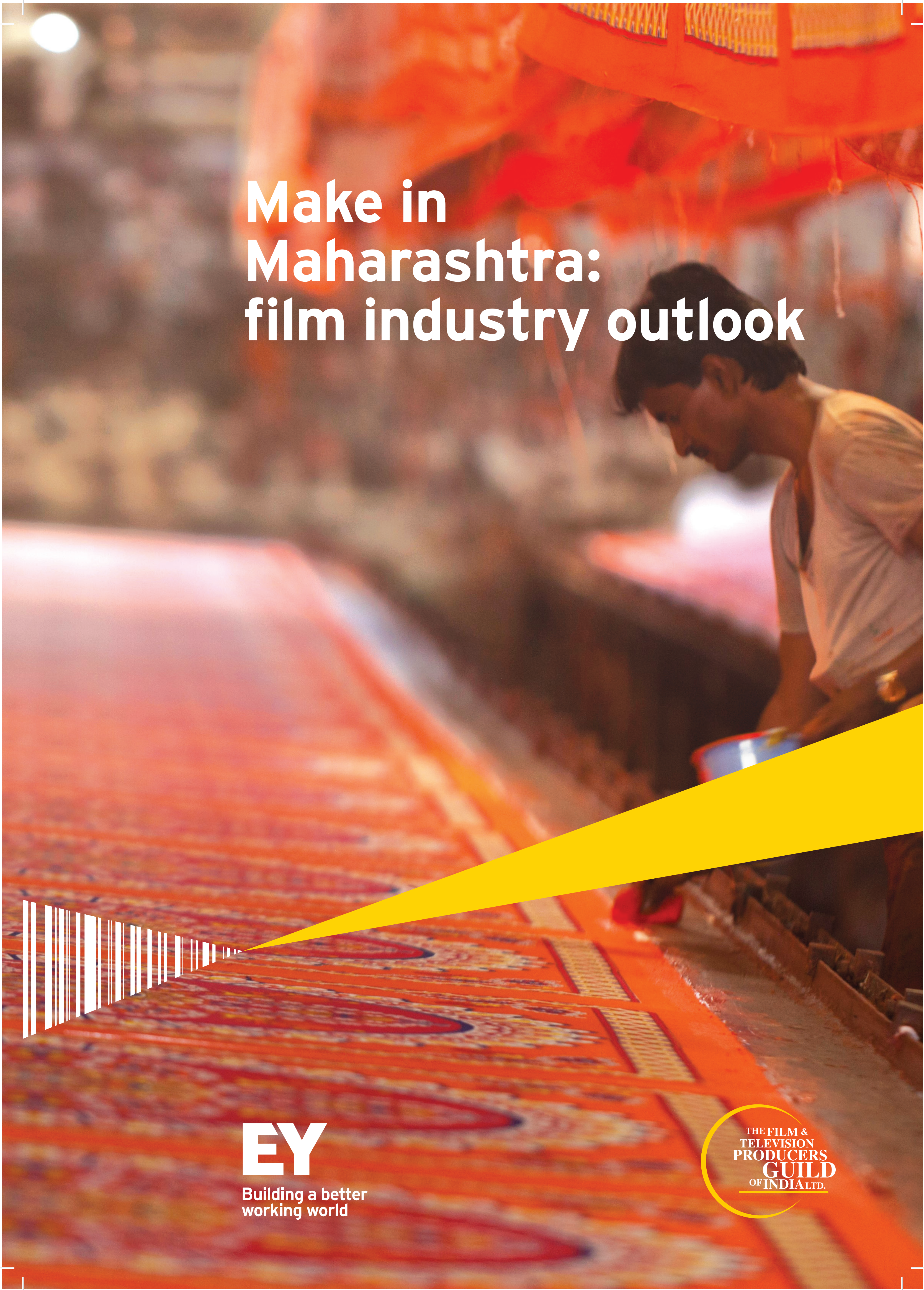
Make in Maharashtra: film industry outlook



EY
Building a better working world

The Film & Television Producers Guild of India Ltd.


entertainment
DRAMA
MUSIC
POP
MUSIC
ROCK
3D
MEDIA
SOUND
NETWORKS
SOUND
entertainment
YEAH
POP
Chat
ROCK
MEDIA
DRAMA

Contents

Overview

The Indian film industry is one of the fastest growing sectors in the country today and has grown from INR112 billion in 2012 to INR126 billion in 2013, representing a growth rate of 13%.[1] Over the years, the industry's revenues have grown significantly and the projected size of the industry is estimated to reach INR220 billion by 2018.[2] The Indian film industry is one of the largest producers of cinematographic films in the world with an annual certification of 1,966 films during FY13-14.[3] Furthermore, India's favourable regulatory environment and reforms such as 100% Foreign Direct Investment under the automatic route has made the Indian film market more attractive for international corporates, bringing in significant investments.

1 India Entertainment and Media Outlook 2014

2 "Make in India Campaign, " *Makeinindia* website, http://www.makeinindia.com/sector/media-entertainment/, accessed 10 December 2014

3 Central Board of Film Certification- Indian Feature Films certified from 1-4-2013 to 31-3-2014

The unique feature of the Indian film industry is that it comprises 10 key language markets – Hindi, Telugu, Tamil, Malayalam, Kannada, Punjabi, Bengali, Marathi, Bhojpuri and Gujarati. Each market is unique in its behavior and audience preferences. The industry is learning to operate cohesively and leverage on each other's strength. It is observing increased interaction across language markets from exchange of talent to remaking movies in different languages. Most of this has been possible due to studios forming alliances with regional players and co-producing movies.

Maharashtra's contribution to Indian cinema

Bollywood, as the Hindi film industry is popularly known, is one of the major contributors to the Indian film industry in terms of films produced and released. Apart from the commercial feats or its standing as the biggest trade and commerce center in the country, Mumbai, the home to Bollywood film Industry, is also considered as the entertainment capital of India.

Maharashtra has been at the center of the Indian entertainment industry since its inception and has contributed significantly to the growth of the Indian film industry by providing considerable talent and opportunities in the field of creative art and culture.

Shri Dadasaheb Phalke, a pioneer in Marathi cinema, brought the revolution of moving images to India with his first indigenously made silent film *Raja Harishchandra* in 1913, which is considered as a pioneering moment in the Indian film industry. Veterans such as Shri V Shantaram, a noted Maharashtrian, produced and directed the first colour film *Sairandhri* in the year 1931.

Another Maharashtrian, Lata Mangeshkar, one of the best known and most respected playback singers in India, has been honoured with India's highest civilian award Bharat Ratna. Lata Mangeshkar is the second vocalist to have been awarded the Bharat Ratna.

The above accomplishments are a testimony to the contribution of Maharashtra to the growth of the Indian film industry.

The film industry provides employment directly or indirectly to approximately 5 million people in the country.

In India 1,966 films were produced in FY13-14, out of which 394 were Hindi and Marathi films produced in Mumbai and Maharashtra alone. Total number of films released in Mumbai

and Maharashtra are 670 (in various languages) out of the total 1,966 films released in India. Maharashtra is the biggest source of income for Bollywood.[4]

Bollywood in the global scenario

Bollywood, the center of the Indian film industry located in Maharashtra, is gaining traction in international markets with increasing number of Bollywood films being released globally and by way of participation in international film festivals. However, the performance of Bollywood films in India has taken a backseat when compared to its performance globally.

For example, *The Lunchbox*, achieved significant success in the overseas market. The total overseas box-office revenue (gross) was around INR700 million, which is far higher than its domestic box-office collections (gross) of around INR280 million.[5]

The Indian film industry produced around 1,600 films in the year 2012 whereas the corresponding figure for the US is 470 and China is 740. The number of tickets sold in India is around 2.7 billion whereas number of tickets sold in the US is around 1.4 billion and in China is around 0.5 billion. Despite such high numbers, the Indian film industry underperforms in terms of box office revenue. The gross box office revenue earned by India is around US$1.59 billion, which is low as compared to the US – around US$10.8 billion, and China – around US$2.74 billion.[6]

Despite substantial growth figures being reported by Bollywood, there clearly exists a gap between Bollywood and its counterpart in the west – Hollywood. According to leading filmmakers and studios, the underperformances by Bollywood in comparison with Hollywood is mainly due to low density of cinema screens, multiplicity of taxes leading to piracy practices, regulatory red-tapism, etc.

According to Karan Johar, a noted film producer and director, "Of the 1.2 billion population of India, movies should reach out to at least 300 million people (the size of India's middle class). But currently, our reach is limited to 45 million. If we figure out how to cover this gap, it will be a game-changer." Therefore, based on an analysis, it can be interpreted that less than 4% of Indians go to the movies regularly.[7]

Accordingly, there is an equal opportunity for Bollywood to close in the gap between its counterparts in the west by promoting Maharashtra, the mother-state to Bollywood, by providing infrastructural incentives, to capitalise on the significant potential for growth.

4 Central Board of Film Certification- Indian Feature Films certified from 1-4-2013 to 31-3-2014

5 India Entertainment and Media Outlook 2014

6 Statista - http://www.statista.com/chart/2680/the-indian-film-industry/

7 "Bollywood At 100: How Big Is India's Mammoth Film Industry?" *International Business Times* website, http://www.ibtimes.com/bollywood-100-how-big-indias-mammoth-film-industry-1236299, accessed 4 December 2014

Current story of the Hindi film industry in Maharashtra

With technological advancements and involvement of renowned production houses, Maharashtra, the home of the Bollywood film Industry has made its mark in the global commercial aspect of the cinema.

In recent years with overseas releases in western countries and with a wide array of award winning feats and nominations in international film festivals and film awards, Maharashtra is no more just considered a factory of cinema presenting typical formula chores for mass entertainment.

On its part, the State Government of Maharashtra has undertaken some initiatives to boost the development of the Hindi film industry in the state as under:

- Tax exemptions to single screens under Municipal Councils for 5 years and to those located in rural areas for 7 years.[8]
- INR150 million has been sanctioned for setting up of a film city in Kolhapur to serve as an alternative to the Goregaon film city.[9]
- Maharashtra Tourism Development Corporation (MTDC) has announced a Bollywood tourism plan, which allows Indian and foreign tourists, to take guided tours of film studios and sets while having a first-hand experience of film shooting.[10]
- Maharashtra was incidentally one of the Indian states, which provided entertainment tax exemption to films such as *Bhaag Milkha Bhaag* and *Mary Kom*, which advocated the ideals of patriotism and sacrifice for the country.[11]

8 "Govt to charge extra entertainment duty from multiplexes in Maharashtra," *Business Standard*, January 2013

9 "Maharashtra sanctions Rs 15 crore for Chitranagari," *The Times of India*, December 2013

10 "Finally, Bollywood tourism takes off in Mumbai," *The Financial Express*, December 2013

11 "Bhaag Milkha Bhaag gets tax exemption," *Hindustan Times*, July 2013; "Priyanka Chopra's 'Mary Kom' declared tax free in Maharashtra," *The Indian Express*, August 2014

Despite such initiatives being offered and being one of the major contributors to the Hindi film industry, Maharashtra offers less to the film industry in terms of infrastructure, finance, etc. in comparison with other states.

S. No.	State name	Fiscal benefits[12]
1	Gujarat	► It is working on a policy to attract more film shoots to the state and seeks to ease procedures for filmmakers. It also plans to provide discounts on government accommodation at shooting locations. ► The Government of Gujarat has started a single-window clearance desk to help filmmakers scout for locations and provide them with logistic support.
2	Andhra Pradesh	► According to the Andhra Pradesh Government's Animation, Media and Entertainment Policy (2014–19), it will offer incentives, including reimbursement of INR500,000, lease rentals, power subsidies, etc., to makers of animation films.
3	Karnataka	► Karnataka's Animation, Visual Effects, Gaming & Comics (AVGC) Policy aims to attract investors and provide employment in the state with various initiatives such as by creating skilled labour at its training institutes and providing various tax incentives. The Government also plans to set up an AVGC Centre of Excellence with funding from the Central/ State Governments and private players.
4	Tamil Nadu	► The Government of Tamil Nadu has spent INR80 million on upgrading infrastructure at the MGR Film City by setting up an animation and visual effects studio, renovating dubbing theatres, constructing hostels, etc.
5	Uttar Pradesh	► Hindi films that are shot at least 75% in Uttar Pradesh will be eligible for a grant amounting to 25% of their production cost or INR10 million (whichever is lower). ► The Government of Uttar Pradesh donated INR10 million to the producers of *Dedh Ishqiya* and *Bullet Raja* to attract other producers to the state. It has also exempted *Dedh Ishqiya* from Entertainment Tax in the state. ► The State Government has also decided to provide INR5 million to establish film institutes in the state except in Noida and Greater Noida.
6	West Bengal	► The Government of West Bengal plans to introduce a single clearance window that will process requests for films to be shot in the state. ► The Government provides various subsidies for cinemas/multiplexes. ► New cinema halls will be given an Entertainment Tax subsidy for up to two years. ► New multiplexes will be given an Entertainment Tax subsidy for up to four years.
7	Jammu & Kashmir	► The Government of Jammu & Kashmir has decided to waive taxes for filmmakers while they shoot films in the state.

12 FICCI India Media and Entertainment Industry Report 2014

S. No.	State name	Fiscal benefits[12]
8	Goa	► The International Film Festival of India is held annually at Goa. It sees the participation of various filmmakers from across the world and India. Goa already has a single window clearance system and permits films to be shot anywhere in the state. ► Goa is one of the most popular locations for shooting films in India. More than 100 films, including *Chennai Express*, *Once Upon a Time in Mumbai Dobaara* and *Go Goa Gone*, were shot in the state in the recent past. ► The Government of Goa is reviewing a proposal that will allow filmmakers to claim up to 5% of the shooting costs incurred by them in Goa.
9	Punjab	► The Government of Punjab is setting up a film city and a film institute near Mohali to promote the Punjabi film industry and also help filmmakers shooting films in the state. ► The State Government plans to present exceptional filmmakers and actors with awards ranging from INR1 million to INR25 million. Additionally, it will set up one or two-screen cinemas in rural locations to enable local people to watch films.
10	Himachal Pradesh	► The Government of Himachal Pradesh is formulating a draft of its film tourism policy, which includes incentives for the film industry, e.g., single window clearance of permission requested to shoot films, facilitation of travel and accommodation during duration of stay, etc.

The key reasons for under performance of Bollywood in comparison with its counterparts in the west can be attributed to the following:

Density of cinema screens in Maharashtra

Domestic theatrical revenues continue to be the main source of revenue for the Hindi film industry. However, with the slow-down in the commercial real estate development, the box office revenues are being affected.

Even currently, India continues to be heavily under screened with 8 screens per million as compared to 117 screens per million in the US.[13] In China, there are around 32,000 screens, while India, which is next in terms of population only has around 10,500 screens out of which around 40% are located in Andhra Pradesh, Karnataka, Tamil Nadu and Kerala. In Maharashtra there are only 1,200 screens (700 multiplexes and 500 single screens).

Considering that around 5 films on an average are released every week, the number of screens in Maharashtra is quite low and producers of many big budget films, in order to avoid competition and reduction of income, postpone release of their films from stipulated dates.

In addition to the above, one of the primary reasons for low number of screens in Maharashtra, is the absence of pro-investment tax holidays for more players to invest in establishment of cinema halls. Considering the high cost of real estate and the operational/manpower cost, the support from the Government to provide incentives to encourage investments in cinema halls is missing.

The South Indian film industry receives a few incentives from governments to boost single screen cinemas. To name a few, the South Indian film industry has drastically reduced the entertainment tax, and prohibited the release of video-rights before a film completes 100 days in the theatre, reduced electricity and water charges and hiked admission rates. The south Indian states together house around 59% of total theatres in India.[14]

Currently, despite the improvement in the density of cinema screens across Tier I cities, the industry believes that urban centres are still away from saturation. The focus should also be placed on expansion of cinema screens in Tier-II/III cities such as

13 FICCI India Media and Entertainment Industry Report 2014

14 India Entertainment and Media Outlook 2011

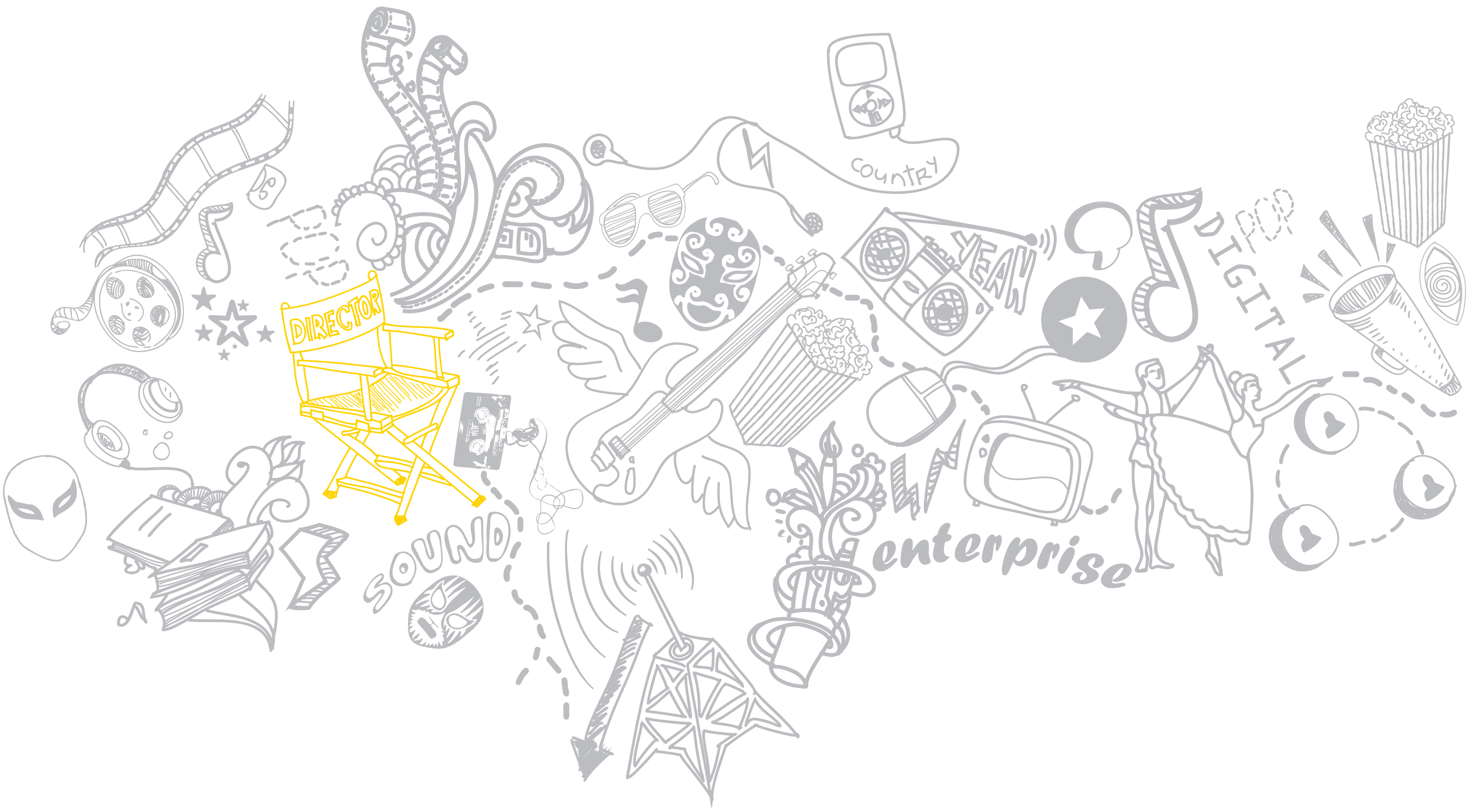
Nagpur, Nashik and Aurangabad. The lack of adequate cinema halls in the state is hampering growth of the film industry in Maharashtra including Hindi and Marathi. The increase in cinema screen density will also result in wider reach and release of regional movies.

Piracy

Although digital distribution of films and shortening of the window between theatrical and television releases have helped the industry to combat piracy to some extent, it continues to adversely impact revenues of the film industry. With the dominant mode of piracy shifting from physical distribution to online distribution, India continues to remain one of the top countries witnessing peer-to-peer (P2P) file-sharing infringement worldwide.

According to Motion Picture Distributors Association (MPDA), the local office of the Hollywood's Motion Picture Association (MPA), India is the fourth-largest downloader of films after the US, Great Britain and Canada. Based on a study undertaken by the MPDA on piracy by tracking downloading IP-addresses on P2P networks between April and September 2013, India was among the top 10 countries in the world with the largest number of illegal P2P activities.[15]

Curbing piracy will entail proactive measures being implemented by the State Government through initiatives such as spreading awareness against piracy in conjunction with industry players.



15 "India major online film piracy hub," *Deccan Herald*, http://www.deccanherald.com/content/41541/india-major-online-film-piracy.html

Regulatory road-blocks

Archaic laws in Maharashtra are also hampering the process of opening a cinema theatre. Multiple permissions are required and many restrictions are imposed, to set up cinema halls in the state. In comparison, to set up a mall with multiple fold investment, require only a few permissions.

To build new cinema halls, the approval process is cumbersome, with requirement of different types of permissions according to the provisions of Maharashtra Cinema (Regulation) Rules under Bombay Cinemas (Regulation) Act 1966. Currently, the following permissions and approvals are required:

- Area restriction is imposed for opening theatres; A theatre should not be near a school, which is a condition imposed on bars and restaurants.
- Security certificate needs to be obtained from chief fire officials.
- Building permission needs to be obtained from Public Works Department (PWD) and local Municipal Corporation/Municipal Councils.
- Permission needs to be obtained from Electricity Supervisor and concerned regional officer of industry, power and labour departments.
- Permission of Health Department or Municipal Corporation Health Department needs to be obtained.
- For ticket sales, permission of the Revenue Department and Local Administration related Department is essential.
- Persons working as projectionists should be electricians.

Therefore, there is an ample scope for co-ordination and simplification of the approval processes. The various permissions can be easily provided through a Single Window Scheme within one month at the level of Local Administration, i.e., District Collector.

In order to give permissions to build new cinema halls within one month, it is pertinent that the State Government formulate a framework to introduce Single Window Scheme at District Collector level.

With the increase in the disposable income of Indian consumers and the willingness to spend their money on entertainment, the time is right for the State Government to relax and simplify the multiple road-blocks in setting-up theatres in Maharashtra.

> "Change in perception and respect for the film industry is the key fundamental to the growth. Sadly, over the decades, the modus operandi, infrastructural hazards and general apathy from the powers concerned have disturbed the terra firma of the industry. It is our innate belief that simplifying laws and processes and rationalizing taxes in line with any service industry could be game changers."
>
> **Mukesh Bhatt**
> *President*
> *The Film and Television Producers Guild of India*

Need of the hour

Rationalisation of multiple tax regime

> "Every government has a right to levy taxes. But no government has the right, in the process of extracting tax, to cause misery and harassment to the taxpayer and the gnawing feeling that he is made a victim of palpable injustice."
> [As said by Nani Palkhiwala and quoted in Nilendra Kumar, "*Nani Palkhiwala: A Role Model*", Universal Law Publishing Company, 3rd edition (reprint), 2010]

Under the current Indian indirect tax structure, the film industry is subject to numerous taxes levied by the Centre, states as well as local government bodies. While the Central Government is empowered to levy taxes on services, the State and Local government bodies are empowered to impose taxes on sales and entertainment activities. Accordingly, service tax is levied by the Central Government currently at 12.36% on all services (excluding certain specified services) and the State Governments levy Value Added Tax (VAT) and Entertainment Tax on sale of goods and entertainment activities, respectively.

Historically, the Indian film industry has been heavily taxed by both direct and indirect taxes and consequently the growth of the industry is stunted to a certain extent. In Maharashtra, the film industry is subject to multiple taxes at various points in the supply chain. Besides a 45% entertainment tax, there are a number of municipal taxes, including property tax, water tax, show tax, PWD and electrical tax, hoarding tax, advertisement tax, VAT, service tax etc. that is being levied on the film industry.

Such multiple taxes are unjustified for an industry that is a primary source of entertainment to the masses and a reflection of Indian art and culture.

Entertainment tax on film exhibition in Maharashtra

The underlying principle of levying entertainment tax dates back to the pre-independence era, when the British Government levied considerable taxes on events centred on entertainment or amusement. The basic premise was that the British Government was afraid that there could be a public rebellion at such huge gathering of Indians.

Moreover, movies were primarily shown in public places such as touring talkies, drive ins, open grounds in towns/villages, panchayats and other modes of consumption. Entertainment tax was first levied in Kolkata and thereafter in Bombay. The entertainment sector in itself was largely unorganised and tax on entertainment was imposed more or less in an inorganic manner.

This sowed the seeds of germination for the Bombay Entertainment Duty Act, 1923 wherein the British Government levied tax on entertainment for the first time purely on the premise of public places being utilised as mediums of cinema exhibition by producers, possibly justifying high rates of entertainment tax. The same logic was carried even after independence in spite of private operators entering the scenario, who set up cinema halls and leased them to producers for exhibition. However, such archaic laws are still prevalent in India in some states and are yet to be repealed or revised, with the changing times. Moreover, the establishment of many Entertainment Tax departments dates back to the British Raj.

"Maharashtra is amongst the few Indian States, which are home to a full-fledged film industry. Maharashtra is a clear leader in terms of the number of films produced, as well as the investments that go into producing them. Maharashtra was also the first state in the country to accord 5 year Entertainment Tax exemption to Multiplexes. The exemptions have now come to an end and with a high Entertainment Tax rate of 45%, the situation requires an urgent intervention by the State Government. Apart from the high tax rate, the rules & regulations that govern building/running of multiplexes, are also in need of long due intervention by way of simplification and modernisation."

Kamal Gianchandani
President
PVR Pictures

Rationale

Post-Independence, Entertainment was included in List 2 of the Seventh Schedule of the Constitution of India. Therefore, entertainment is exclusively reserved as a revenue source for the State Governments.

Entertainment tax is levied by each State Government on entertainment activities carried out in the respective state. The exhibition of films in theatres and multiplexes is covered as entertainment under the ambit of most entertainment tax legislations in India. Given that the states have the power to levy entertainment tax, the rate of entertainment tax varies across states.

While certain states provide complete entertainment tax exemption on film exhibition, Maharashtra levies a very high entertainment tax (45%) on film exhibition. The levy is abnormally high when compared to the tax levied on goods and services that are close substitutes of entertainment, such as MP3 players or video games where the indirect tax levy is in the range of 18% to 23%, or non-essential/luxury services such as beauty salons and spas, where the service tax rate is 12.36%..

State	Entertainment tax applicable on gross ticket value
Gujarat	20%
Delhi	20%
Uttar Pradesh	30% to 40%
Punjab, Assam, Uttarakhand, Jammu & Kashmir and Himachal Pradesh	Nil
Haryana	30%
Rajasthan	30% (Nil for Rajasthani Films)
Andhra Pradesh	20% (15% for Telugu Films)
Karnataka	30% (Nil for Kannada Films)
West Bengal	30% (2% for Bengali Films)
Orissa	25%
Bihar	50%
Jharkhand	110% (Nil for Jharkhand Films)
Tamil Nadu	15% (Nil for Tamil Films)
Kerala	30%
Madhya Pradesh	20%

> The high entertainment tax rates resulted in the Bollywood film industry being taxed at a rate, which could be higher than even "sin" products such as alcohol and tobacco. High tax rates are warranted only for products that are harmful to health such as tobacco and alcohol or products that are harmful to environment (petroleum). There are no negative externalities associated with entertainment. Therefore, it must be considered at par with other goods and services and be given a fair tax treatment. It will be relevant to note that central excise duty, which is levied on manufacture of goods in relation to manufacture of tobacco and hukkah is around 50% per kilogram and 60% per kilogram, respectively.

Regional language film production being promoted

Maharashtra, being the mother-state of the Hindi film industry, it is imperative that encouragement by way of promotion, incentivisation, etc., is provided by the State Government. In spite of being the entertainment capital of India, Maharashtra is levying an exorbitant rate of entertainment tax on the film industry. While regional language films are encouraged in respective states including in Maharashtra, there is no relief extended to the national language (i.e., Hindi) filmmakers in India. Entertainment tax exemptions provided by various states are as follows:

S. No.	State name	Entertainment tax benefits[16]
1	Gujarat	► The Government of Gujarat is offering 100% exemption from Entertainment Tax for Gujarati films. It is also offering an INR500,000 subsidy to Gujarati-language filmmakers.
2	Andhra Pradesh	► Andhra Pradesh is the first to earmark 7% of the Entertainment Tax it collects to use it to develop films and arts in the state. ► The State Government has provided a 7% concession on Entertainment Tax for low-budget Telugu films and 15% for high-budget ones.
3	Tamil Nadu	► The Tamil Nadu Government will provide 100% exemption from entertainment tax exemption on films with Tamil names, which have been given U certificates.
4	West Bengal	► The Government provides various subsidies for cinemas/multiplexes. ► New cinema halls will be given an Entertainment Tax subsidy for up to two years. ► New multiplexes will be given an Entertainment Tax subsidy for up to four years. ► The Government has reduced Entertainment Tax on Bengali films (from 10% to 2%) to ease the financial burden on the Bengali film industry.
5	Rajasthan	► The State Government has provided 100% exemption from Entertainment Tax (including additional Entertainment Tax) for one year to films that are 75% shot in Rajasthan and have been given U certificates. ► New cinema halls and drive-in theatres have been exempted from Entertainment Tax for three years – 75% in the first year, 50% in the second year and 25% in the third year.
6	Punjab	► The Government of Punjab gives Punjabi filmmakers a rebate of 5% of the Entertainment Tax to be paid by them, provided 75% of the dialogues are in Punjabi.
7	Himachal Pradesh	► The Himachal Pradesh Government offers 100% exemption from Entertainment Tax to filmmakers shooting their films in the state.

16 FICCI India Media and Entertainment Industry Report 2014

In contrast to the above, internationally, the film industry is treated as a priority sector and is taxed at either reduced or standard GST or VAT rates with no supplementary taxes. The table below enumerates entertainment tax rates globally where VAT or GST regime is adopted. We have categorised countries into

A. countries charging super reduced rate (less than 50% of standard rate) on sale of film tickets
B. countries charging reduced rate (up to 50% of standard rate) and
C. countries charging standard rate.

	Standard VAT rate (%)	VAT rate on film tickets (%)
Category A: Countries charging super reduced VAT/GST rates (less than 50% of standard rates)		
Belgium	21	6
Cyprus	19	5
Finland	24	10
Germany	19	7
Luxembourg	15	3
Netherlands	21	6
Category B: Countries charging reduced VAT/ GST rates (up to 50% of standard rates)		
Austria	20	10
Italy	22	10
Category C: Countries charging standard VAT/ GST rates		
Australia	10	10
Bulgaria	20	20
Denmark	25	25
Estonia	20	20
Hungary	27	27
Latvia	21	21
United Kingdom	20	20

Source: Ernst & Young research, European Commission publication dated 1 July 2014

Conclusion

The entry of multiplexes as mediums of exhibition and the entry of large corporates in the value chain has resulted in the production, distribution, exhibition sectors working in a more organised and structured manner. Furthermore, the underlying rationale for levying entertainment tax is no longer relevant in today's time. Accordingly, it is in the best interest of both, the Government of Maharashtra and the Hindi film industry in Maharashtra that the archaic law is completely streamlined and exemption for exhibition of cinematographic films from the levy of entertainment tax is provided, which currently, is being levied at rates akin to tax rates levied on "sin" products such as alcohol.

Local Body Tax

Local Body Tax (LBT) is applicable on the entry of goods (subject to threshold limits) into the limits of specified local area and is applicable only where the goods are brought into the area for consumption, use or sale. A person who brings the goods for consumption, use or sale for business purposes within municipal limits of the city is liable to pay LBT.

Under the Maharashtra Municipal Corporations Act, 1949 and governed by the Bombay Provincial Municipal Corporation Rules, 2010, LBT in being levied within Maharashtra, and on identified municipal corporation jurisdiction.

LBT (to be levied in lieu of Cess and Octroi) is applicable from 1 April 2013 in the following municipal corporations; however, it is currently being withheld from being implemented in Mumbai due to protest from various stakeholders:

- Navi Mumbai Municipal Corporation
- Nagpur Municipal Corporation
- Thane Municipal Corporation
- Municipal Corporation of City of Pune
- Pimpri Chinchwad Municipal Corporation

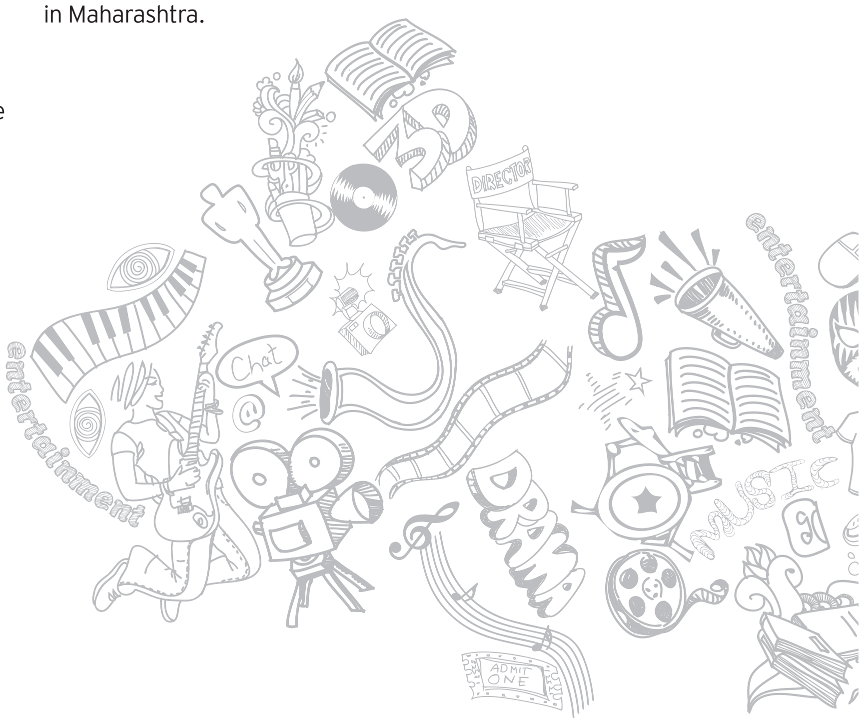
For municipal corporations such as Jalgaon, Nanded-Waghala and Mira-Bhayander, LBT has been in existence prior to April 2013.

The Schedule to Maharashtra Municipal Corporations Act, 1949 prescribes the goods, which would be subject to LBT and the respective rate of tax. Various municipal corporations in Maharashtra, intend to cover within its ambit goods of intangible or incorporeal nature (such as copyrights, patents, etc.) as well as information technology products such as film prints, which have been judicially held to be goods in the past. The prescribed tax rate for such goods is 4%. For example, the introduction of LBT on intangible or incorporeal goods will lead to tax being levied on transfer/assignment of copyrights in cinematographic films outside cinema halls.

While given the intricate nature of the intangible goods sought to be taxed, it must be appreciated that practical difficulties in ascertaining and tracking of entry of intangible goods into a particular geographical area are likely to exist. It will be worthwhile to note that in case of transfer of intangibles, the State specific Value Added Tax legislations do not prescribe any mechanism to determine the situs of sale and accordingly, which state should levy and collect the tax. Judicial precedents provide guidance to determine the situs of sale in case of intangibles:

- Location where agreement for temporarily transferring intangible goods is executed;
- Place where intangibles are registered under any law and transfer of title is effected through change in such registration; and
- Where tangible goods are involved (such as tapes, discs etc.), the place where the movement of such tangible goods originates.

While the film industry is already grappling with high rates of entertainment tax, service tax, VAT and other taxes, the introduction of LBT will append the overall tax liability on the film producer, more so since Octroi and Cess were never charged on the film industry earlier. Consequently, LBT will result in an additional tax in the already congested tax pool for the filmmaker fraternity and break the back of the Hindi film industry in Maharashtra.



Stamp Duty

Provisions of the Bombay Stamp Act, 1958 currently levy stamp duty at 0.5% on all contracts in Maharashtra for conferring broadcasting and exhibition rights in events or films.

It is recommended, that the stamp duty rate is brought down to a fixed duty of INR500/- per agreement as done for many instruments under the Bombay Stamp Act, 1958 and also followed by other State Governments.

While burdening the film industry in Maharashtra with multiple taxes would project the State Government as antagonistic, it is recommended that multiple and archaic levies (such as entertainment tax) should be abolished or the film industry should be encouraged by way of being granted exemptions. Furthermore, with the largest indirect reform doing the rounds in the country, Goods & Services Tax (GST), the time is right for the Government of Maharashtra to promote the State by providing incentives and a tax-friendly environment by subsuming taxes levied by local bodies and municipal corporations in the GST.

"Businesses world over get attracted to places where the tax structure is rationalised and there is encouragement to tighten budgets without compromising on revenues. Taxes such as Entertainment tax, charged at an unusually high rate in Maharashtra, are already crippling the entertainment industry by hitting hard at the financials and the proposed Local Body Tax on intangibles such as software download will undoubtedly send budgets and forecasts of producers in an absolute tizzy & clearly hurt the general business sentiment which may accentuate to migration of businesses to safer tax havens."

Kulmeet Makkar
CEO
The Film and Television Producers Guild of India

Development of infrastructure

As on date, multiplexes account for roughly 25% of the total number of screens in India with a significantly low screen density of 8 screens per million, which pales in insignificance with 117 per million in the US. The per ticket collection in India, when compared with countries such as the US is substantially low when one considers the substantial population of our country with respect to these countries.

In view of the low screen penetration, without a doubt, India has the wherewithal to rapidly increase the number of existing cinema screens in the country over the next decade without causing an oversupply of screens, particularly considering the tremendous upsurge in demand over the years.

There is significant growth potential in ticket sales across India if prices can be commensurate with the purchasing power of the average man on the street and enhanced screen density. In the context of Maharashtra, this can be achieved by introducing favourable measures to increase cinema halls through streamlining of permissions and tax benefits.

With the positive change in the economic and social conditions in the country, commercial scenario, urban development, audience profile with much more literacy and awareness, opening up of market and more commercial establishments such as malls, market centres and town centres, it is imperative to look at film exhibition (cinemas) avenues differently.

Worldwide the film industry has been greatly corporatised and owned by large chains owning multiple cinema halls in various locations in the country as a whole. The scenario in India is no different. Over the last 8-10 years, the country has seen a dramatic shift in the quality of film exhibition through a significant presence of multiplex cinemas across the country. There are many corporate and large organised business houses that have entered the film exhibition industry and have a national presence by making huge investments.

Considering the growth in the country and a strong need to provide better as well as increased presence of cinema halls, it is important that the State Act/Rules related to Maharashtra Cinema are updated and amended on priority.

Setting up of a cinema theatre is governed by the Bombay Cinemas (Regulation) Act 1953 and rules under Maharashtra Cinema (Regulation) Rules 1966, further amended as Maharashtra Cinemas (Regulation amendment) Rules 2002. The license to open a new cinema hall in the State is much more complex, more time consuming and involves many more permissions than any other commercial establishment including a shopping mall. The investor gets dissuaded and frustrated trying to obtain these clearances.

"It is a contradiction that whilst opening a Mall which requires huge capital investment is easier and simpler than setting up a Cinema hall which proportionately requires much lesser capital outflow, in the State of Maharashtra. Archaic laws have slackened the process of opening cinema theatres in the State and over the years Governments in Maharashtra, despite their genuine intentions to help exhibitors, have been unable to shake off the procedural red tape and general lethargy in granting permissions to prospective Cinema owners. We must have cinemas in every townships and large building clusters. For example the large township of Hiranandani at Powai has no cinemas"

Shri Manmohan Shetty,
Chairman, Adlabs Imagica,
Adlabs Entertainment Ltd.

Procedure for licenses and approvals

- According to the current procedure, prior to setting up of a cinema, the investor is required to furnish a locational No Objection Certificate (NOC). The application for the locational NOC is to be made with the licensing authority in the prescribed form. It will be relevant to note that currently, majority of the proposals for cinemas originate from corporation cities from the state, where police commissioners of the city are the licensing authorities under the Act.
- For the purpose of making an application before the licensing authority, various other approvals/NOCs are required, which include NOCs from Executive Engineer from Public Works Department, Health Officer, character verification from police, Traffic NOC etc.
- Pursuant to the above, according to provisions, in order to obtain NOC for construction of a cinema, it is obligatory to invite objections from people living within a distance of 63 meters from the proposed land. Accordingly, the licensing authority calls for public objections to the proposal.
- After completion of the cinema theatre according to the rules and regulations, additional licenses are required to operate the theatre. These include Cinema License, which is to be obtained from the District Collector.
- The District Collector for granting the cinema license may call for the following certificates:
  - **Building construction commencement certificate:**
    Completion Certificate according to provisions of Development Control Rules Certificate from the Commissioner/Chief Officer certifying that the cinema has been constructed as per provisions/rules of the Maharashtra Cinemas (Regulations) Rules 1966. While granting cinema fitness certificate the Commissioner/CEO will get reports from various departments under their control such as Building Permission Department, Fire Department, Health Department and Traffic Planner for building completion certificate, health certificate, building stability certificate etc. Only after getting such unconditional fitness certificates will he give his approval for grant of cinema license to the licensing authority.
  - Electrical Inspector's Certificate

In addition to the above, the following are few of the certificates to be obtained for setting up and operating a cinema theatre:

- The projectionist in the cinema hall should be an electrician. It will be relevant to note that technology to project screening of films in a cinema hall is no more an electric function. It is mainly computer driven through satellite or hard disc. Hence, the electrician has been replaced by an operator.
- Certificate from the Chief Fire Fighting officer. However, there is a need to look at the requirement afresh considering that the inflammable film prints have mainly been replaced by online projection.
- Certificate required from the energy and labour department.
- Certificate from electric contractor of the electricity supply company.
- Health and Medical certificate from the executive health officer, BMC etc.
- A certificate from the concerned authority that a telephone has been installed and is in working order.
- A certificate from the electric department that the lightening conductors have been provided.

Depending upon the intent, efficiency and understanding of the issues involved by the sub staff at the licensing authority's office and the other departments, the procedure of collecting the recommendations/approvals takes anything from six months to a year. Final decision in the matter is taken on the basis of recommendations. The entire procedure from the date of application for locational NOC to final grant of locational NOC involves from 18 months to 2 years at the least.

Currently the licensing authority is Home Department/Police. The Film Exhibition (Cinema) Industry is equated with the "sin" industry, which is intended to be prohibited or curbed. It is suggested that the licensing authority for cinema halls should be similar to opening up of any other commercial establishment or shopping mall and covered under the Shop and Establishment Act and not Police Department. This is because the film exhibition business is an industry and hence, needs to be promoted and not controlled.

The archaic laws, which hamper growth of the film exhibition industry, such as distance of the proposed cinema site from schools, hospitals, temples and any religious institutions make it difficult to find a suitable viable commercial place to build a cinema hall with the scarcity and cost of commercial land or structure in large towns. It is important to note that temples, schools or hospitals can be opened closer to an existing cinema hall but not vice versa. In fact, schools, hospitals and temples allow films or other filmed content to be shown in their premises, with the change in consumption of entertainment.

Recommendations

Apart from the need to allow tax holiday for making investments viable, the complexities of permissions involved to open cinema halls need to be addressed by making laws and rules simpler and preferably license should be issued by a single authority, which is a department responsible to promote trade and industry. The following remedies will reduce the time involvement for the grant of licenses and approvals.

- Powers for grant of locational NOC should not be vested with police commissioners:

  Currently, a majority of the proposals for cinemas originate from corporation cities from the state, where police commissioners of the respective city are licensing authorities. However, the principle duty of the police is maintaining law and order in the city, and cinema licensing receives lower priority in their performance. Moreover, due to other timely priorities such as civic commotions, elections, selection of candidates to police force, security of officials and dignitaries visits, senior officials and personnel from the license branch are diverted to above priority tasks and as such the works related to cinema licensing remains unattended. Thereby, obtaining cinema license/location NOC requires extended period of time.

  In order to avoid this delay, the powers of grant of locational NOC should not vest in the Police department in Municipal Corporation Areas. The Commissioner of the Municipal Corporation or the CEO of Municipal Council should be allowed to grant locational NOC. The municipal authorities have the required authority, infrastructure and the technical ability, as regards plan approval, town planning, fire protection, health and knowledge of city traffic, which are the main issues involved while assessing the suitability of a location for grant of cinema NOC. Furthermore, being the authority in preparing and implementing the development plan of the city, these institutions have the complete knowledge of the presence of various other users in the vicinity of the proposed site, which make them a fit agency to approve location of a cinema in the city.

- Simplification of procedures for grant of NOCs:

  Various certificates are required by the licensing authority before the locational NOC is granted. Obtaining such certificates is time consuming and accordingly, it is suggested that furnishing of the below documents should be treated sufficient for grant of NOC:

  - Ownership/title documents showing right to use the land for cinema purposes
  - Document proving non-agricultural status of the land
  - Character verification certificate: The applicant person/ institution should procure the character certificate from the police station under the authority of which the land is located
  - Development Plan Remarks: The powers of town planning rest with the Municipal Corporation or A Class Municipalities within the limits of the said corporation. Therefore, verification of the suitability of the proposed location for cinema halls can be verified and approved by these corporations
  - Health Certificate

- Elimination of vicinity conditions:

  Cinema theatres are not permitted in the vicinity of places of worship, educational institutions and hospitals. However, it would be relevant to note that cinema theatres now a days being soundproof cause no nuisance to adjoining users. Furthermore, buildings with similar use such as drama halls, mangal karyalays are not restricted by such conditions. Therefore, it is discriminatory to implement such procedure for cinema halls alone.

Attract film shooting in Maharashtra

Creation of film cities

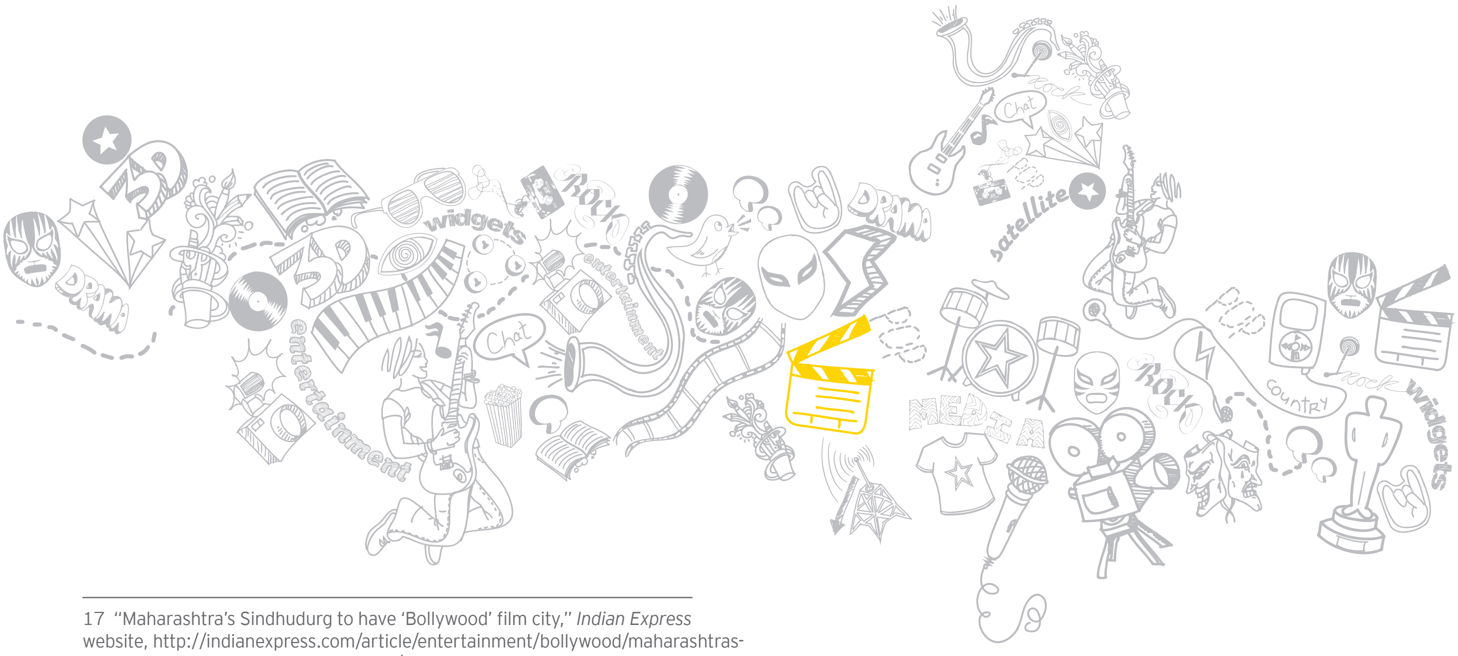
India has film production facilities in multiple cities across the country. These film cities are a one-stop shop for film production, and offer infrastructure including air-conditioned and soundproof shooting floors, custom-designed set locations, digital film processing labs, dubbing studios and the allied requirements of film production. Currently, Maharashtra has a film city situated in Mumbai.

Furthermore, a new film city is coming up at Nandos village in Sindhudurg district of Maharashtra bordering Goa, which will be the new destination for film shootings for Bollywood. The project, expected to be completed over the next four years is coming up at an investment of INR20 billion, and is likely to emerge as a one-stop destination for film shootings and tourism.[17] Moreover, the Government of Maharashtra provided sanctions of INR150 million to set up the film city, which would serve as an alternate to the Goregaon film city.[18]

The Maharashtra Tourism Development Corporation (MTDC) has joined hands with leading developers and foreign investors for this ambitious project. The project is spread over 305 acres in Sindhudurg's Nandos village and it will have a special inscription on the hill with "Bollywood," on par with Hollywood Hills in Los Angeles, the US. Several foreign investors through the FDI route have been roped in. Additionally, the Hindi film industry stalwarts such as Motion Picture Distributors Association (India) Pvt. Ltd. have been partnered for the said project.

It will be relevant to note that MTDC has offered benefits such as ten years concession on various taxes levied on the project including electricity rebate. The entire project is expected to give boost to the tourism activity in Maharashtra as well Goa, being just 30 kms away from the coastal state.

The benefits of building and developing a film city range from employment for the masses to increased tax collection for the Government treasury.



17 "Maharashtra's Sindhudurg to have 'Bollywood' film city," *Indian Express* website, http://indianexpress.com/article/entertainment/bollywood/maharashtras-sindhudurg-to-have-bollywood-film-city/, March 2014

18 "Maharashtra sanctions Rs 15 crore for Chitranagari," *Times of India* website, 24 December 2013

Case study: **Ramoji Film City**

Introduction

The Ramoji Film City is set up by the Ramoji Group in 1996. It is located in Anajpur village, Hayathangar Mandal in Hyderabad, Telangana. It is also a popular tourism and recreation centre, containing both natural and artificial attractions including an amusement park.

It provides various equipment (lights, camera, vanity vans, etc.), services (transport, editing and sound designing, etc.), almost everything that takes to make a film. Around a dozen films from various parts of the country and abroad are shot here daily.

It has radically changed the face of shooting films from a producers' perspective. Today, producers can virtually shoot an entire film in Ramoji Film City at optimal costs and it has become a virtual one stop shop for producers. The state is also earning its rightful revenue from producers in a win-win environment for all concerned.

Andhra Pradesh benefits from Ramoji Film City in the following ways:

1. **Tourism industry**

   It offers a mix of spectacular natural and artificial locations, along with rides, shows and events. Films shot here introduce the audience to our country's diversity and exotic locations, which they can explore. This boosts our country's tourism industry. It currently attracts more than 1.5 million tourists every year.

2. **Creation of employment opportunities**

   Considering the size of the industry, it is likely to create significant employment opportunities. There are various classes of employees such as technical and non-technical staff under employment. Moreover, the foreign film industry avails the help of local technicians for shooting a film in India.

3. **A platform for learning and master filmmaking**

   Ramoji Academy of Film and Television (RAFT) has taken the responsibility upon itself to pass on the legacy of films and the nuances of its making to the upcoming bunch of filmmakers, film students and enthusiasts.

   It offers a multi-discipline Post Graduate Diploma programme in filmmaking. The chief objective of RAFT is to foster filmmaking talent where students from across the country are offered a platform to learn and master the craft of filmmaking and showcase their work on a variety of national and international forums in the context of emerging technologies.

4. **Increased revenue to the Government**

   There are several sources of income to Ramoji Film City, such as income from film-making; income from tourists (entry tickets, restaurants, shopping, hotels, etc.); income from functions (weddings, business meetings, etc.). This results in increased direct taxes (i.e., income tax) being paid to the credit of Government on such incomes.

   Furthermore, indirect taxes such as service tax, value added tax etc., are being discharged by the Film City.

Therefore, given the bounteous benefits of running a film city, it is proposed that the Government of Maharashtra considers setting up such film cities in the Vidarbha region of Maharashtra.

Implement Single Window Clearance

In April 2013, the Ministry of Information & Broadcasting (MIB) constituted an inter-ministerial committee for promotion and facilitation of film production in India. This initiated the roll-out of the single window clearance mechanism for filmmakers wanting to shoot across various locations in India. The committee includes representatives from the Home, Tourism, Culture, Railways, Civil Aviation, Defence and External Affairs ministries. Furthermore, State Governments were asked to nominate nodal officers for film clearances and a standard operating procedure was developed to accord clearances for film shooting by domestic and foreign filmmakers in India.

Pursuant to the above, many states in India have implemented the single window clearance mechanism for film shooting in the respective state. The states, which have introduced the single window clearance mechanism, include Goa, Delhi, Gujarat, West Bengal and Himachal Pradesh. The nodal agency responsible for the implementation and maintenance of the mechanism is primarily the Tourism Department of the respective state.

Film shooting in Maharashtra involves seeking permissions and approvals from various Government functionaries. Accordingly, in order to attract foreign and local filmmakers in Maharashtra it is pertinent that a single window clearance mechanism is implemented to provide all necessary approvals under a single roof. This will protect the filmmaker from running pillar to post and in turn promote Maharashtra as a hassle-free filming destination.

Introduction of Maharashtra Film Commission

Currently, tourism boards across many countries are targeting Bollywood films as a medium to showcase their countries as ideal destinations to attract Indian tourists. In the recent past, many films have been extensively shot in foreign locations.

With the MIB and Ministry of Tourism (MoT) introducing reforms to make it easier for filmmakers (international and local) to shoot in India, the time is right for the Government of Maharashtra to set up a state-level film commission with a mission to attract international production, support local production crews and introduce an incentive regime across Maharashtra. This should increase the economic impact of the Indian film industry in the state.

"Maharashtra is home to India's biggest film industry, globally recognised as 'Bollywood'. The growth potential of this industry needs to be supported by world class infrastructure and resources, skilled labour, tax-friendly business models and most importantly a State Government led Film Commission which facilitates timely permits, film incentives to encourage co-productions and growth of the local motion picture and television production in addition to promoting film tourism. We encourage the Maharashtra Government to foster growth initiatives that will enable local film and television businesses to compete in a global marketplace."

Uday Singh
Managing Director
Motion Picture Dist. Association

The functions that the Maharashtra film commission can perform could possibly cover:

- To promote, market and develop its country/region as a location for film and television production
- To serve as a body that represents people and associations participating in production of film and television production
- To encourage coordination and leadership while serving as a liaising body between businesses, services, agencies and film production agencies
- To facilitate training and community development in the film and television production
- To formulate incentive policies and providing easy access to film incentives information
- To act as a forum to lobby for interests of the film and television industry
- To administer single window clearance guidelines, provide listing of locations, labour, jobs, equipment, lodging, boarding, etc.
- To facilitate safety and security assistance and troubleshooting production problems

Policies for incentivising film production in Maharashtra

Various states in India have been promoting film production in the respective states by providing financial and other incentives to the filmmakers. Film incentives include benefits including cash rebates, tax credits, exemption from or refund of VAT, discounts in accommodation and travel, assistance in identifying locations, etc.

Furthermore, several countries provide various tax incentives to boost the film industry and promote art and culture in their society. For example, Australia provides tax offsets/ refunds at a federal level, based on the amount of Qualifying Australian Production Expenditure (QAPE), e.g., producer offset, location offset and post production digital and visual effects offset up to a maximum of 40% of QAPE.[19]

Film incentive programs provide direct and indirect economic and fiscal benefits that extend beyond production activities that qualify for the credit. These benefits include increased employment opportunities, growth in direct and indirect taxes, increased tourism, development of film industry infrastructure such as studios and service providers, and the attraction of production activities not eligible for credit.

Based on a study of film incentive programmes in place internationally and locally, following are broadly the types of incentives being offered to a filmmaker:

- **Cash grants:** Cash grants are non-repayable funds disbursed to production companies, which help them to reduce their cost of production. Cash grants can be paid upfront or on completion of a particular project. Furthermore, generally, cash grants are subject to some level of compliance; however, grants are also provided without any conditions.

  For instance, the Uttar Pradesh Government offered cash incentives of INR10 million to *Bullet Raja* and *Dedh Ishqiya*, which were primarily shot in the state.

- **Cash rebates:** Cash rebates are refund of actual expenditure incurred. Typically, cash rebates are provided at a specified percentage of the qualifying expenditure. Qualifying expenditure includes costs incurred in the host country during the shoot on the cast and crew, goods and services purchased or at a specified percentage of overall production budgets. Interestingly, rebates offered are grants; however, not all grants are rebates.

- **Tax credits:** Tax credit is a sum deducted from the total amount a taxpayer owes to the treasury. A tax credit can be granted for various types of taxes such as income tax, value added tax, etc. Furthermore, another form of tax credit is by way of a refund of taxes paid while filming in a location. Tax credits can either be refundable or non-refundable and further, transferable and non-transferable.

  A refundable tax credit is one through which the tax liability of the taxpayer can be reduced to below zero. Because it is possible to receive a tax refund from this type of credit, it is referred to as refundable tax credit. However, in case of a non-refundable tax credit, the tax liability can be reduced only to zero and not below.

- **Tax holiday/break:** A tax holiday/break is a temporary reduction or elimination of tax. In other words, there will not be any tax liability for a particular period on taxable income earned during the said period. Over the years, countries have been offering tax breaks and holidays to attract production companies to shoot films in them. It is relevant to note that such breaks and holidays bring down production costs significantly.

- **Non-monetary assistance:** Apart from monetary assistance in the form of exemption from tax and cash rebates, many governments address other issues faced by production companies, e.g., clearances, approvals from various dignitaries, visa procedures, etc.

The Government of Maharashtra should offer different types of incentives to boost the production sector in the form of single window clearance, tax benefits and simplification of permissions for shooting and increase in the number of cinema halls, overhauling the tax structure to name a few.

19 Ernst & Young Report – *Denial of GST benefits to the film industry*

Conclusion

Maharashtra has been a guardian state for the film industry, since its formative years and the industry will always share a sentimental bond with the state.

However, it needs to be reciprocated and the State Government should offer a helping hand in the form of radical overhaul of the tax system, infrastructural facilities, systemic reforms in permissions and a general change in outlook towards the Hindi film industry. Unfortunately, the industry continues to be treated as a curse to the society rather than an asset to the Government as testified by its value addition to tourism. There is a need to tap the hitherto unexplored synergy between the state and the film makers in a congenial work environment, which will not only stem the migration of producers to other friendly states but also lay down a benchmark for other states and future generations to embark upon.

Conclusion	Remarks
Rationalisation of multiple tax regime	► **Entertainment Tax:** Since the underlying premise for levying entertainment tax is no longer relevant in today's scenario, exemption should be granted to the Hindi film industry from the said levy on exhibition of cinematographic films. ► **LBT:** Since the Hindi film industry is already grappling with multiple indirect taxes and moreover, there will be practical difficulties in levying tax on intangible or incorporeal goods, the introduction of LBT will seriously hamper the growth of the Hindi film industry in Maharashtra. ► **Stamp duty:** Stamp duty rate should be brought down to a fixed duty of INR500/- per agreement as done for many instruments under the Bombay Stamp Act, 1958 and also followed by other State Governments.
Development of infrastructure	Increase the density of cinema theatres in Maharashtra. For the said purpose, the following is recommended: ► Powers for grant of locational NOC should not be vested with Police Commissioners and the said powers should be vested in The Commissioner of the Municipal Corporation or the CEO of the Municipal Council. ► Simplification of procedures for grant of locational NOC's – Various certificates are required by the licensing authority before the locational NOC is granted. Obtaining such certificates is time consuming process and accordingly, it is suggested that the procedure should be simplified. ► Elimination of vicinity conditions – Cinema theatres are not permitted in the vicinity of places of worship, educational institutions and hospitals. However, since cinema theatres now-a-days are soundproof and do not cause any nuisance to adjoining users, such conditions should be scrapped.
Attract film shooting in Maharashtra	► **Creation of film cities:** The benefits of building and developing a film city range from employment for the masses to increased tax collection for the Government treasury. ► **Implement Single Window Clearance mechanism**: Film shooting in Maharashtra involves seeking permissions and approvals from various government functionaries. In order to attract foreign and local filmmakers to Maharashtra, it is pertinent that a single window clearance mechanism is implemented to provide all necessary approvals under a single roof. ► **Introduce Maharashtra Film Commission:** With the MIB and MoT introducing reforms to make it easier for filmmakers (international and local) to shoot in India, the time is right for the Government of Maharashtra to set up a state level film commission with a mission to attract international production, support local production crews and introduce an incentive regime. ► **Incentivise film production in Maharashtra:** Tax incentives boost the film industry and promote art and culture. Film incentive programs provide direct and indirect economic and fiscal benefits. Furthermore, several states in India have been promoting film production in their respective states by providing financial and other incentives to the filmmaker.

Furthermore, being recognised for its growth potential, the Media and Entertainment sector, also finds a place in the "Make in India" campaign launched by the Prime Minister of India to attract businesses from around the world.

In conclusion, it can be said that in order to encourage the "Make In India" initiative of the Central Government through "Make in Maharashtra" plan, the film industry needs to be assured of a safe haven in the lap of its mother state of Maharashtra by way of a regimented and meticulous "Live and Prosper in Maharashtra" roadmap by the Government of Maharashtra.

Notes

Notes

Connect with us

Our services

Assurance, Tax, Transactions, Advisory

A range of high-quality services to help you navigate your next phase of growth

Read more on www.ey.com/India/Services

Sector focus

Centers of excellence for key sectors

Our sector practices help to ensure that our work with you is tuned to the realities of your industry.

Read about our sector knowledge at ey.com/India/industries

Stay connected

Easy access to our knowledge publications

www.ey.com/subscription-form

Webcasts and podcasts

http://webcast.ey.com/thoughtcenter/

Follow us @EY_India

Join EY's business network

For more information, visit www.ey.com/in

EY offices

Ahmedabad
2nd floor, Shivalik Ishaan
Near C.N. Vidhyalaya
Ambawadi
Ahmedabad - 380 015
Tel: + 91 79 6608 3800
Fax: + 91 79 6608 3900

Bengaluru
6th, 12th & 13th floor
"UB City", Canberra Block
No.24 Vittal Mallya Road
Bengaluru - 560 001
Tel: + 91 80 4027 5000
+ 91 80 6727 5000
Fax: + 91 80 2210 6000 (12th floor)
Fax: + 91 80 2224 0695 (13th floor)

1st Floor, Prestige Emerald
No. 4, Madras Bank Road
Lavelle Road Junction
Bengaluru - 560 001
Tel: + 91 80 6727 5000
Fax: + 91 80 2222 4112

Chandigarh
1st Floor, SCO: 166-167
Sector 9-C, Madhya Marg
Chandigarh - 160 009
Tel: + 91 172 671 7800
Fax: + 91 172 671 7888

Chennai
Tidel Park, 6th & 7th Floor
A Block (Module 601,701-702)
No.4, Rajiv Gandhi Salai,
Taramani Chennai - 600113
Tel: + 91 44 6654 8100
Fax: + 91 44 2254 0120

Hyderabad
Oval Office, 18, iLabs Centre
Hitech City, Madhapur
Hyderabad - 500081
Tel: + 91 40 6736 2000
Fax: + 91 40 6736 2200

Kochi
9th Floor, ABAD Nucleus
NH-49, Maradu PO
Kochi - 682304
Tel: + 91 484 304 4000
Fax: + 91 484 270 5393

Kolkata
22 Camac Street
3rd floor, Block 'C'
Kolkata - 700 016
Tel: + 91 33 6615 3400
Fax: + 91 33 2281 7750

Mumbai
14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (W), Mumbai - 400028
Tel: +91 22 6192 0000
Fax: +91 22 6192 1000

5th Floor, Block B-2
Nirlon Knowledge Park
Off. Western Express Highway
Goregaon (E)
Mumbai - 400 063
Tel: + 91 22 6192 0000
Fax: + 91 22 6192 3000

NCR
Golf View Corporate Tower B
Near DLF Golf Course
Sector 42
Gurgaon - 122002
Tel: + 91 124 464 4000
Fax: + 91 124 464 4050

10th Floor, Tower D&E
Cyber Green, DLF Phase-3,
Gurgaon 12202 Haryana
Tel: + 91 124 671 4400

6th floor, HT House
18-20 Kasturba Gandhi Marg
New Delhi - 110 001
Tel: + 91 11 4363 3000
Fax: + 91 11 4363 3200

4th & 5th Floor, Plot No 2B,
Tower 2, Sector 126,
NOIDA 201 304
Gautam Budh Nagar, U.P.
India
Tel: + 91 120 671 7000
Fax: + 91 120 671 7171

Pune
C-401, 4th floor
Panchshil Tech Park
Yerwada
(Near Don Bosco School)
Pune - 411 006
Tel: + 91 20 6603 6000
Fax: + 91 20 6601 5900

For more information, please contact:

Uday Pimprikar
Partner, Tax & Regulatory Services
Direct: +91 22 6192 0190
Email: uday.pimprikar@in.ey.com

Utkarsh Sanghvi
Director, Tax & Regulatory Services
Direct: +91 22 6192 2086
Email: utkarsh.sanghvi@in.ey.com

Ernst & Young LLP

EY | Assurance | Tax | Transactions | Advisory

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

Ernst & Young LLP is one of the Indian client serving member firms of EYGM Limited. For more information about our organization, please visit www.ey.com/in.

Ernst & Young LLP is a Limited Liability Partnership, registered under the Limited Liability Partnership Act, 2008 in India, having its registered office at 22 Camac Street, 3rd Floor, Block C, Kolkata - 700016

EYIN1412-140

ED 0115

PP

100+ years of excellence in professional services

EY refers to the global organization, and/or one or more of the independent member firms of Ernst & Young Global Limited