

<b>Sector:</b>	
<b>Tourism</b>	
<b>Project Title:</b>	
<b>Multiplex &amp; Entertainment Centre at Bhopal &amp; Indore</b>	
<b>Nature of Tourism:</b>	
<b>Leisure/ Entertainment</b>	
<b>Project Description</b>	

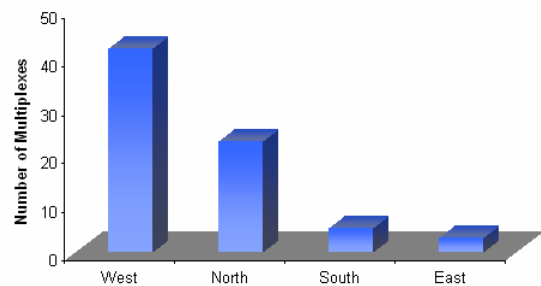
The entertainment industry in India is growing at a fair clip amongst which multiplex segment is touted to be one of the fastest growing segments. Though these multiplexes have mushroomed in the metro cities such as Delhi and Mumbai, non-metros are still to catch up with the similar momentum.

Recently, the concept of multiplexes has matured to the next level wherein, it is positioned as a complete entertainment centre for the families with other recreational facilities along with the multiplex. In the similar lines the Government of Madhya Pradesh has proposed to set-up Multiplex (including IMAX theatre) cum Entertainment Centre in two of its major cities i.e. Bhopal and Indore. The proposed multi-entertainment zone would house, multiplex, IMAX theater, food court, gaming zone, shopping place etc. It would focus on families and youngsters as their target markets with facilities catering to all the age-groups.

GoMP invites Private Player/s to undertake the proposed project in each location wherein the Private Player/s would build, own, maintain and operate the project. One or more party/s could take up this project.

**Project Rationale**

There were 73 multiplexes operating in India with 276 screens during the year 2005. By the end of the year 2006, it is estimated that over 60 more multiplexes with over 220 additional screens are slated to commence operations, translating into a growth rate of 80% to 100%. Though these multiplexes are increasing, the single screen theatres are still ruling the non-metro cities. There are only 11 multiplexes for every million people in the country as compared to 117 in USA and 77 in France.



Moreover, with the technology advancement in media segment, various 3 dimensional movies are also being made which could be showcased in IMAX theaters. Presently, very few cities in the country have such theatres.

With the surge in demand for multiplexes and entertainment the model of the

business is also evolving. Presently, there is a focus on providing integrated entertainment for all the age-groups.

The State of MP presently, does not have any such entertainment mall. Bhopal and Indore are the major cities of the State and have a high demand for such malls due to the rising employment, increasing disposable income, outing spots of the families on weekends etc. Further, neither of the cities have IMAX at present and this project would be the first initiative which would give the investor first mover advantage (since as per the policy only one IMAX is allowed in a city).

The Government has initiated various tax incentives to investors investing in multiplexes in the non-metros. Bank and Institutional Funding is available to single screen owners to upgrade their existing theatres to multiplexes. Over 100 cinema halls have been converted into digital theatres in the past 2 years.

### Location Analysis

The proposed multi-entertainment centre would come up in two major cities of MP i.e. Indore and Bhopal.



Bhopal is the capital of the State of the MP. The city accounts for the population of over 1.5 million, however it has less than 20 theaters in the City and clearly does not have any multiplex or 3D supporting theaters as on today. Further, the city does not have an integrated entertainment centre offering a complete family package. This illustrates a huge gap between demand and supply in the city for which could be filled by the proposed multiplex in the city.

Indore is touted as the Business capital of the State. The city has a population of more than 1.6 million and has few multiplexes launched recently. However, the city presently does not have an integrated entertainment centre. Further, Indore is in close proximity to some cities such as Ujjain and proposed project could attract visitors from these places.

### Proposed Facilities

The proposed Multi-entertainment centre would have following facilities that would essentially cater to all the age groups:

- **Multiplex- The Movie Factory:**
  - 5- movie screens
  - Snacks & beverages outlets
  - Ticket counter/s

- Movie promotion corner showcasing the upcoming movies through banners, small screen etc.
- **Imax:**
  - 3D theatre with a capacity of 200-300 seats
  - Snacks & beverages outlets
- **Recreation Zone:**
  - Games Zone including bowling alley, simulators, kiddie rides, battle tanks, carnival games etc.
  - Multi-cuisine or specialty restaurants
  - Outlets of national/ international food chains
  - Shopping arcade having various outlets of different brands
  - Handicraft mela exhibiting the art and crafts of different states of the country
- **Other Facilities:**
  - ATM centres of different bank
  - Parking space
  - Administrative room

### **Government Support**

The State Government would assist the private investor in identifying the suitable for the proposed project in each city and the immediate approval and clearance of the same. Further, the Government would also Some of the indicative incentives that would be offered by the State Government to the private investor for the proposed project are as follows:

- Government land will be offered with the approval of the Empowered Committee as equity participation on behalf of the Government at current market value for setting up Joint Ventures.
- Exemption from Luxury Tax for ten years from the date of commencement of commercial operations.
- Exemption from Sales Tax for ten years from the date of commencement of commercial operations.
- Entertainment Centres (if relevant in this case) will be exempt from

Entertainment Tax for ten years from the date of commencement of commercial operations.

### **Proposed Investment**

**The total investment for the project is estimated to be USD 4.4 million or INR 200 million.**

### **Project Feasibility**

Various new industrial projects are proposed to come up in the State of MP, leading to further economic development in the State. Cities such as Bhopal and Indore already have a high demand for entertainment centres, quality multiplexes. The proposed multi-entertainment centre would be an act as a complete entertainment package for the families and growing population of youngsters in these cities.

It is expected the multi-entertainment centre would receive average 3000-3500 footfalls a day. Further, the Centre would also be an attraction for the people from the nearby towns around both the cities who would come there on weekends and holidays.

The Internal Rate of Return from the project is estimated in the range of 12 -15%

### **Coordinating Agency**

**Department of Tourism, Government of Madhya Pradesh**

**Madhya Pradesh Tourism Development Corporation Ltd.**