

Theatres strike: Kollywood comes to a standstill

Description

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By M Suganth & Thinkal Menon | TNN

With no major breakthrough in the talks between Tamil Nadu Film Exhibitors Association and the state government on Monday, theatres continued to remain closed throughout the state on Tuesday as well, affecting the Tamil film industry. The association had called for a strike after the state government announced the imposition of 30% local body tax in addition to the Goods and Services Taxâ?¦

GOVT, EXHIBITORS REFUSE TO BUDGE

Presently, there are two requests that are being made by the exhibitors. One is the removal of the announced local body tax, which added with the 28% GST, will increase the entertainment tax in Tamil Nadu to a staggering 58%. The other is a request to rationalise the ticket prices, which were fixed way back in 2007 to their present rates. In a GO issued in 2009, the Tamil Nadu government had capped ticket prices at `120 for multiplexes (defined as theatres with three or more screens). For single screen theatres, the rate of admission was capped at `50 (municipal corporation), `40 (municipalities), `25 (town panchayats) and `15 (village panchayats) for air-conditioned theatres. However, theatres, especially those in the suburbs and rural areas, have been flouting these restrictions and collecting a higher amount.
And exhibitors feel this was necessitated because there had been no hike in ticket prices for almost 10 years, despite inflation.

Rakesh Gowthaman of a theatre in the suburbs, says, â??The strike cannot go on like this. An amicable solution should be formed at least by Thursday. Our two demands are â?? to remove the local body tax and allow permission to hike ticket rates. We arenâ??t asking for an unreasonable hike; the current ticket price across the state should be revised based on the area (panchayat, municipality, corporation) where the theatre falls and its facilities.â?•

The Karnataka government has capped ticket rates at multiplex at `200. In Hyderabad, it is `300, while in Kerala, the average ticket prices in multiplexes is `250. So, there has also been a request to allow multiplexes to charge `200. It will be a double whammy for the industry if the local taxes are imposed on top of the GST and ticket rates remaining the same as they were almost 10 years ago,â?• opines G Dhananjayan, producer and distributor, whose Ivan Thanthiran is among last Fridayâ??s releases which have been severely affected by this strike.

However, the government, we are told, is not ready to forgo the local tax because it feels that this is a major source of revenue for the local bodies. But some in the industry also feel that this could also be because the government, by using tax exemption, wants to keep the industry under its control. â??I am not sure when was the last time cinema theatres in TN were shut down, but I am pretty sure these are unprecedented situations currently prevailing. When other state governments across India have recognized the idea of GST and reformed their local taxation system, why has the TN government alone not taken any of these reform measures yet? This government simply wants to hold the industry and the producers at ransom, so they can extract their pound of flesh as bribes on the pretext of giving tax exemption, at the time of release. This systemic plunder has to stop,â?• hits out S Sashikanth, producer of Vikram Vedha, which has postponed its July 7 release because of the uncertainty prevailing in Kollywood.

STARSâ?? SALARIES COME UNDER THE SCANNER

The popular opinion among audiences, especially those on social media, seems to be that the industry is suffering on account of its own extravagances, from producers inflating the box-office figures to paying stars in crores. This is why lyricist Madhan Karky has come in for praise, after announcing that he will be taking a 15% cut in his remuneration. â??I donâ??t have much knowledge about taxation or GST, but speaking to some producers, I realised that the local body tax is a big blow to them. Since higher salaries raise the cost of filmmaking, Iâ??ve decided to take a cut in my payment. I do not know how much my gesture will help producers, but this is the only way I can offer them my support,â?• says Karky. He informs that he is planning to continue with his decision even after the stand-off between the exhibitors and the government has ended, â??for a year or two until the industry is back on track.â?•

(Source: indiatimes.com)

Category

1. distribution

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