

Quote by Charu Malhotra, Co-Founder & Managing Director, Primus Partners

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Film, OTT producers brace for cost surge under labour codes

Film and OTT companies may face increased crew costs due to new labour codes addressing gig workers' protections, stricter working hours, and safety mandates.

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Article Content:

Film and OTT production companies are bracing for a likely rise in crew costs and overall production budgets as the new labour codes aim to bring gig and freelance workers under formal protections.

Stricter regulation of working hours and the requirement for overtime pay could materially raise per-day crew costs, particularly in film production, where shoots often run 12 to 16 hours, experts said. These expenses come at a time when studios are struggling to curb budgets amid the unpredictable, largely volatile box office and cautious commissioning by streaming platforms

“The new labour codes are likely to introduce a more structured and compliance-driven framework for a historically flexible, project-based industry,” said Pranav Bhaskar, senior partner, SKV Law Offices.

"The expanded definition of worker brings contract and gig-based talent within the regulatory net, which is a material shift for production houses that rely heavily on short-term engagements. At the same time, working hour limits and mandatory overtime create both compliance exposure and immediate cost implications, especially for formats where extended shoot days or night shoots are the norm," Bhaskar said.

Large [film productions](#), OTT originals and high-intensity formats such as live events are likely to see the most impact, he added.

Rajat Agrawal, chief operating officer at Ultra Media & Entertainment Group said the change will likely affect several areas of production, and producers might see increased costs as a result. For instance, capping allowances at 50% of total remuneration could bump up provident fund and gratuity contributions. Working on a tight deadline that needs extended shoots, overtime pay at twice the ordinary wage rate might just push up production costs.

"Plus, social security benefits for gig workers and contractors could add a significant chunk to the production house's expenses. You'll also need to factor in restrictions on working hours, which might throw off the scheduling and location planning, and potentially increase logistics costs," Agrawal said. Then come additional administrative costs for compliance, such as HR and payroll updates.

Shoots could extend beyond a stipulated time. "So if the 8–12 hour rule is enforced in a way that causes significant wage changes, that can definitely have an impact," said Ujjwal Mahajan, co-founder of OTT platform Chaupal.

The new labour codes mark a paradigm shift for India's media and entertainment ecosystem, which has traditionally operated on highly flexible, project-based workforce models, said Hardeep Sachdeva, senior partner, AZB & Partners. "The biggest challenge lies in transitioning from an informal, contract-heavy ecosystem to a more formalised employment framework. This would come with mandatory appointment letters, defined wage structures, regulated working hours, and expanded social security obligations."

"The new labour codes could lead to some level of restructuring for alignment with the law. Use of technology is an advantage, which could streamline processes and reduce time and costs for the industry," said Aarushi Jain, partner (head - media, education and gaming), Cyril Amarchand Mangaldas.

OTTs adapting early

While the codes do not offer specific cost relief or exemptions for employers, some larger productions – particularly OTT-led projects – have already begun adapting by strengthening compliance frameworks and standardising contracts, said Charu Malhotra, co-founder and managing director at Primus Partners, a management consultancy firm.

One way to counter this cost is to ensure better [production](#) efficiency. More schedules, pre-production, and fewer shoot delays can ensure fewer hours are spent on the shoot. Technology can also play its part in this. Virtual production can ensure greater efficiency, Malhotra added.

The industry has already been moving toward more structured and professional processes, especially amid OTT growth and international collaborations, said Sanjay Dwivedi, group CEO and group chief financial officer at Balaji Telefilms Ltd.

Going forward, producers may focus on better production planning, improved scheduling efficiencies, and technology-driven production management to optimise costs,” Dwivedi added.

Producers should treat this transition as an opportunity to streamline compensation structures and address existing compliance gaps, said Akanksha Dua, partner, Obhan Mason.

Proactively aligning salary frameworks can help mitigate the risk of cost escalations and potential non-compliance. A thorough audit of current remuneration structure could ensure alignment with the new requirements, Dua added.

