

Delegation to the Finance Minister accompanied by Minister of Information & Broadcasting & FICCI presented Budget Recommendations today in a meeting of CEOs from Film, Television, Radio and Animation, Visual effects, Gaming & Comic Sector

New Delhi 4th Feb 2011: Top CEOs and Presidents of National Associations presented budget recommendations tabled by FICCI at an interaction led by Smt Ambika Soni, Union Minister for Information & Broadcasting to Shri Pranab Mukherji, Union Finance Minister.

Key recommendations of FICCI were-

- FICCI demanded withdrawal of service tax
- Multiple taxation should not be levied on Media & Entertainment sector
- 10 year tax holiday was demanded for Animation, Visual effects, Gaming & Comic Sector
- Countervailing Duty (CVD) levied on unexposed cinematographic films should be withdrawn
- The digitization process should be facilitated through various fiscal incentives

CEOs present in the meeting discussed following key issues related to their sectors to be addressed in the coming budget:

Film:

- VAT & service tax should not be levied simultaneously on copyright services to avoid multiple taxation
- Tax Deduction At Source (TDS) computed on income accrued from film production should be done away with
- Entertainment tax should be rationalized & made uniform across all States. Further, it was demanded to move entertainment tax to the concurrent list
- Piracy in any form should be discouraged

TV Broadcasting:

- Digitization process should be accelerated through institutional support
- "Infrastructure status" should be granted to the cable industry
- Custom duties on Set Top Boxes should be minimized to bridge demand supply gap
- Further, Tax holiday should be provided to Set Top Box manufacturing sector
- Custom duty on digital equipment should be brought to zero

Radio:

- Current 10.3% service tax should be removed

Animation, Gaming, VFX, and Comic industry:

- As this industry is capital intensive & technologically demanding, a 10 year tax holiday was demanded
- Incentive for Intellectual Property (IP) creation was demanded as it could generate continues revenue streams

The size of the Media & Entertainment industry today is 587 billion rupees and is expected to grow to 1091 billion rupees by 2014. If the pace of growth is to be accelerated, the government will have to remove bottlenecks and provide an enabling environment.

FICCI along with the delegation of CEOs submitted a recommendatory report to the Finance Minister for his kind consideration.

Note: log on to www.ficci.com/SEdocument/20113/FICCI-Recommendations-Media-Entertainment-Sector.pdf for Detailed Recommendations on Media & Entertainment Sector.

CONTACT

Taresh Arora

taresh@ficci.com

(M) 9899115719