

Industries at Risk Due To Economic Crimes – Entertainment Industry

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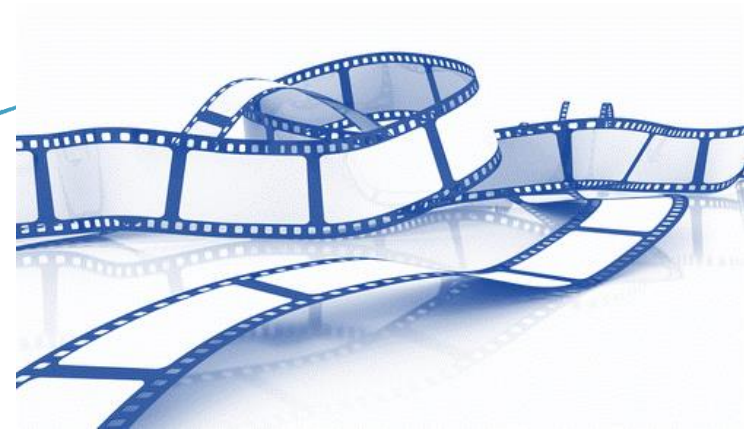


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Entertainment Industry – Definition

RADIO

TELEVISION

MUSIC

DIGITAL

PRINT

SPORTS



Any form of media / source that records and sells entertainment or ancillary products...

India – The Next Sweet Spot?

600 plus television channels

2nd largest growing economy

1000 million Pay-TV households

4th largest economy in terms of PPP*

More than 1000 films produced annually

One of the top 3 countries globally to have the youngest task force under 30

Entertainment Industry – Why the Focus?

- Changing consumption patterns
- Increased middle income households
- Easy availability of content
- Propensity of consumers to spend

DRIVERS OF GROWTH

2019:

- Amounts to INR 1964 billion
- CAGR – 13.9%

2014 :

- Amounts to INR 1026 billion
- CAGR – 11.9%

GROWING CONSUMER INTEREST!!!

Entertainment Industry – Why the Focus?

(CONTD...)

**GROWTH AS A VIABLE
INDUSTRY!!!**

• In 2014, the overall Media and Entertainment industry grew by 0.7% over the previous year

• The Indian television industry in 2014, represented a year-on-year growth of around 13.8%

• Digital advertisement proved to be the fastest growing segment with annual growth rate of 44.5%

• FDI in the I&B sector (including print media) stood at USD 4058.58 million during the period April 2000 - June 2015

Entertainment Industry – Changing Faces

EASY AND TIMELY AVAILABILITY OF INFORMATION IS THE BIGGEST GAME CHANGER – COMBINED WITH CONSUMER DEMAND

PUBLISHING INDUSTRY – struggling to remain afloat against the dominance of digital media

RADIO – Losing out the game between source and end user reach owing to other available channels.

TELEVISION – Uncertainty over issues pertaining to digitization still remains

DIGITAL – Information overload has resulted in loss of control over content

FILMS – Despite easy availability of funds, lowering of box office shelf life

SPORTS – Catering to popularity becoming more important than the game

.... AND MORE!!!

Entertainment Industry – Underlying Risks



SOCIETY AT LARGE

- Impact on young minds on coverage
- Overboard of sensitization leading to negative impact

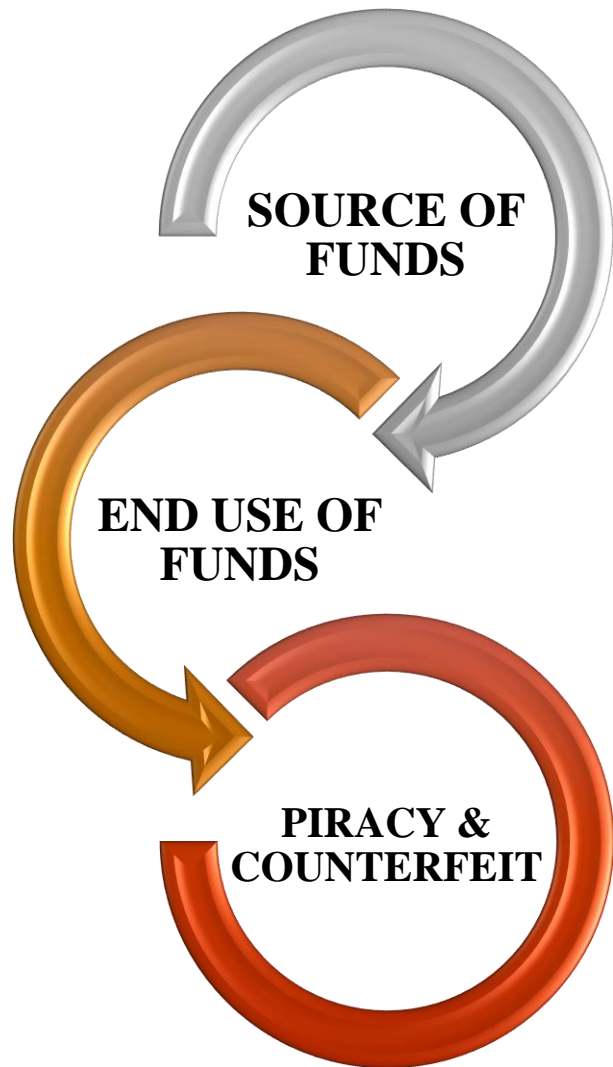
LEGISLATIVE / JUDICIARY

- Need for review
- Creation of unrest over interpretation of law owing to changing times

ECONOMY

- Black Money
- Illegitimate funding
- Loss to exchequer

Economic Impact – Risk Mapping



- Easy source of diversion of funds borrowed for other purpose
- Easy source of promotion of illegal funding channels – Hawala
- Effective way of Money Laundering – not only to layer, place but also to integrate

- Lack of faith by global players
- Proceeds used for illegitimate and terror activities
- Loss to exchequer – affects earnings as a whole

Opportunity Mapping – Overview

PERPERATORS OF CRIME

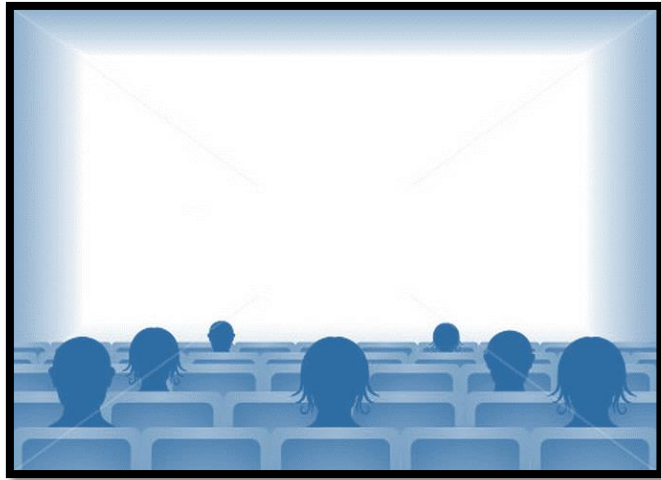
TERRORIST ORGANIZATIONS – See it as an excellent source of funding

CRIMINAL ORGANIZATIONS – View it as a lucrative business proposition due to high profits involved

BUSINESS ORGANIZATIONS – Lack of stringent regulatory norms and high margins involved makes it a profitable proposition

INDIVIDUALS – Easy access to technology, lack of stringent penalties and high margins act as drivers

While We Sleep – Case Study



REGULAR SCREENING

Pirate intercepted with special software for hidden files on device

SPECIAL SCREENING

Special screening for pirates, by the employees of the theatre



SUPPORTED BY TERROR LINKS

LINKAGE TO COMMON COUNTERFEIT REPLICATING UNIT

(located 200 mts. from a Police Station)



Judicial Aspects – The Much To Be Desired

VIEW POINTS OF COURTS MISSING

- Few precedents of entertainment industry being scrutinized for terror links
- Few cases ordered for investigation to unearth the bigger ring – beyond piracy / surface crime

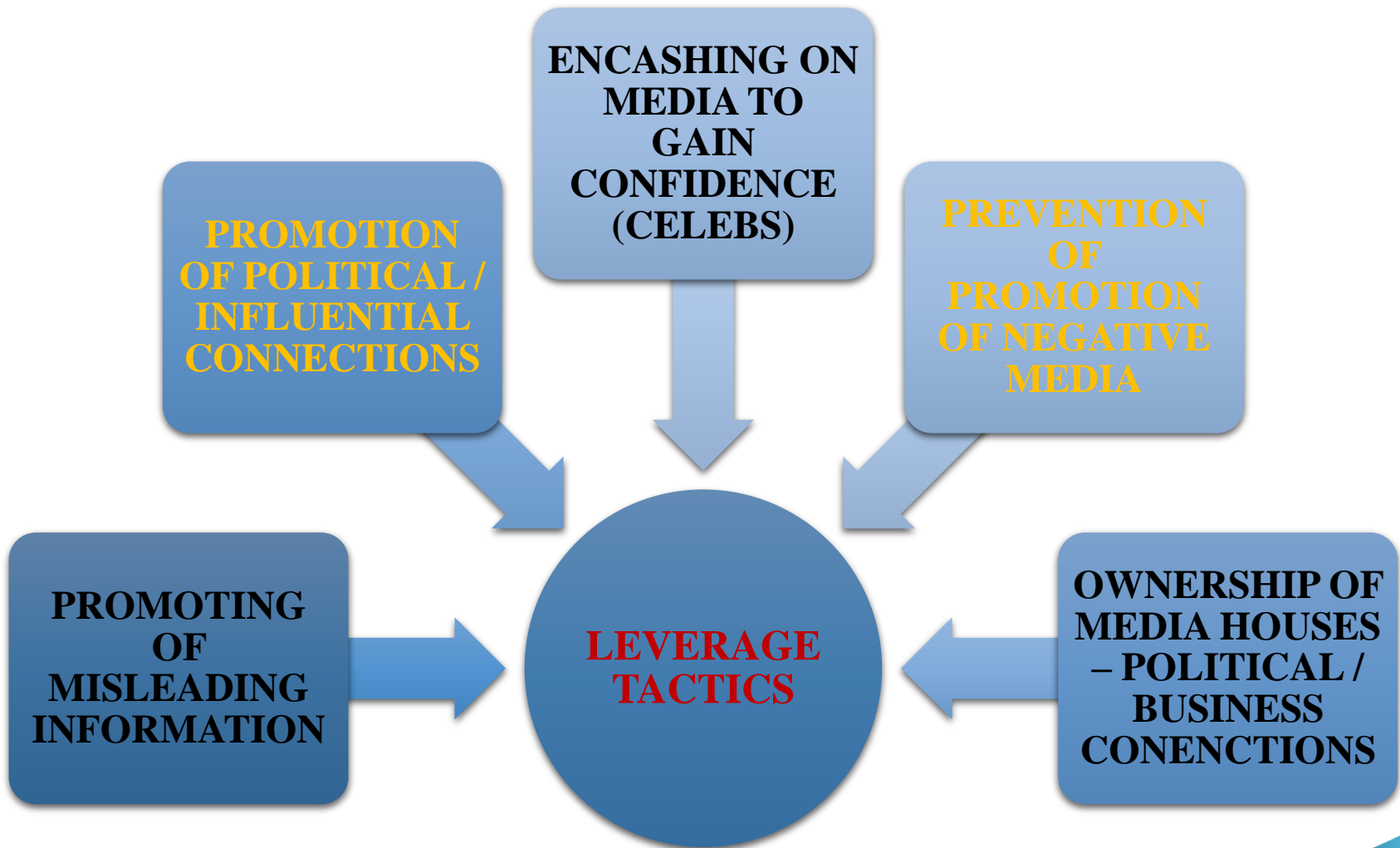
PROBLEM OF ENFORCEMENT

- Adequate laws exist but where are the results – ineffective penalties or implementation?
- Too Powerful For Law – Syndrome?

REGULATORY GAP

- Lack of effective regulator
- Lack of coordination between Government and Judiciary

Societal Impact – Use As A Leverage

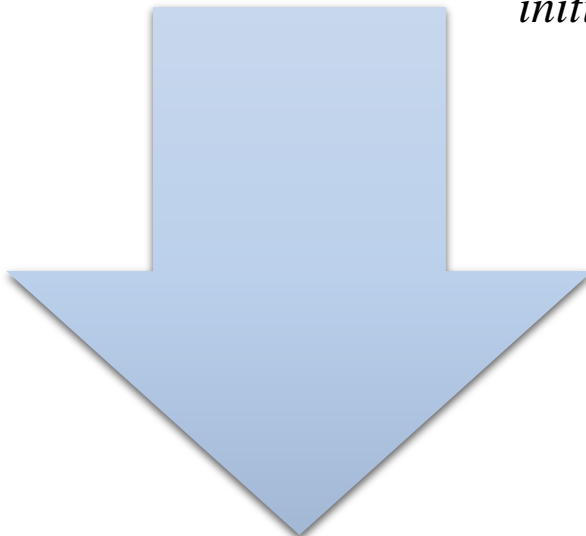


Changing Trends – Perception Mapping



MOTION PICTURE

- *Number of fence sitters decreasing*
- *People more bothered about “experience” (lack of quality)*
- *Piracy cannot deter the fate of a movie, in case the social uprising is played well (Udta Punjab)*
- *Piracy still contributes to revenue losses – however additional revenue is being assured through other initiatives*

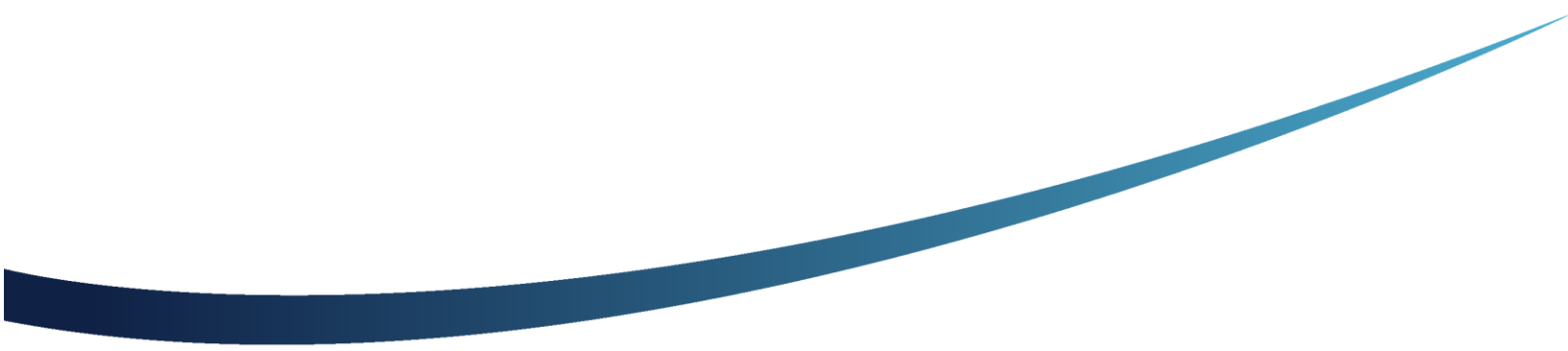


MUSIC INDUSTRY

- *Number of fence sitters increasing*
- *People not bothered about “experience” – doesn’t make much of a difference (seldom lack of quality)*
- *Revenue losses cannot be made up for in the same scale*

Once Upon A Time in Mumbai

A CASE STUDY



A Single Man – Multiple Actions

Discovered to be the right hand of Dawood Ibrahim's brother in India

Source of Funds for films traced back to loans taken for subsidiaries in real estate & diamond industry – claimed to have gone bad

Attempted murder of 2 movie directors over issues pertaining to movie financing



Was the key person promoting the Ibrahim family's DVD piracy business in Dubai by supplying from India

Alleged supplier of arms during the 1993 blast

Involved in the murder of "Cassette King" over exposure of music piracy racket

WAS ARRESTED DURING THE MAKING OF HIS MOVIE IN 1993

Fodder To Chew Cud

Government initiatives need proper implementation & interpretation

Need for a specific law and specific provision needs to be thought of considering the quanta of money & jobs involved

Timely review needed – in the ever increasing pace of IT changes, delay in review defeats the purpose behind the legislations



THANK YOU