProduction project; and c) Post production, Pure Animation or Visual Effects project.
- 2.10 The minimum QPE thresholds, eligibility and incentives available as percentage of Qualifying Production Expenditure for Live Shoot projects and for pure animation, visual effects and post production services are detailed and set out in the guidelines.

3 SECTION A: Incentives for Live Shoots in India

International Productions that have been granted permission by the Ministry of Information & Broadcasting or Ministry of External Affairs (in case of documentaries) after 01.04.2022 are eligible for the incentives and the project must be shot or filmed at least in part within the territory of India. Subject to an individual limit of Rupees 30 Crore/ INR 300 Million, the following incentives are available:

- a. Reimbursement of up 30% of Qualifying Production Expenditure (QPE) incurred in India.
- b. Bonus of 5% of Qualifying Production Expenditure incurred in India for employing 15% or more Indian labour.
- c. Additional bonus of 5% of Qualifying Production Expenditure incurred in India for Significant Indian Content (SIC).

3.1 Eligibility

1. A production must satisfy the following criteria which are explained in detail below:

a) Eligible Applicant profile

1. The entity responsible principally for all activities involved in making the production in India (the “International Producer”) may claim Reimbursement application via an Indian Applicant i.e. Line Producer or Line Production Services Company.
2. Each Applicant must be Line Producer or a Line Production Service Company based in India, in possession of –
 - o Valid Permanent Account Number (PAN) as per the Indian Income Tax Act, 1961 and
 - o Valid Goods and Services Tax Registration Certificate under the Central and State Goods and Services Tax Act 2017 (CGST and SGST).
3. The Applicant will be responsible for making all arrangements for purchasing, hiring and production related expenditure, on behalf of the International Producer.
4. While applying via an Applicant, the International Producer and applicant need to enter into a legal binding agreement (as per Indian laws) with respect to the Reimbursement application process and distribution of funds. A copy of the executed agreement must be attached with the application.
5. While there may be more than one Line Producer / Line Production Service Company involved on a project, joint applications, or applications from more than one applicant per project are not permitted.

b) Type of Production

1. Eligible productions must be in one of the following formats:
 - a. Feature Films/ Animation Feature Films (a minimum of seventy-two minutes duration).
 - b. Commercial TV Shows/ Series: a stand-alone program or series, each episode being

no less than one broadcast half-hour in length, which is intended for initial commercial distribution in a medium other than cinema (Per Season*).

- c. Web Shows/ Series/ Animation Series (Per Season*).
- d. Documentaries (a minimum of thirty minutes in length)

*A project will be deemed to be a series or a season if the episodes feature a common theme or themes and/or contain dramatic elements that form a narrative structure. Each series or season shall only be entitled to one Reimbursement

2. The following Production Categories are EXCLUDED for the purpose of this incentives:

- a) News and current affairs
- b) Quiz shows
- c) Reality Shows
- d) Music Videos
- e) Magazine shows, Infotainment, talk shows and lifestyle programming
- f) Productions with a primary purpose of fund-raising
- g) Productions with a primary purpose of training or corporate advertising/promotions and
- h) Sports and public events coverage

c) Funding Structure

- The Applicant, if required, must be able to provide evidence that the production budget is primarily provided by financier(s), for whom the principal place of business is located, in a jurisdiction outside of India.

d) Minimum QPE

- Qualifying Production Expenses (QPE) is expenditure incurred by the Applicant (on behalf of International Producer or otherwise) wholly in respect of the applicable pre-production, production (incl. Principal Photography) post-production, Visual Effects and animation and attributable to the categories of goods and services sourced and/or provided in India. The eligible services and definitions are set out in detail below. The minimum QPE spending thresholds for live shoot projects in India is Rupees 3 Crore/ INR 30 Million. In the case of documentaries, there is no minimum QPE requirement.

2. To avail the 5% bonus for employing Indian labour, the Project must employ 15% (or more) manpower (above, on or below-the-line) in India who are ordinarily residents of India.
3. To avail of the additional bonus of 5% for Significant Indian content the production must meet any of the following criteria:
 - a. At least 25% of the total budget of the film is spent in India.
 - b. At least any one of the three lead characters (see definitions) is Indian or played by an actor (including voice talent) who is an Indian national.
 - c. At least one of the Creative Head of Department (Director, Animation Director, Director of Photography, Music Director, Writer) is an Indian National.
 - d. Presenting positive images or promoting positive perception of India
 - e. Present the beauty of India's tourist attractions

(The Significant Indian Content will be decided by a Committee consisting of three Script

Evaluation Officers who will evaluate the script and production budget and whose decision will be final.)

4. **Applicants receiving benefits under “Incentive for Audio Visual Co-production with foreign countries” shall not be eligible to apply for the Reimbursement.** Applicants shall be entitled to apply for one (1) Reimbursement per project. In no circumstances shall an Applicant be permitted to apply through any third party (related or unrelated), and it shall be at the sole and absolute discretion of Ministry of Information & Broadcasting to determine the same. However, each season or series of the same production shall count as a separate Project.

3.2 Application Process

After obtaining filming permission from the Ministry of Information and Broadcasting or the Ministry of External Affairs (in the case of documentaries), the Indian Line Producer or Line Production Services Company has to apply for the incentives in two stages:

1. Application for Interim Approval before start of film shooting
2. Application for Final Approval and Disbursal

3.2.1 Interim Approval

The following outlines the application process, for Interim Approval

- 3.2.1.1 Application for Interim Approval is to be made by the Applicant to the Film Facilitation Office on behalf of the Producer before start of principal production in India.
- 3.2.1.2 The applicant will be assigned with a unique application number. It will also be used to track further progress and updates.
- 3.2.1.3 Any documents/ information pending shall be intimated to the applicant by the FFO within 20 working days of receipt of application.
- 3.2.1.4 Applicant must submit the additionally requested documents or additional information sought, if any, within 15 working days of intimation.
- 3.2.1.5 Application shall be evaluated by the Film Facilitation Office (FFO) only after all prescribed documents and additional documents, as requested by FFO, have been submitted.
- 3.2.1.6 FFO shall process the application within 20 working days from the date of receipt of complete documentation from the applicant.
- 3.2.1.7 On successful evaluation of the application, FFO will issue an Interim Approval Certificate which will be valid for a period of 12 months, for the purpose of Final Application. In case of projects that have a QPE of INR 200 Million/ Rs 20 Crore or more, the validity of the Interim Approval Certificate will be 24 months.
- 3.2.1.8 In case of any schedule change, the Applicant must inform the FFO with appropriate reason(s) to request for possible extension of the Interim Approval.

3.2.2 Application for Final Approval and Disbursal

The following outlines the application process, for Final Approval

- 3.2.2.1 Application for Reimbursement is to be made by the Applicant on behalf of the International Producer after the completion of the said project in India ("Project Completion"), within 90 days of project completion in India.
- 3.2.2.2 The application in prescribed format should be accompanied by documentation as mentioned in the document checklist given at *Clause 3.7* including a detailed expenditure statement, as per format given, duly certified to be authentic by a Chartered Accountant along with copies of invoices and accounts statements.
- 3.2.2.3 The application number for the reimbursement application shall remain the same as provided during the Interim Approval process.
- 3.2.2.4 FFO will check to ensure complete application has been submitted with all requisite documents.
- 3.2.2.5 Any documents/ information pending shall be intimated to the applicant by the FFO within 30 working days of receipt of application.
- 3.2.2.6 Applicant must submit the additionally requested documents, if any, within 10 working days of intimation.
- 3.2.2.7 The audited statement will be verified by an auditor appointed by the FFO, Ministry of I&B.
- 3.2.2.8 Application shall be evaluated by a Special Incentive Evaluation Committee ("SIEC") only after all prescribed documents and additional documents, as requested by FFO, have been submitted. The decision of the Committee is final and shall not be challenged in any Court of Law.
- 3.2.2.9 FFO shall process the application for approval by SIEC within 60 working days from the date of receipt of complete documentation from the applicant.

3.3 Disbursement Milestones

Once the project has been accorded final approval for disbursal by the SIEC, the following disbursement milestones are to be followed,

3.3.1 Where Script Evaluation Officer (SEO) has not recommended any requirement of No Objection Certificate (NOC) from Indian Mission/ Government of India representative, the disbursal on successful audit and evaluation of the application by the SIEC will be as follows:

- a. 90% of the eligible incentives will be disbursed to the applicant's bank account.
- b. For remaining 10% of the eligible incentives. - On submission of a copy of the final credits that is to be released with the following placed at a prominent and visible place - 'Filmed in India' along with FFO Logo and an affidavit from the producers that the film has been released for public (theatrical, festival, digital, OTT, streaming, etc.) viewing.

3.3.2 For all Documentaries and for projects, where SEO had recommended the film be screened to a representative of the Government of India, in India or an Indian Mission abroad, a No Objection certificate (NOC) from the concerned officer/ Mission must be submitted during the Final Approval or at a later stage disbursement on successful audit and evaluation of the application by the SIEC will be as follows:

- a. 20 % of the eligible incentive will be disbursed immediately.
- b. 70 % of the eligible incentives. - On receiving the No Objection Certificate from the concerned officer/ Mission .
- c. 10 % will be disbursed- On submission of a copy of the final credits that is to be released with the following placed at a prominent and visible place - 'Filmed in India' along with FFO Logo and an affidavit from the foreign producers that the film has been released for public (theatrical, festival, digital, OTT, streaming, etc.) viewing.

3.4 Qualifying Production Expenditure (“QPE”)

QPE is expenditure incurred by the Applicant (on behalf of International Producer or otherwise) wholly in respect of the applicable pre-production, production (incl. Principal Photography) post-production, Visual Effects and animation and attributable to the categories of goods and services sourced and/or provided in India as set out below.

- 3.4.1 The expenses will accumulate from the day the shooting/filming approval has been granted by the Ministry of Information & Broadcasting or the Ministry of External Affairs (for documentaries only).
- 3.4.2 The Applicant is advised to monitor minimum QPE and other eligibility criteria (such as eligible production format) during production to ensure that the production continues to meet eligibility requirements.
- 3.4.3 Any fees or expenses paid to qualifying personnel (which includes cast, crew, and extras) only qualifies as QPE if the qualifying individual are Indian citizens and residents.
- 3.4.4 In the event that FFO deems any transaction in respect of which QPE is claimed to have been conducted in a manner other than at arm’s length (i.e., at a reasonable commercial rate and not a related-party transaction), FFO may apply a market rate to the cost of the applicable goods or services or exclude the costs from QPE. All related-party transactions should be declared separately in the audit report.
- 3.4.5 All claims of QPE will be subject to proof that each payment has been incurred and discharged in full prior to finalization of the Audited Expenditure Statement.

3.4.1 QPE Inclusions

- a. Fees paid to LP/LPSC/PPA and other above-the-line personnel (including, but not limited to, executive producers, producers, directors, casting directors, talent agencies, actors) qualify as QPE with such fees paid to each category capped at 10% of the QPE.
- b. Extras (i.e., non-speaking, front-of-camera roles) are treated as local services. Fees paid to below-the-line crew qualify as QPE in respect only of the period during which the services are provided in India. For a non-exhaustive, indicative list of below-the-line crew, please refer to Annexure.
- c. **Other QPE Inclusions**

- Story (development and acquisition, if incurred in India)
- Booking of studio facilities, rent etc.
- Acquiring props
- Set construction
- Equipment and Supplies
- Freight provided by an Indian Supplier or made through an Indian Agent
- Accommodation and hospitality during shooting
- Insurance payments in India
- Payment for goods/services from foreign vendors supplying the same from their Indian office/branch
- Songs and background music, Choreography, Recording of songs/music
- Costumes and styling
- Makeup and hair styling
- Fringe benefits tax relating to benefits provided in India paid by the International Producer
- Food and beverage
- Lab and processing charges
- Visual and digital effects, Sound effects
- Editing
- Animation
- DI, Color grading

3.4.2 QPE Exclusions

- All Banking fees are to be borne by the International Producer/ Applicant
- Bond & Financing
- Option payments for book rights and Development costs
- Entertainment, Publicity and promotion
- Errors + Omissions insurance
- Capital Expenditure
- Expenses incurred out of India
- Money received from local source in India such as gifts, sponsorships, product placement fees, etc.,
- Indian taxes including GST, local taxes, etc.
- Bank interest and charges, Audit fees and any fees incurred in making incentives applications
- Equipment depreciation
- Location - purchase or long-term leasing of land and related costs
- International and interstate/ domestic travel (air and non-Air), and local conveyance

- Any other expenses as decided by the Special Incentive Evaluation Committee

3.5 Incentive Non-Eligibility

- 3.5.1 The Applicant does not apply for and receive Interim Approval or is not produced as per interim approval certificate letter.
- 3.5.2 The Applicant does not submit correct audited statement i.e., a statement with financial irregularities, forgery or misrepresentation or does not submit any relevant documents as specified in Point 3. In cases of forgery or misrepresentation, the applicant will be blacklisted and barred from applying for any future projects.
- 3.5.3 The Production was not filmed as per the permit given by the MoI&B or MEA (in case of Documentaries).
- 3.5.4 The Production resulted in a negative impact on the natural resources and/ or the environment.
- 3.5.5 In the event of a legal dispute, arbitration proceedings or court orders, Ministry of I&B reserves the right to withhold the approved incentive until the matter is settled or the Ministry sees appropriate to release the same. The Ministry of I&B's decision in such matters is considered as final. The jurisdiction in legal dispute shall be in Delhi only and the Court alone in Delhi will have jurisdiction in the matter.

3.6 General Information

- 3.6.1 Applicants must ensure at all times during the production that it, the International Producer, and all their employees comply with all applicable laws, statutes, regulations, and ministerial decisions in force from time to time, including, but not limited to, the Indian Labor laws.
- 3.6.2 Applicant must ensure that, at all times relevant to production in India, all relevant individuals engaged on the production in India have a valid India visa.
- 3.6.3 FFO will use all reasonable efforts to maintain the confidentiality of the information provided by the Applicant but may be required to share certain information supplied by the Applicant with public authorities, regulators, and independent consultants.
- 3.6.4 FFO shall be entitled at any time, through a qualified accountant to inspect and audit all books of account and records maintained by the Applicant and/or the International Producer in respect of all data relevant to the Reimbursement and to contact the Applicant's auditors directly where required.
- 3.6.5 Applicants are encouraged to use digital modes of payments and retain digitally printed receipts to facilitate a smooth hassle-free process.
- 3.6.6 Various Indian States also offer regional filming incentives which can be combined with the Cash rebate.
- 3.6.7 The International Producer shall on a best-efforts basis handover to the FFO, testimonials from the film's cast and crew and behind the scenes action of the film and other such suitable

material, to be used by FFO to promote India as a filming destination.

- 3.6.8 In the event FFO reasonably suspects (in its sole and absolute discretion) the presence of dishonesty, fraud or willful negligence or misconduct on behalf of the International Producer and/or Applicant, it may cancel, reject, withdraw, withhold or revoke (in whole or in part) the Reimbursement with the approval of Ministry of Information & Broadcasting. Further, FFO with the approval of Ministry of Information & Broadcasting may, in its sole and absolute discretion impose a permanent restriction on the Applicant and/or International Producer from applying for and/or receiving a Reimbursement (whether directly or indirectly or in whole or in part) in the future. FFO reserves the right to report any suspected fraudulent submissions to the appropriate authorities.
- 3.6.9 In case of any queries/concerns, the applicant may reach out to FFO on email at ffo@nfdcindia.com. These guidelines may be downloaded from the FFO website.

3.7 Document Checklist

[TO BE SUBMITTED FOR INCENTIVES APPLICATION FOR LIVE SHOOT PROJECTS]

3.7.1 Documents Required for Interim Approval

1. Duly filled application form for interim approval (format available on www.ffa.gov.in)
2. Permit for filming in India:
 - a. issued by the Ministry of Information & Broadcasting
 - b. or Ministry of External Affairs (in case of Documentaries).
3. Registration certificate/ Certificate of Incorporation of the International Producer and Current trade licence, if applicable
4. Copy of the following documents:
 - a. Self-Attested PAN Card,
 - b. GST Registration Certificate,
 - c. Authorization letter (from Foreign Company authorizing them to act on their behalf -**Annexure 1**),
 - d. Company Registration certificate of Indian Service Company.
 - e. In case of an individual Line Producer, a copy of self-attested AADHAAR card should also be submitted.
5. Shooting/animation/ post-production schedule in India (as the case may be) with tentative start and finish dates.
6. Total itemized QPE budget signed by the representative of Indian Service Company.
7. Copy of a **legally binding** executed agreement between the Indian Service Company i.e., LP/ LPSC/Post Production /Visual Effects/Animation company and the International Production Company covering the scope of services and specifying the costs thereof. The agreement should be signed by both parties and duly franked .

3.7.2 Documents Required for Final Approval

1. Duly filled application form for final approval and disbursal (format available on www.ffo.gov.in).
2. Interim Approval Certificate.
3. Authorisation Letter as per format at Annexure 2 and Copy of Passport or National Identity Card of the Foreign Company's Authorized Person for the Production in India.
4. Declaration from Indian Service Company (**Format at Annexure 3**) that
 - a. each payment has been incurred and discharged in full prior to finalization of the Audited Expenditure Statement.
 - b. no payment is due to any crew members and vendors for supply of goods and services.
 - c. that no harm/ negative impact done on the environment and/or to natural resources.
 - d. that they have not received any amount from local sources in India as gift, sponsorship, product placement fees etc. and if such amounts have been received, they are excluded from the QPE submitted.
5. Certified letter from bank containing information about the account (Account Number, IFSC, Bank name and Branch, Name of Account Holder), to which the Cash Rebate Incentives shall be transferred.
6. Registration details of the Auditor appointed by the applicant to audit the production expenditure incurred in India.
7. Statement jointly self-attested by International Producer and Indian Service Company (**Format at Annexure 4**)
 - a. with regard to the successful completion of the project in India as per the permission letter given by MoI&B or MEA (as the case maybe for foreign films shoot and documentaries) /successful completion of the project as per contract (for animation, post production and visual effects projects) and.
 - b. authenticating the expense incurred in India against the production budget and production schedule.
8. Audited Expense Statement- Item wise audited statement, certifying the Production expenses incurred by the Applicant in the Republic of India alongwith detailed expense statement. A suggested format (for the sake of uniformity) is enclosed **Annexure X**.
9. Copies of invoices for payments against which claims are made should be enclosed and any expenditure covered under Goods and Services Tax Act, 2017 (GST Act) should be presented with GST compliant invoices.
10. Certified true copy from banker of Bank Statement from which payouts are made for filming/ production in India.
11. In case the applicant is claiming bonus incentive for employing Indian labour, a statement mentioning Aadhar and PAN numbers of the Indian labour employed alongwith copies of Aadhar Card and PAN card (proving they are residents of India) should accompany the application.

12. In case the applicant is claiming additional bonus incentive for Significant Indian Content, documents proving the compliance to the criteria for SIC set out at clause 3.1 (3).
13. Individual payment to crew, cast members and vendors exceeding INR 50,000 (Rupees fifty thousand only) require legally binding agreement appropriately stamped and signed by both the parties (Applicant and cast/crew member) along with copy of Aadhar Card/PAN Card.
14. Declaration and statement regarding Related Party Transactions (Format at **Annexure 5**).
15. The Feedback Form of the FFO duly filled in by the LP/LPSC on behalf of the production company.
16. Where applicable, the following must accompany the application:
 - LO report, in cases where SEO/ Gol/ State Government assigns an LO to the production team.
 - No Objection certificate (NOC) from the concerned officer/ Mission, for all Documentaries or those films where SEO recommends the film be shown to a representative of the Government of India, in India or an Indian Mission abroad.

Note: All documents in foreign language other than English must be translated in English and notarized along with documents in local Languages.

3.8 Definitions

- Above the line: It covers individuals who guide and influence the creative direction of the narrative in a film before shooting starts. E.g., Executive Producer, Producer, Director, Screenwriter, Cast, Animation Director, etc.
- Applicant: An individual or a company who makes a formal application for the incentive. In this context, it may refer to a Line Producer or a Line Production Services Company or a Postproduction company or Animation Studio.
- Below the line: It covers team members that cross over from principal photography through post-production. E.g., Film Editor, Editorial Team, 1st Assistant Director, Art Team, Stunt Team, Composer, Hair Stylist, Visual Effects Team, Make Up, Camera Team, Sound Team, Production Assistants
- Budget: Refers to the appropriated funds (INR) allotted by the Ministry of Information and Broadcasting every Financial Year (April – March), to fund reimbursements under the filming and co-production incentives.
- Documentary: A motion picture that shapes and interprets factual material for purposes of education or entertainment.
- Financial year (FY): In India, the government's financial year runs from 1 April to 31 March the following year.
- GoI Representative: An Officer of any official Ministry or Department of the Government of India (Ex: Ministry of Information and Broadcasting) and Officer of an Indian Embassy / Mission located abroad.
- International Production Companies (“International Producer”): A production services company, established in another country, which must own the copyright in the accredited production throughout the period during which the production is produced in India.
- Lead characters: Characters that have the longest role in the production in terms of screen time or have strongest screen presence.
- Liaison Officer (LO): A Government Officer who is specifically appointed subsequent to the recommendation made by the Script Evaluation Officer (SEO). His/ Her job is to ensure that the recommendations made by the SEO are full adhered to.
- Line Producer (LP): An individual or a company responsible for managing the budget and overseeing all operations and logistics for a film from pre-production to post-production. They must be based in India and be in possession of a valid Permanent Account Number (PAN) as per the Indian Income Tax Act, 1961 and a valid Goods and Services Tax Registration Certificate under the Central and State Goods and Services Tax Act 2017 (CGST and SGST).
- Line Production Service Company (LPSC): A production services company based in India, in possession of a valid Permanent Account Number (PAN) as per the Indian Income Tax Act, 1961 and a valid Goods and Services Tax Registration Certificate under the Central and State Goods and Services Tax Act 2017 (CGST and SGST)
- Ministry of Information and Broadcasting (“MoI&B”): Ministerial level agency of the Government of India responsible for the formulation and administration of rules, regulations, and laws in the areas of information, broadcasting, the press, and the Cinema of India.
- Ministry of External Affairs (MoEA): The Ministry of External Affairs of India is the government agency responsible for maintaining the foreign relations of India.

- On the line: It covers team members that bridge the gap between preproduction and principal photography. E.g., Line Producer, Director of Photography, Casting Director, Location Manager, Production Designer, Art Director etc.
- Principal Photography: Also referred to as shooting, is the process of recording all the footage that will be used in a movie. Everything that may appear on screen or be heard is filmed. This may include scenes with actors, special effects, and scenery shots depending on what type of movie it is.
- Post Production / Visual Effects / Animation Agency (PPA): A post-production, visual effects, or animation services company based in India, in possession of a valid Permanent Account Number (PAN) as per the Indian Income Tax Act, 1961 and a valid Goods and Services Tax Registration Certificate under the Central and State Goods and Services Tax Act 2017 (CGST and SGST).
- Project Complete: Marked by completion of the in-scope activities, as per the permit granted by MoI&B for the given project or as per contract in case of Postproduction, Visual Effects and Animation, as certified by the foreign production company.
- Project: For the purpose of this document, a Project may refer to a Foreign/International Feature Film (including Animations and Live Actions), Web Shows/Series, Commercial TV Shows/Series. A single season per series is considered as an individual project.
- Qualifying Production Expenditure (QPE): An is expenditure incurred by the Applicant (on Producer's behalf or otherwise) wholly in respect of the applicable production, across pre-production, production (incl. Principal Photography) and post-production, and attributable to the categories of goods and services sourced and/or provided in India as set out in Clause 3.4.
- Reimbursement: Incentive which involves a repayment of expenses incurred for the purpose of filmmaking, postproduction, animation, etc.
- Script Evaluation Officer (SEO): The Script Evaluation Officer (SEO) - An expert from a panel constituted by the Ministry who will evaluate the script with a view to ensure that the film has nothing objectionable from the point of view of presentation of a correct and balanced perspective on the topic covered.
- Special Incentive Evaluation Committee (SIEC): A committee setup to evaluate applications, at the intermediary, and final approval stages. The committee shall constitute of Permanent Members (for their term in office)
 - General Manager (P&A), NFDC
 - Head, FFO
 - Director / GM / DGM / Manager Finance, NFDC
 - Engaged on assignment basis
 - A Financial expert (preferably a Chartered Accountant, having the experience of account and audit of a film with a view to determine production cost estimates and shall be an advisor on contractual/outsourced basis)
 - Industry expert
 - Representative from a panel of LPs/LPSCs/PPAs enlisted with FFO

3.9 Format of Documents

3.9.1 Sample Authorization Letter

(Annexure1)

(On Company Letterhead)

The Film Facilitation Office
Ministry of Information & Broadcasting
National Film Development Corporation
New Delhi
Email – ffo@nfdcindia.com

Dear Sir/Madam

Sub: Authorization letter

This is to state that Mr/ Ms ***** , is authorized by _____ (international company name) as the Indian Service Company for the Feature Film or TV Show/series, Reality show/series or Web Film, show/series titled _____ (Title of the Film) and to act on the production company's behalf for all matters pertaining to the application for Permission for Shooting of the film in India. Their contact details are as follows:

Address

Contact Details)

Email:

Thank you

Name-

Date-

Place-

(Signature and seal)

3.9.2 Declaration of Authorised Representative

Annexure 2

(On Company Letterhead)

This is to certify we(name of company) are undertaking a project of filming in India titled(title of the project) and that Mr/Ms..... (name of authorized person) having passport/national identity no(enclose copy) is an employee of the company and is authorized to act on behalf of this organization on all matters related to the said filming project in India.

Sign and Stamp

3.9.3 Declaration by Indian Service Company

Annexure 3

FORMAT FOR DECLARATION BY THE INDIAN SERVICE COMPANY

(To be submitted on Official Letterhead)

I/We----- (name of Indian Service Company with address) hereby declare that we have submitted the application for final approval for grant of incentive under the Scheme of Incentives for Foreign Film Production in India for the project titled.....(name of filming/animation/post production project) on behalf of(name of International Production Company).

I/we declare that no harm/ negative impact done on the environment and/or to natural resources.

I/we declare that each payment mentioned in the accompanying auditors certificate has been incurred and discharged in full prior to finalization of the Audited Expenditure Statement and that no payment is due to any crew members and vendors for supply of goods and services with respect to the afore mentioned project.

I/We declare that we have not received any amount from local sources in India as gift, sponsorship, product placement fees etc. and they are not included in the Qualifying Production Expenses submitted.

Sd/-

(Authorised Signatory)

FORMAT FOR AUTHENTICATING EXPENSES INCURRED IN INDIA

I/we..... (International Production Company) and (Indian service company) hereby declare that we have executed the filming/animation/postproduction project titled----- (name of the project) in India. We hereby further declare that:

- a) The project has been successfully completed in India as per the provisions specified in the Ministry of Information & Broadcasting/ Ministry of External Affairs (in the case of documentaries) permission letter no..... dated.....

OR

- b) The project has been successfully completed in India as per the contract (for post production/animation/visual effects projects)
- c) It is also certified that the production in India is completed/not completed (strike out whichever not applicable) as per the production schedule and within the production budget. (If variation from original schedule and budget, please specify reasons).

Sd/-

Sd/

(International Production Company)

(Indian Service Company)

FORMAT FOR DECLARATION PERTAINING TO RELATED PARTY TRANSACTIONS

(On letterhead of Indian Service Company duly certified by the auditor)

I/we.....(name of Indian Service Company) hereby declare that no transactions/ following transactions (attach separate list certified by the auditor) have been made to related parties with respect to the project..... (title of the filming project). I/we also declare that Related Party transactions have been mentioned separately in the detailed audit report and transactions in respect of which Qualifying Production Expenditure (QPE) has been claimed have been incurred at arm's length price.

(Authorised Signatory)

FORMAT FOR CA CERTIFICATE (DETAILED EXPENSES IN EACH HEAD ALSO TO BE GIVEN SEPARATELY)

Certificate No.**DATE**

TO WHOMSOEVER IT MAY CONCERN

We have audited the Statement of Accounts for the Feature Film Titled and hereby states that **M/s.....**have incurred expenses amounting to **Rs** during the periodout of the Funds received from..... for expenses for Production of the aforesaid film for and on their behalf as detailed below

<u>Sr.No.</u>	<u>Account Head</u>	<u>Amount</u> <u>(Rupees)</u>
1	01 - Pre - Production Expenses	0.00
2	02 - Story / Screenplay / Dialogue	0.00
3	04 - Direction Department	0.00
4	05 - Production Department	0.00
5	06 - Camera Department	0.00
6	07 - Light Dept & Other Accessories	0.00
7	08 - Electrics And Lighting	0.00
8	09 - Other Equipments	0.00
9	10 - Sound Department	0.00
10	11 - Art Department	0.00
11	12 - Costume Department	0.00
12	13 - Action	0.00
13	14 - Make - Up & Hair Crew	0.00
14	16 - Still Photography on Set	0.00
15	17 - Shoot Travel	0.00
16	18 - Hotels	0.00

17	19 - Food	0.00
18	20 - Daily Production Cost And Wages	0.00
19	22 - Raw Stock	0.00
20	23 - DI Lab	0.00
21	24 - Editing Department - Crew	0.00
22	25 - Audio Post	0.00
23	26 - Animals And Action Vehicles	0.00
24	27 - COVID - 19 Safety	0.00
25	28 - Misc Expenses / Rough Recordings Etc	0.00
26	29 - Cast	0.00
27	31 - Publicity & Advertising	0.00
28	32 - Assests Purchases	0.00

Total

-

Aforesaid expenses includes below detailed taxes

1	IGST	0.00
2	CGST	0.00
3	SGST	0.00
Total		0.00

We have conducted our audit in accordance with Generally Accepted Auditing Standards in INDIA. We believe that our audit provides a reasonable basis for our opinion. We further report that, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit and hereby confirm that the above certificate is issued on the basis of documents presented before us for our verification. In our opinion and to the best of our information and according to explanations given to us, the particulars given in the aforesaid certificate of expenses for the above referred film is true and fair, subject to our observation / qualification, if any, as per Annexure.

SIGN AND SEAL OF CHARTERED
ACCOUNTANT WITH REGN NUMBER

4 SECTION B: Incentives For Projects Involving Pure Animation, Post Production And Visual Effects Services

Post Production/VFX/Animation services undertaken in India by an Indian Post Production Visual Effects and Animation Services (PPA) company on behalf of an international Production Company are eligible for the incentives. Subject to an individual limit of Rupees 30 Crore/ INR 300 Million, the following incentives are available:

- a. Reimbursement of up 30% of Qualifying Production Expenditure (QPE) incurred in India.
- b. Additional bonus reimbursement of 5% of Qualifying Production Expenditure incurred in India for Significant Indian Content (SIC).

4.1 Eligibility

4.1.1 Post Production/VFX/Animation services undertaken in India by an Indian Post Production Visual Effects and Animation Services (PPA) company on behalf of an international Production Company that have obtained prior/interim approval for incentives after 01.04.2022 are eligible for the incentive.

4.1.2 To be eligible for the Reimbursement, a production must satisfy the following criteria which are explained in detail below:

a) Eligible Applicant profile

1. The entity responsible principally for all activities involved in making the production in India (the "International Producer") may claim Reimbursement via an Indian Applicant i.e Postproduction/Visual Effects/Animation Company based in India, in possession of
 - o a valid Permanent Account Number (PAN) as per the Indian Income Tax Act, 1961 and
 - o a valid Goods and Services Tax Registration Certificate under the Central and State Goods and Services Tax Act 2017 (CGST and SGST).
2. The Applicant will be responsible for making all arrangements for purchasing, hiring and production related expenditure, on behalf of the International Producer.
3. The International Producer and applicant to enter into a legal binding agreement (as per Indian laws) with respect to the service delivery and reimbursement application process & distribution of funds. A copy of the agreement/contract must be attached with the application.
4. While there may be more than one PPA Service Company involved on a project, joint applications, or applications from more than one applicant per project are not permitted.

b) Type of Production

1. Eligible productions for incentives under the pure animation, post production and visual effects services must be in one of the following formats:
 - a) Feature Films/ Animation Feature Films (a minimum of seventy-two minutes duration).
 - b) Commercial TV Shows/ Series: a stand-alone program or series, each episode being no less than one broadcast half-hour in length, which is intended for initial commercial distribution in a medium other than cinema (Per Season*).
 - c) Web Shows/ Series/ Animation Series (Per Season*)

*A project will be deemed to be a series or a season if the episodes feature a common theme or themes and/or contain dramatic elements that form a narrative structure. Each series or season shall only be entitled to one Reimbursement.

c) Funding Structure

The Applicant, if required, must be able to provide evidence that the production budget is primarily provided by financier(s), for whom the principal place of business is located, in a jurisdiction outside of India.

d) Minimum QPE

QPE is expenditure incurred by the Applicant (on behalf of International Producer or otherwise) wholly in respect of the applicable post-production, Visual Effects and animation services and attributable to the categories of goods and services sourced and/or provided in India. The Minimum QPE requirements animation, post production and visual effects services to be able to qualify for the incentive is Rs 1 Crore/ INR 10 Million.

- 4.1.3. A project must involve services that are physically undertaken at least in parts within the territory of India by a company registered in India on behalf of a foreign company.
- 4.1.4. An additional bonus 5% incentive can be granted based on Significant Indian Content .The criteria for Significant Indian content would be but not limited to any of the following:
 - a. At least 25% of the total budget is spent in India.
 - b. At least any one of the three lead characters (see definitions) is Indian or played by an actor (including voice talent) who is an Indian national.
 - c. At least one of the Creative Head of Department (Director, Animation Director, Director of Photography, Music Director, Writer) is an Indian National.
 - d. The project presents positive images or promotes positive perception of India.
 - e. Present the beauty of India's tourist attractions

(The Significant Indian Content will be decided by a Committee consisting of three Script Evaluation Officers who will evaluate the script and production budget and whose decision will be final.)

- 4.1.5. Applicants receiving benefits under "Incentive for Audio Visual Co-production with foreign countries" shall not be eligible to apply for the Reimbursement separately.
- 4.1.6. Applicants shall be entitled to apply for one (1) Reimbursement per project. In case a project has applied for incentives for live shoots, they cannot apply separately for the incentives for

post production, visual effects and animation services even if performed through a different Production Services Company. In no circumstances shall an Applicant be permitted to apply through any third party (related or unrelated), and it shall be at the sole and absolute discretion of Ministry of Information & Broadcasting to determine the same. However, each season or series of the same production shall count as a separate Project.

4.2 Application Process

The Indian Line Producer or Line Production Services Company has to apply for the incentives in two stages:

1. Application for Interim Approval
2. Application for Final Approval and Disbursal

4.2.1 Interim Approval

The following outlines the application process, for Interim Approval

- a. Application for Interim Approval is to be made by the Applicant on behalf of the Producer within one month of executing the agreement between Indian PPA and the Foreign Production for pure postproduction, Visual Effects or Animation services.
- b. The applicant will be assigned with a unique application number to track further progress and updates.
- c. Any documents/ information pending shall be intimated to the applicant by the FFO within 20 working days of receipt of application.
- d. Applicant must submit the additionally requested documents or additional information sought, if any, within 15 working days of intimation.
- e. Application shall be evaluated by the Film Facilitation Office (FFO) only after all prescribed documents and additional documents, as requested by FFO, have been submitted.
- f. FFO shall process the application within 45 working days from the date of receipt of complete documentation from the applicant, including evaluation from SEOs for the script and SIC.
- g. On successful evaluation of the application, FFO will issue an Interim Approval Certificate which will be valid for a period of 12 months, for the purpose of Final Application. In case of projects that have a QPE of INR 200 Million/ Rs 20 Crore or more, the validity of the Interim Approval Certificate will be 24 months.
- h. In case of any schedule change, the Applicant must inform the FFO with appropriate reason(s) to request for possible extension of the Interim Approval.

4.2.2 Final Approval

The following outlines the application process, for Final Approval

- 4.2.2.1 Application for Reimbursement is to be made by the Applicant on behalf of the International Producer after the completion of the said project ("Project Completion").

- 4.2.2.2 The application must be submitted within 90 days of project completion in prescribed form along with copy of invoice in foreign currency submitted to the international producer duly certified by a Chartered Accountant and Foreign Inward Remittance Certificate (FIRC) issued by an Indian bank for the said amount.
- 4.2.2.3 The application number for the reimbursement application shall remain the same as provided during the Interim Approval process.
- 4.2.2.4 FFO will check to ensure complete application has been submitted with all requisite documents.
- 4.2.2.5 Any documents/ information pending shall be intimated to the applicant by the FFO within 30 working days of receipt of application. Applicant must submit the additionally requested documents, if any, within 10 working days of intimation.
- 4.2.2.6 Application shall be evaluated by a Special Incentive Evaluation Committee (“SIEC”) only after all prescribed documents and additional documents, as requested by FFO, have been submitted. The decision of the Committee is final and shall not be challenged in any Court of Law.
- 4.2.2.7 FFO shall process the application for approval by SIEC within 60 working days from the date of receipt of complete documentation from the applicant.

4.3 Disbursement Milestones

- 4.3.1 90% of the eligible incentives will be disbursed as per the application number, on a first-come-first-served basis, to the applicant’s bank account.
- 4.3.2 Remaining 10% of the eligible incentives will be processed on submission of a copy of the final credits that is to be released with the following placed at a prominent and visible place - ‘Created in India’ along with FFO Logo and an affidavit from the producers that the film has been released for public (theatrical, festival, digital, OTT, streaming, etc.) viewing.

4.4 Qualifying Production Expenditure (“QPE”)

- 4.4.1 Seventy Five percent of the Service Contact value (i.e 25% reduction as normative software licence cost) for the animation/ visual effects/post production service would be considered as the basic QPE.
- 4.4.2 QPE is expenditure incurred by the Applicant (on behalf of International Producer or otherwise) wholly in respect of the post-production, Visual Effects and animation and attributable to the categories of goods and services sourced and/or provided in India as set out below. The expenses will accumulate from the day of submission of form for interim approval to FFO.
- 4.4.3 The Applicant is advised to monitor minimum QPE and other eligibility criteria (such as eligible production format) during production to ensure that the production continues to meet eligibility requirements.
- 4.4.4 Any fees or expenses paid to qualifying personnel (which includes cast, crew, and extras) only qualifies as QPE if the qualifying individual are Indian citizens and residents.
- 4.4.5 In the event that FFO deems any transaction in respect of which QPE is claimed to have been conducted in a manner other than at arm’s length (i.e., at a reasonable commercial rate and

not a related-party transaction), FFO may apply a market rate to the cost of the applicable goods or services or exclude the costs from QPE. All related-party transactions should be declared separately in the audit report.

4.4.6 All claims of QPE will be subject to proof that each payment has been incurred and discharged in full prior.

4.4.7 Fees paid to the PPA and other above-the-line personnel (including, but not limited to, executive producers, producers, directors, casting directors, talent agencies, actors) qualify as QPE with such fees paid to each category capped at 10% of the QPE. Fees paid to below-the-line crew qualify as QPE in respect only of the period during which the services are provided in India.

4.4.8 OTHER QPE INCLUSIONS (which may be part of the basic service contract)

- Story (development and acquisition, if incurred in India)
- Visual and digital effects, Sound effects
- Editing
- Animation
- Color grading
- Booking of studio facilities, rent etc.
- Acquiring props
- Set construction
- Equipment and Supplies
- Freight provided by an Indian Supplier or made through an Indian Agent
- Accommodation and hospitality during shooting
- Insurance payments in India
- Payment for goods/services from foreign vendors supplying the same from their Indian office/branch
- Songs and background music, Choreography, Recording of songs/music
- Fringe benefits tax relating to benefits provided in India paid by the International Producer
- Food and beverage
- Lab and processing charges

4.4.9 QPE EXCLUSIONS: The following expenses are excluded from the QPE:

- Indian taxes including GST, local taxes, etc.
- Bank interest and charges
- Audit fees and any fees incurred in making incentives applications
- Any other expenses as decided by the Special Incentive Evaluation Committee

4.5 Incentive Non-Eligibility

- 4.5.1 The Applicant does not apply for or take interim approval for incentive.
- 4.5.2 The Applicant does not submit correct audited statement i.e., a statement with financial irregularities, forgery or misrepresentation or does not submit any relevant documents as specified in Point 3. In cases of forgery or misrepresentation, the applicant will be blacklisted and barred from applying for any future projects.
- 4.5.3 The Production was not produced as per the interim approval certificate letter given by the FFO.
- 4.5.4 The Production resulted in a negative impact on the natural resources and/ or the environment.
- 4.5.5 In the event of a legal dispute, arbitration proceedings or court orders, Ministry of I&B reserves the right to withhold the approved incentive until the matter is settled or the Ministry sees appropriate to release the same. The Ministry of I&B's decision in such matters is considered as final. The jurisdiction in legal dispute shall be in Delhi only and the Court alone in Delhi will have jurisdiction in the matter.

4.6 General Information

- 4.6.1 Applicants must ensure at all times during the production that it, the International Producer, and all their employees comply with all applicable laws, statutes, regulations, and ministerial decisions in force from time to time, including, but not limited to, the Indian Labor.
- 4.6.2 FFO will use all reasonable efforts to maintain the confidentiality of the information provided by the Applicant but may be required to share certain information supplied by the Applicant with public authorities, regulators, and independent consultants.
- 4.6.3 FFO shall be entitled at any time, through a qualified accountant to inspect and audit all books of account and records maintained by the Applicant and/or the International Producer in respect of all data relevant to the Reimbursement and to contact the Applicant's auditors directly where required.
- 4.6.4 Applicants are encouraged to use digital modes of payments and retain digitally printed receipts to facilitate a smooth hassle-free process.
- 4.6.5 Various Indian States also offer regional filming incentives which can be combined with the Cash rebate.
- 4.6.6 FFO will be given a credit in the end credits or end crawl in all cases on all prints of the film (or other content as applicable), in the form of 'Created in India' . The credit line and logos will be provided by FFO.
- 4.6.7 The International Producer shall on a best-efforts basis handover to the FFO, testimonials from the film's crew and behind the scenes action of the film making and other such suitable material, to be used by FFO to promote India as a film production destination.
- 4.6.8 In the event FFO reasonably suspects (in its sole and absolute discretion) the presence of dishonesty, fraud or willful negligence or misconduct on behalf of the International Producer and/or Applicant, it may cancel, reject, withdraw, withhold or revoke (in whole or in part) the Reimbursement with the approval of Ministry of Information & Broadcasting. Further, FFO with the approval of Ministry of Information & Broadcasting may, in its sole and absolute

discretion impose a permanent restriction on the Applicant and/or International Producer from applying for and/or receiving a Reimbursement (whether directly or indirectly or in whole or in part) in the future. FFO reserves the right to report any suspected fraudulent submissions to the appropriate authorities.

- 4.6.9 In case of any queries/concerns, the applicant may reach out to FFO on email at ffo@nfdcindia.com. These guidelines may be downloaded from the FFO website.

4.7 Document Checklist

[TO BE SUBMITTED FOR INCENTIVES APPLICATION FOR PURE POST PRODUCTION, VFX AND ANIMATION PROJECTS]

4.7.1 Documents Required for Interim Approval

1. Duly filled application form for interim approval (format available on www.ffa.gov.in)
2. Script or storyboard in the case of animation projects /Treatment (in case of postproduction only projects) and/ or any material that provides a full description of the production.
3. Copy of a **legally binding** executed agreement between the Indian Post Production /Visual Effects/Animation company and the International Production Company covering the scope of services and specifying the costs thereof. The agreement should be signed by both parties and duly franked.
4. Registration certificate/ Certificate of Incorporation of the International Producer and Current trade licence, if applicable
5. Copy of the following documents of the Indian PPA:
 - a. Self-Attested PAN Card,
 - b. GST Registration Certificate,
 - c. Company Registration certificate of Indian Service Company.
6. Project schedule in India (as the case may be) with tentative start and finish dates.
7. Total itemized budget specifying the rate for each service and how they are arrived at i.e lump sum per project, Mandays or rate per minute; for each service.

4.7.2 Documents Required for Final Approval

1. Duly filled application form for final approval and disbursal (format available on www.ffa.gov.in).
2. Interim Approval Certificate.
3. Foreign Inward Remittance Certificate (FIRC) with invoice from the Indian PPA service company along with supporting invoices from third party service providers, if any may be submitted,duly certified by an auditor. They have to as per the contract provisions.
4. Declaration from Indian PPA (**Format at Annexure 3**) that
 - a. each payment has been incurred and discharged in full prior to finalization of

the Audited Expenditure Statement.

- b. no payment is due to any crew members and vendors for supply of goods and services.
 - c. that no harm/ negative impact done on the environment and/or to natural resources.
- 5. Certified letter from bank containing information about the account (Account Number, IFSC, Bank name and Branch, Name of Account Holder), to which the Cash Rebate Incentives shall be transferred.
- 6. Registration details of the Auditor appointed by the applicant to certify the expenditure incurred in India.
- 7. **In case the applicant is claiming additional bonus incentive for Significant Indian Content, documents proving the compliance to the criteria for SIC set out at clause 4.1.4.**

Note: All documents in language other than English must be translated in English and notarized along with such documents in local Languages.

4.8 Definitions

- Above the line: It covers individuals who guide and influence the creative direction of the narrative in a film before shooting starts. E.g., Executive Producer, Producer, Director, Screenwriter, Cast, Animation Director, etc.
- Applicant: An individual or a company based in India who makes a formal application for the incentive. In this context, it may refer to a Postproduction company or Animation Studio.
- Below the line: It covers team members that cross over from principal photography through post-production. E.g., Film Editor, Editorial Team, 1st Assistant Director, Art Team, Composer, Render Wrangler, storyboard artist, Hair Stylist, Visual Effects Team, Make Up, Camera Team, Sound Team, Production Assistants
- Budget: Refers to the appropriated funds (INR) allotted by the Ministry of Information and Broadcasting every Financial Year (April – March), to fund reimbursements under the filming and co-production incentives.
- Documentary: A motion picture that shapes and interprets factual material for purposes of education or entertainment.
- Financial year (FY): In India, the government's financial year runs from 1 April to 31 March the following year.
 - GoI Representative: An Officer of any official Ministry or Department of the Government of India (Ex: Ministry of Information and Broadcasting) and Officer of an Indian Embassy / Mission located abroad.
- International Production Companies (“International Producer”): A production or production services company, established in another country, which must own the copyright in the accredited production throughout the period during which the production is produced in India.
- Lead characters: Characters that have the longest roles in the production in terms of screen time or have strongest screen presence.
- Liaison Officer (LO): A Government Officer who is specifically appointed subsequent to the recommendation made by the Script Evaluation Officer (SEO). His/ Her job is to ensure that the recommendations made by the SEO are full adhered to.
- Ministry of External Affairs (MoEA): The Ministry of External Affairs of India is the government agency responsible for maintaining the foreign relations of India.
- On the line: It covers team members that bridge the gap between preproduction and principal production. E.g., Line Producer, Animator, Production Designer, Art Director, Sound Recordist, Film and Video editor, etc.
- Post Production / Visual Effects / Animation Agency (PPA): A post-production, visual effects, or animation services company based in India, in possession of a valid Permanent Account Number (PAN) as per the Indian Income Tax Act, 1961 and a valid Goods and Services Tax Registration Certificate under the Central and State Goods and Services Tax Act 2017 (CGST and SGST).
- Project Complete: Marked by completion of the in-scope activities, as per the permit granted by Mol&B for the given project or as per contract in case of Postproduction, Visual Effects and Animation, as certified by the foreign production company.

- Project: For the purpose of this document, a Project may refer to a Foreign/International Feature Film(including Animations and Live Actions), Web Shows/Series, Commercial TV Shows/Series. A single season per series is considered as an individual project.
- Qualifying Production Expenditure (QPE): An is expenditure incurred by the Applicant (on Producer’s behalf or otherwise) wholly in respect of the applicable production, across pre-production, production (incl. Principal Photography) and post-production, and attributable to the categories of goods and services sourced and/or provided in India as set out in Clause 4.4.
- Reimbursement: Incentive which involves a repayment of expenses incurred for the purpose of filmmaking, postproduction, animation,etc.
- Script Evaluation Officer (SEO): The Script Evaluation Officer (SEO) - An expert from a panel constituted by the Ministry who will evaluate the script with a view to ensure that the film has nothing objectionable from the point of view of presentation of a correct and balanced perspective on the topic covered.
- Special Incentive Evaluation Committee (SIEC): A committee setup to evaluate applications, at the intermediary, and final approval stages. The committee shall constitute of Permanent Members (for their term in office)
 - General Manager (P&A), NFDC
 - Head, FFO
 - Director / GM /DGM / Manager Finance, NFDC
 - Engaged on assignment basis
 - A Financial expert (preferably a Chartered Accountant, having the experience of account and audit of a film with a view to determine production cost estimates and shall be an advisor on contractual/outsourced basis)
 - Industry expert
 - Representative from a panel of LPs/LPSCs/PPAs enlisted with FFO

4.9 Format of Documents

4.9.1 Format of Authorisation Letter for Foreign Production

Annexure 1

Sample Authorization Letter

(On Company Letterhead)

The Film Facilitation Office
Ministry of Information & Broadcasting
National Film Development Corporation
New Delhi
Email – ffo@nfdcindia.com

Dear Sir/Madam

Sub: Authorization letter

This is to state that Mr/ Ms *****, is authorized by _____ (international company name) as the Indian Post Production, Visual Effects and Animation Services (PPA) company for the Feature Film or TV Show/series, or Web Film, show/series titled _____ (Title of the Film) and to act on the production company's behalf for all matters pertaining to the application for Permission for Shooting of the film in India. Their contact details are as follows:

Address

Contact Details)

Email:

Thank you

Name-

Date-

Place-

(Signature and seal)

**FORMAT FOR DECLARATION OF AUTHORISED REPRESENTATIVE OF INTERNATIONAL
PRODUCTION COMPANY**

(On Company Letterhead)

This is to certify we(name of company) are undertaking a project of filming in India titled(title of the project) and that Mr/Ms..... (name of authorized person) having passport/national identity no(enclose copy) is an employee of the company and is authorized to act on behalf of this organization on all matters related to the said filming project in India.

Sign and Stamp

4.9.3 Format for Declaration by Indian PPA

Annexure 3

FORMAT FOR DECLARATION BY THE INDIAN SERVICE COMPANY

(To be submitted on Official Letterhead)

I/We----- (name of Indian Service Company with address) hereby declare that we have submitted the application for final approval for grant of incentive under the Scheme of Incentives for Foreign Film Production in India for the project titled.....(name of filming/animation/post production project) on behalf of(name of International Production Company).

I/we declare that no harm/ negative impact done on the environment and/or to natural resources.

I/we declare that each payment mentioned in the accompanying auditors certificate has been incurred and discharged in full prior to finalization of the Audited Expenditure Statement and that no payment is due to any crew members and vendors for supply of goods and services with respect to the afore mentioned project.

I/We declare that we have not received any amount from local sources in India as gift, sponsorship, product placement fees etc. and they are not included in the Qualifying Production Expenses submitted.

Sd/-

(Authorised Signatory)

FORMAT FOR AUTHENTICATING EXPENSES INCURRED IN INDIA

I/we..... (International Production Company) and (Indian service company) hereby declare that we have executed the animation/postproduction services project titled----- (name of the project) in India. We hereby further declare that **the project has been successfully completed in India as per the contract.**

It is also certified that the production in India is completed/not completed (strike out whichever not applicable) as per the production schedule and within the production budget. (If variation from original schedule and budget, please specify reasons).

Sd/-

Sd/

(International Production Company)

(Indian Service Company)

FORMAT FOR DECLARATION PERTAINING TO RELATED PARTY TRANSACTIONS

(On letterhead of Indian Service Company duly certified by the auditor)

I/we.....(name of Indian PPA) hereby declare that no transactions/ following transactions (attach separate list certified by the auditor if related party transactions are declared) have been made to related parties with respect to the project..... (title of the project). I/we also declare that Related Party transactions have been mentioned separately in the detailed audit report and transactions in respect of which Qualifying Production Expenditure (QPE) has been claimed have been incurred at arm's length price.

(Authorised Signatory)

FORMAT FOR CA CERTIFICATE (DETAILED EXPENSES IN EACH HEAD ALSO TO BE GIVEN SEPARATELY)

Certificate No.**DATE****TO WHOMSOEVER IT MAY CONCERN**

We have audited the Statement of Accounts for the Post Production, Visual Effects and Animation Services project titled..... and hereby states that **M/s.....** have incurred expenses amounting to **Rs** during the periodout of the Funds received from..... for expenses for Production of the aforesaid film for and on their behalf. The above expenses are tallied with the Foreign Inward Remittance Certificate (FIRC) number-----dated----- for the said amount issued by ----- (name of bank)

We have conducted our audit in accordance with Generally Accepted Auditing Standards in INDIA. We believe that our audit provides a reasonable basis for our opinion. We further report that, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit and hereby confirm that the above certificate is issued on the basis of documents presented before us for our verification. In our opinion and to the best of our information and according to explanations given to us, the particulars given in the aforesaid certificate of expenses for the above referred film is true and fair, subject to our observation / qualification, if any, as per Annexure.

SIGN AND SEAL OF CHARTERED
ACCOUNTANT WITH REGN NUMBER

5. Frequently Asked Questions of Foreign Film Production & post-production work done in India

1) I am planning on a filming project in India. Am I eligible for incentives?

If you are an international producer who is planning on a filming project as a feature film, Television Series, Web Show or documentary that involves live shoot in India or if your project involves animation, post production or digital/visual effects using a Indian company, you are eligible for incentives. There are also incentive schemes available for co-productions with an Indian producers made under the provisions of any of bilateral Audio Visual Coproduction Agreements that India has with many countries (presently 16).

2) My project is a documentary. Am I eligible for incentives?

Yes, Documentaries of at least 30 minutes in duration, approved for filming in India by the Ministry of External Affairs, are eligible for incentives. Documentaries that are granted official coproduction status are also eligible for incentives.

3) I am an Indian Animation Services company having foreign projects. Am I eligible for the incentives?

Indian Animation, Postproduction and visual effects companies can apply for incentives for such projects undertaken by them in India on behalf of a foreign entity.

4) Do pure animation, post production and visual effects projects qualify for the incentives?

Projects which involve only animation, post production and visual effects and visual effects services qualify for the incentives provided they are undertaken in India by an Indian Service Company.

5) Do pure animation, post production and visual effects projects have to apply for Ministry of I&B permission?

No, Ministry of I&B permission is not required for pure animation, post production and visual effects projects

6) Are pure animation, post production and visual effects projects eligible for the 5% bonus for Indian labour?

No such services do not qualify for the 5% bonus incentive.

7) Are there specific formats for the various declarations to be given with the applications?

Formats for the various declarations to be submitted alongwith applications are given as annexures to the guideline.

8) I did not apply for interim approval, can I still apply for the incentive?

Projects that have not applied for or got interim approval are not eligible to apply for incentives.

9) What are the timelines for application and processing of approvals?

SCHEME

The timelines for application and processing of approvals are given in clauses prescribing the application process of the extant guidelines.

10) Are there specific QPE exclusions for pure animation, post production and visual effects projects?

All services of animation, post production and visual effects undertaken in India qualify for the incentives. However, only expenses specific to the project incurred for and paid by the international agency can be claimed as Qualifying Production Expenses

11) What is the minimum Qualifying Production Expenses required for applying?

The minimum QPE requirements are laid out in clause 3.4 of the guidelines for production of foreign films. There are no minimum QPE requirements for official coproductions.

12) How will I know if my project requires an NOC from an Indian Mission?

At the stage of obtaining permission for filming in India, the script of the project is evaluated by the Script Evaluation Officer (SEO). They may recommend, while clearing the script, that the final film may be shown to an Indian Government representative for No Objection Certificate (NOC) so that there is no deviation from the submitted script. The Indian Government representative would normally be an officer of an Indian Mission (Embassy/High Commission/Consulate) abroad. This requirement would be mentioned in the approval letter given by the Ministry of Information and Broadcasting. In order to get the NOC from the Indian Mission, the producer may approach the FFO and the FFO will forward the same to the concerned Mission. However, in the case of documentaries, NOC has to be obtained by the producer directly from the Indian Mission that has granted them permission for filming of the documentary.

13) Can I apply separately for post production and live shoot?

One project can apply for incentives only once and all costs incurred in production including post production are to be included in the application.

14) What is the date from which expenses incurred can be included for consideration of incentive?

The date of grant of permission for filming in India by Ministry of I&B or Ministry of External Affairs (in the case of documentaries) would be considered. In the case of incentives for pure post production, animation or visual effects services, expenses incurred from the date of submission of form for interim approval of incentive to the FFO would be considered.

15) Are short films/reels,etc eligible to apply for incentives?

The guidelines specify that Feature Films should be of at least 72 Minutes duration and documentaries at least 30 minutes duration in order to be eligible to apply for incentives.

16) How long is the Interim Approval Certificate valid?

FFO will issue an Interim Approval Certificate which will be valid for a period of 12 months, for the purpose of Final Application. In case of projects that have a QPE of INR 200 Million/ Rs 20 Crore or more, the validity of the Interim Approval Certificate will be 24 months. However, if there are changes in schedule that require extension of validity of the Interim Approval certificate, the same

may be intimidated and in such cases, a fresh application would need to be made.

17) Are there specific inclusions and exclusions in the QPE?

The list of inclusions and exclusions in QPE are specified in clauses 3.4 and 4.4.

18) Is there any specific timeline for the meeting of the Special Incentive Evaluation Committee?

The meetings of the SIEC can be called by the chairman of the committee on a need basis and there are no regular dates for the meeting.

19) How will I know if a decision is made regarding my incentives?

As soon as the decision of the SIEC is approved by Managing Director, NFDC the same including the amount of incentive approved is conveyed to the applicant

20) Can I appeal a decision of the SIEC?

The decision of the Committee is final and shall not be challenged in any Court of Law.

PART II:

**SCHEME OF INCENTIVES FOR OFFICIAL
AUDIO VISUAL CO PRODUCTIONS WITH
FOREIGN COUNTRIES**

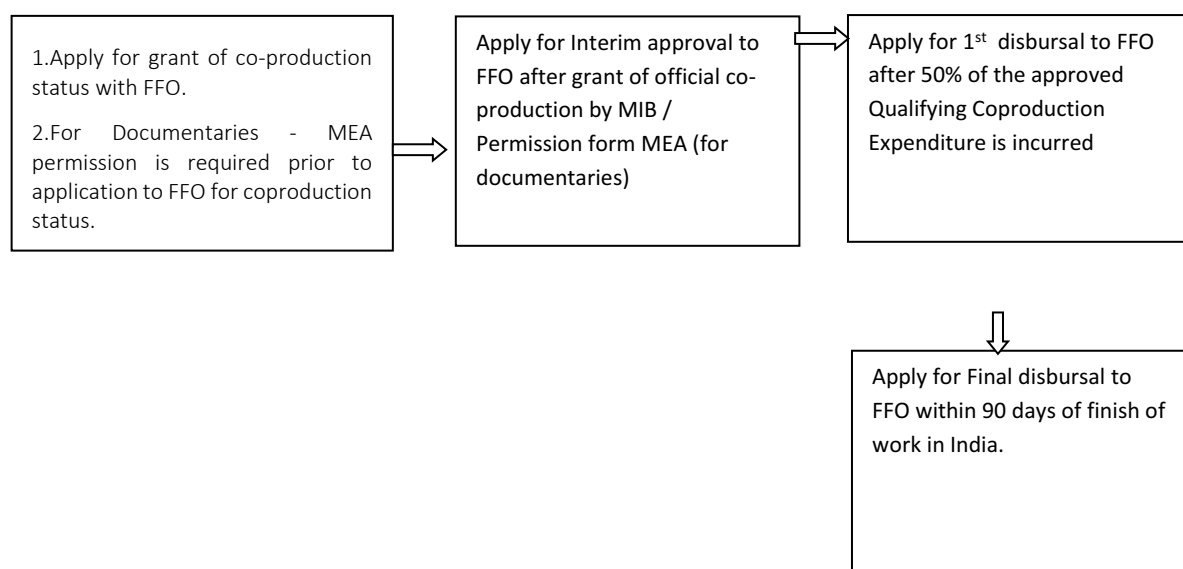
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1 Executive Summary

SCHEME OF INCENTIVES FOR OFFICIAL AUDIO VISUAL CO PRODUCTIONS WITH FOREIGN COUNTRIES

- Feature Films/ Animation Feature Films/ Web Shows or Series/Animation Series, etc. granted Official co-production status by Ministry of Information and Broadcasting as well as Documentaries by foreign producers granted permission by Ministry of External Affairs and granted official coproduction status by Ministry of I&B
- Reimbursement of 30% of Qualifying Production Expenditure (QPE) incurred in India subject to a cap of INR 300 million/ Rs 30 Crore per project.
- Incentives would be disbursed on a first come first served basis subject to a total incentive payout in one year of INR 1.5 billion /Rs 150 Crore,
- Application to be made by Indian Coproducer
- Application Process:
 - For Shoots and Animation projects (Feature Films, Documentaries, Animation Project etc.)



2 General: INCENTIVES FOR OFFICIAL AUDIO VISUAL CO PRODUCTIONS WITH FOREIGN COUNTRIES

2.1 The co-production agreements ("**Treaty**") allow for both bi-lateral and multi-lateral co-productions. Bi-lateral co-productions are where all the co-producers are from the applicable co-production countries whereas multi-lateral involves those parties plus what is termed a Third-party Co-producer or (in some cases) a Non-party Co-producer or both.

2.2 An official Indian co-production ("**Co-production**") is a production (or "**Project**"), between Indian producers and producers of one or more countries made under the provisions of one of India's official bi-lateral co-production treaties on Audio-Visual Co-production, and which has been granted official 'Co-production Status' by the Ministry of Information & Broadcasting.

2.3 Qualifying as an official Indian co-production grants eligibility to apply for either one of the following two incentive schemes, in addition to the benefits outlined in the treaty:

- Incentive for Audio Visual Co-production with foreign countries
- Incentive for production of foreign films in India, covered under "**Incentives for the production of foreign films in India**".

2.4 The "**Reimbursement**" is an incentive provided by the Ministry of Information & Broadcasting, Government of India, reimbursing up to 30% of Qualifying Co-Production Expenditure ("**QCE**") subject to a limit of Rs 30 Crore/ INR 300 Million.

2.5 The total available incentive will be subject to availability of allocated annual budget during the financial year (April to March) which would be specified in the beginning of the Financial year i.e April every year and will be disbursed on a first come first served basis. For the first two years i.e financial years 2023-24 and 2024-25, the total available budget will be Rs 150 Crore/ INR 1.5 Billion .Within the available budget for the FY, a minimum of Rs 10 Crore/ INR 100 million will be set aside for incentives for "Official Co-productions".

2.6 The expenses will accumulate from the day the shooting /filming approval has been granted by the Ministry of Information & Broadcasting or the Ministry of External Affairs (for documentaries only). In the case of pure animation projects where permissions/ approvals are not required, the expenses can accumulate from the day of grant of official co-production status.

2.7 This document sets out the guidelines for Reimbursement applicants ("**Applicants**") referring to Indian Co-producers and outlines the requirements for the application process. These guidelines may be subject to change/ revision and their interpretation and application with the approval of Ministry of Information & Broadcasting.

3. Eligibility

- 3.1 The project must have been granted the “Co-Production” status by the Ministry of I&B and the participating country(ies), under one of the India’s official bi-lateral co-production treaties on Audio-Visual Co-production.
- 3.2 Projects that have been granted official Co-production Status after 01.04.2022 are eligible for the incentive. In the case of Documentaries , a prior permit to film in India needs to be obtained from the Ministry of External Affairs before applying for Coproduction status to the Ministry of Information and Broadcasting through the FFO.

4. Applicant Profile

- 4.1 An Applicant must be an "**Indian Co-producer**" i.e., an individual, partnership, body corporate or unincorporated association, established and/ or incorporated in India, who is a co-producer of a project.
- 4.2 The maximum number of co-producers allowed for a Project shall be governed by the treaty(ies).
- 4.3 No co-producer may be linked to another co-producer by common ownership, management, or control (except to the extent that such link is inherent in the making of the co-production).
- 4.4 Each co-producer shall continue to play an active role throughout the period of co-production (including production planning and decision-making) and assume responsibility for carrying through practical and financial arrangements for the project.
- 4.5 The co-producers must have entered into a binding agreement, the terms of which reflect their respective roles, responsibilities, financial commitments, and liabilities, in accordance with the respective co-production treaty for the co-production.
- 4.6 Should there be more than one Indian Co-Producers, co-production should identify an "**Indian Delegate Co-Producer**" who will handle the operations and financing among the other co-production activities and will be eligible to claim the Reimbursement.
- 4.7 Companies that appear to exist as little more than in name only (“letterbox” companies) will not qualify as co-producer.

5. Production Format

Scope of eligible production formats (“**Projects**”) will be governed as per the binding treaty(ies).

6. Application and Disbursal Process

The Application and Disbursal can be in three stages:

1. **Application for Interim Approval:** To be made within 4 weeks of grant of coproduction status.
2. **Application for 1st Disbursal:** The Indian co-producer can (as an option) claim the 1st reimbursement, maximum up to 50% of the eligible reimbursement (as determined during the interim approval), post commencement of principal photography/production in India and on expenditure of the said amount.
3. **Application for Final Disbursal:** The final claim can be made upon completion, where the Indian co-producer can claim the entire eligible amount or balance (in case where he has received the 1st disbursal) amounts for reimbursement.

Application forms for the interim approval, 1st and Final disbursals are available on the FFO website.

6.1 Process Of Interim Approval

- a. Once a project has been granted a Co-Production status by the Ministry of I&B, application for Interim Approval can be made by the Indian Co-producer within four (4) weeks of grant of the coproduction status.
- b. The applicant will be assigned an unique application number to track further progress and updates.
- c. Any documents/ information pending shall be intimated to the applicant by the FFO within 20 working days of receipt of application. Applicant must submit additionally requested documents within 15 working days of intimation.
- d. FFO shall process the application within 20 business days from the date of receipt of complete documentation from the applicant.
- e. On successful evaluation of the application, FFO will issue an Interim Approval Certificate which will be valid for a period of 12 months, for the purpose of Final Claim of Incentive.

6.2 Process For 1st Disbursement

- a. Post commencement of the project, the applicant can submit the claim application, for disbursal of an amount up to 50% of the eligible reimbursement along with the supporting documents (Refer to Document Checklist).
- b. Any documents/ information pending shall be intimated to the applicant by the FFO within 20 working days of receipt of application.

- c. Applicant must submit additionally requested documents within 15 working days of intimation.
- d. FFO shall process the application for approval by the SIEC within 20 working days from the date of receipt of complete documentation from the applicant.
- e. **Application shall be evaluated by a Special Incentive Evaluation Committee (“SIEC”) only after all prescribed documents and additional documents, as requested by FFO, have been submitted.**
- f. Applicant would need to furnish an indemnity bond or bank guarantee for the full amount of 1st disbursal given valid for a period of one year.

6.3 Process For Final Disbursement:

- a. A final reimbursement claim can only be made once the project is complete.
- b. **Final Disbursal claim must be submitted by the Indian co-producer within 90 days of project completion along with required documents (Refer to Document Check list).**
- c. NOC is mandatory for all projects which are flagged for screening by the SEO and for Documentaries.

7. Qualifying Co-Production Expenditure(“QCE”)

QCE includes expenditure on goods, services, facilities, and cost of personnel from India, directly contributing to the making of the co-production. For calculation purposes the QCE amount shall be exclusive of GST.

7.1 QCE Inclusions

- 4.6.1 Expenditure on filmmaking facilities and locations in India.
- 4.6.2 Expenditure on filmmaking goods sourced in India.
- 4.6.3 Accommodation expenses, including reasonable per diem expenses, should be included in the spend of the country where the goods/services are provided.
- 4.6.4 Expenditure on personnel, who are residents of India (whether working in India or elsewhere).

7.2 QCE EXCLUSIONS

- 4.6.5 Acquisition/licensing costs (e.g., rights to pre-existing material)
- 4.6.6 Business overheads
- 4.6.7 Marketing costs
- 4.6.8 Trade association fees
- 4.6.9 Delivery cost
- 4.6.10 Financing cost
- 4.6.11 Insurance and completion bond
- 4.6.12 Contingent payments
- 4.6.13 Fees reinvested into the same project
- 4.6.14 International and interstate/ domestic travel (air and non-Air), and local conveyance

8. Submission Of Materials

- 8.1 FFO will have the right to publicize the filming of the Applicants co-production in India and the Applicant will assist FFO to facilitate the promotion as requested.
- 8.2 FFO may request that the Applicant and/or co-producer provide sample footage, rushes shot in India or publicity material for NFDC’s or FFO’s marketing purposes, which MUST be submitted.

9. General

- 9.1 The Ministry of Information & Broadcasting and NFDC/FFO must be given a credit in the end credits or end crawl in all cases on all prints of the film (or

other content as applicable), in the form of 'Filmed in India' or "Created in India" credit and FFO logo as provided by FFO in a prominent place. In case of Documentaries due and similar credit has to be given to the Ministry of External Affairs as well.

- 9.2 FFO shall have no obligation to pay the Reimbursement to anyone other than the party then entitled to the Reimbursement as set forth in the forms of Assignment and Acknowledgement delivered most recently to FFO, notwithstanding any contrary notice or other information delivered to FFO by Producer, assignee or any third party.
- 9.3 Applicants must ensure at all times during the production that it, the co-producer(s), and all their employees comply with all applicable laws, statutes, regulations, and ministerial decisions in force from time to time, including, but not limited to, the Indian Labor laws relating to working conditions and minimum wage of employees.
- 9.4 Applicants are encouraged to use digital modes of payments and retain digitally printed receipts to facilitate a smooth hassle-free process.
- 9.5 FFO will use all reasonable efforts to maintain the confidentiality of the information provided by the Applicant but may be required to share certain information supplied by the Applicant with The Ministry of I&B, public authorities, regulators, and independent consultants.
- 9.6 FFO shall be entitled at any time, through a qualified accountant to inspect and audit all books of account and records maintained by the Applicant and/or the co-producer in respect of all data relevant to the Reimbursement and to contact the Applicant's auditors directly where required.
- 9.7 In the event FFO reasonably suspects (in its sole and absolute discretion) the presence of dishonesty, fraud or willful negligence or misconduct on behalf of the Co-producer and/or Applicant, it may cancel, reject, withdraw, withhold or revoke (in whole or in part) the Reimbursement with the approval of Ministry of Information & Broadcasting. Further, FFO with the approval of Ministry of Information & Broadcasting may, in its sole and absolute discretion impose a permanent restriction on the Applicant and/or Producer from applying for and/or receiving a Reimbursement (whether directly or indirectly or in whole or in part) in the future. FFO reserves the right to report any suspected fraudulent submissions to the appropriate Law enforcement agencies.
- 9.8 In case of any queries/concerns, the applicant may reach out to FFO through email at ffo@nfdcindia.com. These guidelines may be downloaded from the [FFO website](#).

10 Countries That India Has Signed Audio Visual Coproduction Agreements

Australia	Bangladesh	Brazil
Canada	China	France
Germany	Italy	Israel
Republic of Korea	New Zealand	Poland
Spain	Russia	United Kingdom
Portugal		

Details to all the international treaties can be found on

www.ffo.gov.in/en/co-productions/international-treaties

11 Documents Checklist

11.1 Interim Approval

Documents to be submitted at the stage of Interim Approval for availing incentives under scheme of incentives for Official Coproduction for Live action shoots

- a. Duly filled application form for interim approval (format available on www.ffa.gov.in)
- b. Permit for filming in India:
 - issued by the Ministry of Information & Broadcasting
 - or Ministry of External Affairs (in case of documentaries).
- c. Document of grant of official co-production status from Ministry of I&B and document of grant of official co-production status all partner country(ies)
- d. Registration certificate/ Certificate of Incorporation of the International Producer and Current trade licence, if applicable
- e. Copy of the following documents of the Indian Co-producer:
 - i. Self-Attested PAN Card,
 - ii. GST Registration Certificate,
- f. Shooting/animation/ post-production schedule in India (as the case may be) with tentative start and finish dates.
- g. Total itemized QCE budget (approximate) signed by the Indian Co-producer.

Documents to be submitted at the stage of Interim Approval for availing incentives under scheme of incentives for Official Coproduction for Animation projects

- a. Duly filled application form for interim approval (format available on www.ffa.gov.in)
- b. Registration certificate/ Certificate of Incorporation of the International Producer and Current trade licence, if applicable
- c. Copy of the following documents of the Indian Co-producer:
 - I. Self-Attested PAN Card,
 - II. GST Registration Certificate,
- d. Project schedule in India (as the case may be) with tentative start and finish dates.
- e. Total itemized QCE budget (approximate) signed by the Indian Co-producer.

11.2 1st Disbursal

Documents to be submitted when applying for First Disbursal for both live action and animation projects.

- a. Duly filled application form for final approval and disbursal (format available on www.ffo.gov.in).
- b. Interim approval certificate issued by the FFO.
- c. Self-attested statement by the applicant authenticating that 50% of the total budget has been spent.
- d. Audited Expense Statement (for 50% Expense of the production)
 - a. Item wise audited statement, certifying the Production expenses incurred by the Applicant in the Republic of India along with detailed expense statement. A suggested format (for the sake of uniformity) is enclosed Annexure X.
- e. Copies of invoices for payments against which claims are made should be enclosed and any expenditure covered under Goods and Services Tax Act, 2017 (GST Act) should be presented with GST compliant invoices.
- f. Certified true copy from banker of Bank Statement from which payouts are made for filming/ production in India.
- g. Certified letter from bank containing information about the account (Account Number, IFSC, Bank name and Branch, Name of Account Holder), to which the Cash Rebate Incentives shall be transferred.
- h. Registration details of the Auditor appointed by the applicant to audit the production expenditure incurred in India.

11.3 Final Disbursal

11.3.1 Documents to be submitted when applying for Final Disbursal for live action projects.

- a. Duly filled application form for final approval and disbursal (format available on www.ffo.gov.in).
- b. Interim Approval Certificate. (if 1st disbursement has not been availed).
- c. 1st Disbursal Approval (if availed)
- d. Statement jointly self-attested by International Producer and Indian Producer (Format at **Annexure1**)
 - i. with regard to the successful completion of the project in India as per the permission letter given by Mol&B or MEA (in the case of documentary coproduction) and
 - ii. authenticating the expense incurred in India against the production budget and production schedule.
- e. Declaration and statement regarding Related Party Transactions (Format at **Annexure 2**).
- f. Declaration from Indian Co-producer (**Format at Annexure 3**) that
 - i. each payment has been incurred and discharged in full prior to finalization of the Audited Expenditure Statement.
 - ii. no payment is due to any crew members and vendors for supply of goods and services.
 - iii. that no harm/ negative impact done on the environment and/or to natural resources.
 - iv. that they have not received any amount from local sources in India as gift, sponsorship, product placement fees etc. and if such amounts have been received, they are excluded from the QPE submitted.
- g. Certified letter from bank containing information about the account (Account Number, IFSC, Bank name and Branch, Name of Account Holder), to which the Cash Rebate Incentives shall be transferred. (if 1st disbursement has not been availed)\.
- h. Registration details of the Auditor appointed by the applicant to audit the production expenditure incurred in India.
- i. Audited Expense Statement (for the remaining 50% Expense- if 1st disbursement availed), certifying the Production expenses incurred by the Applicant in the Republic of India along with detailed expense statement. A suggested format (for the sake of uniformity) is enclosed **Annexure 4**.
- j. Copies of invoices for payments against which claims are made should be enclosed and any expenditure covered under Goods and Services Tax Act, 2017 (GST Act) should be

presented with GST compliant invoices.

- k. Certified true copy from banker of Bank Statement from which payouts are made for filming/ production in India.
- l. The Feedback Form of the FFO duly filled in by Indian Co producer.
- m. Where applicable, the following must accompany the application:
 - LO report, in cases where SEO/ Gol/ State Government assigns an LO to the production team.
 - No Objection certificate (NOC) from the concerned officer/ Mission, for all Documentaries or those films where SEO recommends the film be shown to a representative of the Government of India, in India or an Indian Mission abroad.

11.3.2 Documents to be submitted when applying for First Disbursal for animation projects

- a. Duly filled application form for final approval and disbursal (format available on www.ffo.gov.in).
- b. Interim Approval Certificate. (if 1st disbursement has not been availed).
- c. 1st Disbursal Approval (if availed)
- d. Statement jointly self-attested by International Producer and Indian Producer (Format at **Annexure1**)
 - i. with regard to the successful completion of the project in India as per the contract and
 - ii. authenticating the expense incurred in India against the production budget and production schedule.
- e. Declaration and statement regarding Related Party Transactions (Format at **Annexure 2**).
- f. Declaration from Indian Co-producer (**Format at Annexure 3**) that
 - i. each payment has been incurred and discharged in full prior to finalization of the Audited Expenditure Statement.
 - ii. no payment is due to any crew members and vendors for supply of goods and services.
 - iii. that no harm/ negative impact done on the environment and/or to natural resources.
 - iv. that they have not received any amount from local sources in India as gift, sponsorship, product placement fees etc. and if such amounts have been received, they are excluded from the QPE submitted.

- g. Certified letter from bank containing information about the account (Account Number, IFSC, Bank name and Branch, Name of Account Holder), to which the Cash Rebate Incentives shall be transferred. (if 1st disbursement has not been availed).
- h. Registration details of the Auditor appointed by the applicant to audit the production expenditure incurred in India.
- i. Expense statement (for the remaining 50% Expense- if 1st disbursement availed), certified by a registered Chartered Accountant that the Production expenses incurred by the Applicant in the Republic of India along with detailed expense statement. A suggested format (for the sake of uniformity) is enclosed **Annexure 4 (a)**.
- j. Copies of invoices for payments against which claims are made should be enclosed and any expenditure covered under Goods and Services Tax Act, 2017 (GST Act) should be presented with GST compliant invoices.
- k. Certified true copy from banker of Bank Statement from which payouts are made for filming/ production in India.
- l. The Feedback Form of the FFO duly filled in by Indian Co producer.
- m. Where applicable, the following must accompany the application:
 - 1. LO report, in cases where SEO/ GoI/ State Government assigns an LO to the production team.
 - 2. No Objection certificate (NOC) from the concerned officer/ Mission, for all Documentaries or those films where SEO recommends the film be shown to a representative of the Government of India, in India or an Indian Mission abroad.

12 Definitions

- Above the line: It covers individuals who guide and influence the creative direction of the narrative in a film before shooting starts. E.g., Executive Producer, Producer, Director, Screenwriter, Cast, Animation Director, etc.
- Applicant: An individual or a company who makes a formal application for the incentive. In this context, it may refer to a Indian Co-producer
Below the line: It covers team members that cross over from principal photography through post-production. E.g., Film Editor, Editorial Team, 1st Assistant Director, Art Team, Stunt Team, Composer, Hair Stylist, Visual Effects Team, Make Up, Camera Team, Sound Team, Production Assistants
- Budget: Refers to the appropriated funds (INR) allotted to FFO every Financial Year (April – March), to fund reimbursements under the filming and co-production incentives.
- Documentary: A motion picture that shapes and interprets factual material for purposes of education or entertainment.
- Financial year (FY): In India, the government's financial year runs from 1 April to 31 March the following year.
 - GoI Representative - An Officer of any official Ministry or Department of the Government of India (Ex: Ministry of Information and Broadcasting) and Office of an Indian Embassy / Mission located abroad.
- International Co-producer (“International Producer”): A company established in another country, which has a valid contact / agreement with the Indian Co-producer in accordance with the Bilateral audio Visual Co-production Treaty signed with India.
- Liaison Officer (LO): A Government Officer who is specifically appointed subsequent to the recommendation made by the Script Evaluation Officer (SEO). His/ Her job is to ensure that the recommendations made by the SEO are full adhered to.
- Indian Co-producer: An individual or a company which has a valid contact / agreement with the International Co-producer in accordance with the Bilateral audio Visual Co-production Treaty signed with India. The Indian Co-producer is responsible for managing the budget and overseeing all operations and logistics for the project in India They must be based in India and be in possession of a valid Permanent Account Number (PAN) as per the Indian Income Tax Act, 1961 and a valid Goods and Services Tax Registration Certificate under the Central and State Goods and Services Tax Act 2017 (CGST and SGST).
- Ministry of Information and Broadcasting: Ministerial level agency of the Government of India responsible for the formulation and administration of rules, regulations, and laws in the areas of information, broadcasting, the press, and the Cinema of India and for approving coproduction status.
- Ministry of External Affairs: The Ministry of External Affairs of India is the government agency responsible for maintaining the foreign relations of India.
- On the line: It covers team members that bridge the gap between preproduction and principal photography. E.g., Line Producer, Director of Photography, Casting Director, Location Manager, Production Designer, Art Director etc.
- Principal Photography: Also referred to as shooting, is the process of recording all the footage that will be used in a movie. Everything that may appear on screen or be heard is filmed. This may include scenes with actors, special effects, and scenery shots depending on what type of movie it is.

- Project: For the purpose of this document, a Project may refer to an Audio Visual Coproduction recognized as so under the provisions of any of the bilateral Audio Visual Coproduction Agreements signed by India.
- Project completion: When the project is regarded as ready for presentation to the general public (actual release not essential) i.e., ready to be delivered to a distributor or a broadcaster.
- Reimbursement: Incentive which involves a repayment of expenses incurred for the purpose of filmmaking, postproduction, animation, etc.
- Script Evaluation Officer (SEO): The Script Evaluation Officer (SEO) - An expert from a panel constituted by the Ministry who will evaluate the script with a view to ensure that the film has nothing objectionable from the point of view of presentation of a correct and balanced perspective on the topic covered.
- Special Incentive Evaluation Committee (SIEC): A committee setup to evaluate applications, both at the interim, intermediary, and final approval stages. The committee shall constitute of:
 - Permanent Members (for their term in office)
 - GM (P&A), NFDC
 - Head, FFO
 - Director Finance/GM/DGM/Manager Finance, NFDC
 - Engaged on assignment basis
 - A Financial expert (preferably a Chartered Accountant, having the experience of account and audit of a film with a view to determine production cost estimates and shall be an advisor on contractual/outsourced basis)
 - Industry expert
 - Representative from a panel of LPs/LPSCs enlisted with FFO
- Treaty: An agreement made by negotiations between two parties, established in writing and signed by representatives of the parties.

13 Format of Documents

13.1 Format for Authenticating Expenses Incurred in India

Annexure 1

FORMAT FOR AUTHENTICATING EXPENSES INCURRED IN INDIA (Joint Statement)

I/we..... (International Producer) and (Indian Producer) hereby declare that we have executed the co -production of the feature film/animation/documentary project titled----- (name of the project) in India. We hereby further declare that:

- a) The project has been successfully completed in India as per the provisions specified in theAudio Visual Co-production treaty signed between India and (name of the country) signed on(date of signing of the treaty)
- b) The co-production has been completed / executed as per the provisions specified by the Ministry of Information & Broadcasting/ Ministry of External Affairs (in the case of documentaries) permission letter nodated.....
(not required for animation projects)

OR

- c) It is also certified that the production in India is completed/not completed (strike out whichever not applicable) as per the production schedule and within the production budget. (If there is a variation from original schedule and budget, please specify reasons).

Sd/-

Sd/

(International Co producer)

(Indian Co producer)

FORMAT FOR DECLARATION PERTAINING TO RELATED PARTY TRANSACTIONS

(On letterhead of Indian co-producer duly certified by the auditor)

I/we.....(name of Indian co-producer) hereby declare that no transactions/ following transactions (attach separate list certified by the auditor) have been made to related parties with respect to the project..... (title of the filming project). I/we also declare that Related Party transactions have been mentioned separately in the detailed audit report and transactions in respect of which Qualifying Production Expenditure (QPE) has been claimed have been incurred at arm's length price.

Sd/-

(Authorised Signatory)

FORMAT FOR DECLARATION BY THE INDIAN CO-PRODUCER

(To be submitted on Official Letterhead)

I/We----- (name of Indian Co-producer with address) hereby declare that we have submitted the application for final approval for grant of incentive under the Scheme of Incentives for Official Co-production in India for the project titled.....(name of filming/animation/post production project) on behalf of(name of International Co-producer Company details) and(Indian Co-producer Company details)

- I/we declare that no harm/ negative impact done on the environment and/or to natural resources.
- I/we declare that each payment mentioned in the accompanying auditors certificate has been incurred and discharged in full prior to finalization of the Audited Expenditure Statement and that no payment is due to any crew members and vendors for supply of goods and services with respect to the afore mentioned project.
- I/We Declare that we have not received any amount from local sources in India as gift, sponsorship, product placement fees etc. and they are not included in the Qualifying Production Expenses submitted.

Sd/-

(Authorised Signatory)

13.4 Format for Chartered Accountants Certificate for Live Shoot Coproduction

ANNEXURE 4

FORMAT FOR CA CERTIFICATE (DETAILED EXPENSES IN EACH HEAD ALSO TO BE GIVEN SEPARATELY)

Certificate No.

DATE

TO WHOMSOEVER IT MAY CONCERN

We have audited the Statement of Accounts for the Feature Film Titled and hereby states that **M/s.....** have incurred expenses amounting to **Rs** during the periodout of the Funds received from..... for expenses for Production of the aforesaid film for and on their behalf as detailed below

<u>Sr.No.</u>	<u>Account Head</u>	<u>Amount (Rupees)</u>
1	01 - Pre - Production Expenses	0.00
2	02 - Story / Screenplay / Dialogue	0.00
3	04 - Direction Department	0.00
4	05 - Production Department	0.00
5	06 - Camera Department	0.00
6	07 - Light Dept & Other Accessories	0.00
7	08 - Electrics And Lighting	0.00
8	09 - Other Equipments	0.00
9	10 - Sound Department	0.00
10	11 - Art Department	0.00
11	12 - Costume Department	0.00
12	13 - Action	0.00
13	14 - Make - Up & Hair Crew	0.00
14	16 - Still Photography on Set	0.00
15	17 - Shoot Travel	0.00
16	18 - Hotels	0.00

17	19 - Food	0.00
18	20 - Daily Production Cost And Wages	0.00
19	22 - Raw Stock	0.00
20	23 - DI Lab	0.00
21	24 - Editing Department - Crew	0.00
22	25 - Audio Post	0.00
23	26 - Animals And Action Vehicles	0.00
24	27 - COVID - 19 Safety	0.00
25	28 - Misc Expenses / Rough Recordings Etc	0.00
26	29 - Cast	0.00
27	31 - Publicity & Advertising	0.00
28	32 - Assests Purchases	0.00

Total

Aforesaid expenses includes below detailed taxes

1	IGST	0.00
2	CGST	0.00
3	SGST	0.00

Total

0.00

We have conducted our audit in accordance with Generally Accepted Auditing Standards in INDIA. We believe that our audit provides a reasonable basis for our opinion. We further report that, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit and hereby confirm that the above certificate is issued on the basis of documents presented before us for our verification. In our opinion and to the best of our information and according to explanations given to us, the particulars given in the aforesaid certificate of expenses for the above referred film is true and fair, subject to our observation / qualification, if any, as per Annexure.

SEAL AND SIGN OF CHARTERED ACCOUNTANT

13.5(a) Format for Chartered Accountants Certificate for Animation Coproduction

ANNEXURE X (a)

Certificate No.

DATE

TO WHOMSOEVER IT MAY CONCERN

We have audited the Statement of Accounts for the Feature Film Titled and hereby states that **M/s.....** have incurred expenses amounting to **Rs.....** during the periodout of the Funds received from..... for expenses for Production of the aforesaid film for and on their behalf as detailed in the Foreign Inward Remittance Certificate No dated.....issued by(name of bank)

We have conducted our audit in accordance with Generally Accepted Auditing Standards in INDIA. We believe that our audit provides a reasonable basis for our opinion. We further report that, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit and hereby confirm that the above certificate is issued on the basis of documents presented before us for our verification. In our opinion and to the best of our information and according to explanations given to us, the particulars given in the aforesaid certificate of expenses for the above referred film is true and fair, subject to our observation / qualification, if any, as per Annexure.

SEAL AND SIGN OF CHARTERED ACCOUNTANT

14. Frequently Asked Questions

1. What are the eligible formats for incentives for coproductions?

Any production that has been recognized as an official coproduction by the Government of India under any one of the bilateral Audio Visual Coproduction Agreements are eligible for incentives under the scheme. The formats and duration of the production are governed by the clauses of the individual treaties.

2. I am making a documentary which would be a coproduction, who do I apply for permission to?

In the case of documentaries, the authority to accord filming permission vests with the Ministry of External Affairs. However, if your International Coproducer is from a country which has a Coproduction treaty with India and if the treaty recognizes documentaries as an acceptable format for coproductions, you need to apply for approval of coproduction status with the Ministry of Information and Broadcasting through the FFO.

3. I am making an animation film which is a coproduction that would only involve animation services in India. Can I apply for incentives?

Yes you can apply for incentives. However before you apply for incentives, you need to get approval of coproduction status from India (Ministry of I&B through FFO)and the other country.

4. Who will be responsible for applying for the incentives?

The Indian Coproducer should apply for the incentives and the same will be disbursed to them.

5. What is the minimum Qualifying Coproduction Expenditure?

There is no minimum QCE requirement under the scheme of incentives for Audio Visual Coproductions.

6. From which date can the expenses be counted for inclusion under the scheme as QCE?

Expenses can be counted from the date of grant of approval for filming by the Ministry of Information and Broadcasting. In the case of animation projects, where no prior application for filming is required; the date of grant of coproduction status will be considered as the start date for counting of expenses.

7. Can I apply for interim disbursal?

The Indian coproducer can apply for first disbursal of incentives for upto 50% of the approved QCE as reimbursement.