

शिक्षण आणि समाज Education and Society

Since 1977

**Multidisciplinary Special Issue
September 2022
Part - II**

The Quarterly dedicated to the policy of “Education for Social
Development and Social Development through Education”



Indian Institute of Education

J. P. Naik Path, Kothrud, Pune-38

Index

1. ‘Self Help Group (SHG) is an apparatus of Women Empowerment’ With reference to Sangli District, Maharashtra - Ms. Archana. R. Kurane	11
2. A Study on Financial Analysis and Status of Selected Street Vendors in Satara City- Mr. Ajay Dagadu Kate.....	20
3. Financial Literacy - A Case Study of Satara District in Maharashtra - Prof.(Dr.)Wavare A.K., Dr.Khamkar G. C.	30
4. Conservation of natural resources and Asset creation work in the Gondia District through MGNREGA - Mr.Vijay P. Rahangdale, Dr.Rajeshwar D. Rahangdale	39
5. The Future of Artificial Intelligence in Capital Markets : An Indian Perspective - Lt. Rathod Bhushan Revasing, Dr. Zagade Sunil	48
6. Sustainability in Agriculture through Information : Source Selection and its Dominant Factors - Mehak Kapoor, Dr. Harpreet Singh	56
7. Talukawise Imbalances In The Growth Of Primary Agricultural Credit Co-operative Societies In Solapur District - Mr. Dhaygude Ganesh Gorakh	70
8. Impact of Unified Payment Interface(UPI) on Customer Satisfaction - Dr. Swati S. Jagtap	75
9. Determinants of Corporate Dividend Policy: A Review of Literature - Bharat Khurana, L. N. Koli and Venugopalan T.	83
10. Economic Assessment Of Kashal Village In Maval Tahsil Of Pune District In Maharashtra, India. - Mr. Uddhav Manohar Ghodake, Prin. Dr.Manjushri Bobade, Dr.Bhagwat Bhaurao Gadekar	99
11. Research Study on Tourist Attraction Towards The India - Mr.Patugade Sandip Anandrao	107
12. Problems and Prospect of Contract Poultry Farmers: A Case Study of Satara District - Miss. Dipali Hindurao Chavan	113
13. An Analytical study of implementation of PMJDY Scheme through DBT in Purandar Taluka of Pune District - Dr. Rakesh Suram, Sangita Jagtap.....	119

14. Qualitative Research Methodology in Social Sciences Special Reference to Commerce and Management	
- Smt.Pote Aruna Gangaram	124
15. A Review of Strategies For Tribal Development In India	
- Mr. Kishor Gajanan Sutar, Dr. Sanjay Vitthal Dhonde	132
16. An Experimental Study to Evaluate the Efficiency Responsiveness of “Fraud Awareness Booklet” on Online Banking Frauds among Students	
- Nimbale S. M, Mr. Ghadge A. K.	142
17. A Comparative Study on Progress of The Satara District Central Cooperative Bank Limited Satara, Satara	
- Asst. Prof. M.M.Chavan.....	149
18. Skill Development Challenges and Opportunities in Commerce Colleges - Dr. Sunil Zagade	157
19. Analysis of Cost And Pricing of Jawar With Referece To Dry Land In Solapur District - Dr. Yogesh B. Mane	164
20. Role of Irrigation In Agriculture Development of Solapur District (Maharashtra)	
- Mr.Sohel Rafik Mujawar, Prof.(Dr) S. M. Bhosale	172
21. To Study the Satisfaction Level of College Students Regarding Online Shopping	
- Mr. Umesh D. Dabade, Dr. G. Haresh	181
22. A Study of Impact of GST on Entertainment Industry in Pune City - Dr. (Mrs.) Shilpa R. Kulkarni, Mr. Sudhindra Apsingekar	189
23. Financial Problems of Selected Agro Based Food Industries In Kolhapur District	
- Dr. Amardeep D. Jadhav	196
24. Special Economic Zones (SEZs) and Its Impact on Indian Economy - Dr. Ghodake D. Nivruttirao	205
25. The Future of Artificial Intelligence in Capital Markets: An Indian Perspective - Lt. Rathod Bhushan Revasing, Dr. Zagade Sunil	212
26. A Study of Awareness about Life Insurance among the Customers of LIC - Dr. Ashok S. Banne.....	220
27. Social Entrepreneurship as a Tool for Sustainability Development - Dr. Usha Bhandare.....	226
28. Agriculture Finance in Sangli District: Impact and Evaluation - Asst. Prof. Vijay Dinkar Patil	236
29. A Study of Tourism Management of Private Tour Agencies With Special Reference To Pune District	
- Shinde Krishnadeo Tukaram, Dr. Archana Jayant Mali	247

A Study of Impact of GST on Entertainment Industry in Pune City

Dr. (Mrs.) Shilpa R Kulkarni, Mr. Sudhindra Apsingekar

Abstract

Goods and Services Tax (GST) is one of the key initiatives in India in the field of indirect tax reforms. By combining a large number of state and central taxes into a single tax, the GST sought to mitigate the ill effects of double taxation and pave the way for a common national market. GST is a determined government effort to transform the tax structure of the economy into a destination-based consumption tax and avoid the cascading effect of taxes. The Indian media and entertainment Industry is a fastest growing sector and is globally the fifth largest media and entertainment market. This white paper attempts to provide insight into the impact of GST on entertainment industry in Pune city and highlight key issues of implementation. This research is a focused study to understand impact of changes in tax rates under GST regime for various subcategories of entertainment sector like movies, Direct to home (DTH), cable services, various dance forms, advertisement & sporting events. This research paper endeavor to highlight the changes witnessed by entertainment sector under GST & attempts to find out future challenges of this sector.

Keywords : GST, Entertainment Industry, Indian Economy, Indirect taxes, Service sector.

Introduction:

Media and entertainment industry is one of the key & fastest growing sector in India. The business recorded a growth of 11.76% in 2017 with a market size of USD 19 billion. Business is hoping to accomplish a market size of USD 100 billion by 2025. India is considered to be the fifth largest Media & Entertainment market in the world. Various other factors like digital India initiative, access to mobile phones at economical cost & reduced data traffics additionally helped for growth of this sector.

The various key subsectors of Media & entertainment industry are TV, print media, movies, sport events, music, digital adds, animation, gaming etc. TV, movies & print medium are the three biggest subareas of media & entertainment industry in Maharashtra & in India.

Need for Study

Introduction of GST is one of the key initiatives in India since 2017. The GST is a national concern and has received considerable attention from tax professionals, the business community, consumer groups, politicians etc. The details below highlight the need for systematic research in this area.

- The successful implementation of GST in the entertainment industry has received mixed reviews from experts and tax professionals. Significant analysis is required to assess the short-term trade-offs and long-term payback of GST implementation.
- GST is a nationwide tax. However, all state-specific taxes are aggregated, so a detailed area specific analysis is required to examine the effectiveness of GST implementation in a particular area.
- GST faced some implementation challenges after its introduction in India. It is therefore important to weigh the benefits of GST in entertainment industry against near-term implementation challenges.

Objectives

- To evaluate the impact of GST on Entertainment business.
- To understand difference between traditional indirect tax system and GST for entertainment area.
- A presentation of the benefits and difficulties of GST in the entertainment industry.

GST impact on Entertainment sector

List of the entertainment tax generally charged by states in pre-GST era is between 0% to 110%. Highest entertainment tax was applicable in Jharkhand (110%) whereas states like Assam, Rajasthan & Punjab are the states with low or nil entertainment tax. Entertainment tax for Maharashtra was 45% in pre-GST era.

Service tax on entertainment services in VAT regime

Service Tax	15%
Abatement	60%
Effective Service tax	40% of 15% = 6%

Table below shows the GST rates for various sub segments of entertainment industry:

Type	GST Rate
Circus, All dance forms, Theatre Drama	18%
Movies, Movie festivals, Amusement parks, Sporting events	28%

Cinema

In pre-GST era, entertainment tax generally charged by states on movie tickets was in between 0% to 110%. Under GST regime, GST rate of 18% is applied on all movie tickets with price less than Rs 100. If ticket cost is more than Rs 100 then GST rate of 28% is applied. In the states where entertainment tax was high like Jharkhand or Uttar Pradesh, movie ticket prices would go down under GST. On the other hand, for people from few other states would have to pay more for movie ticket if pre-GST tax rate was less than 28% in their state. Food and

beverages will attract 18% GST as they fall under the supply of food/drinks in outdoor catering. Hence GST would have a positive or negative effect on cinema industry, depending on the state.

DTH and Cable Services

Under the new GST regime the prices of DTH and cable services are less compared to old VAT regime. Earlier, these services were eligible for entertainment tax of 10-30% in addition to the service tax levy of 15%. Under the GST regime, DTH & cable services are subject to fixed 18% GST rate.

Amusement Parks

Under the old tax system, ticket prices for amusement park were subject to only 15 % of service tax. However, Under GST, tickets for amusement or theme park are subject to 28% tax rate. This change in tax rate will make the complete experience of amusement park expensive.

Cricket & Concerts

All sporting events are subject to 28% GST which is approximately 8% more than previous VAT regime. GST rate for circus, theatre and all dance forms is set to 18%, which is lower than the previous VAT regime.

Advertising in Print Media

Under GST regime, 5% GST is applicable if an advertisement agency buys space from the newspaper and sell it further to clients on its own account. However, if the advertisement agency acts as an agent of the newspaper then it would be liable to pay GST of 18% of the commission.

Following are the few studies around GST implementation which highlights various aspects of GST & Indian economy.

Ehtisham Ahmed and Satya Poddar review Goods and Services Tax Reform and Government-to-Governmental Considerations in India and found that although the benefits of GST are tightly linked to the concept of GST law, however GST would result in a simpler and more evolved framework for evaluation (Ahmad et al., 2009).

Nitin Kumar examined goods and services taxes and showed that the GST would be the most useful framework to eliminate financial harm and ensure a consistent and simple customs framework across the country (Kumar, 2014).

A study "Research paper on the impact of the Goods and Services Tax (GST) on the Indian economy," argues that with introduction of the GST, government is targeting India's huge population to the potential inflation. Research further points out that efforts should be made to mitigate against potential inflation (Dani, 2016).

Research methodology

Sampling Technique: Researcher have used Purposive sampling technique for this research.

Universe and sample size: All people aged 25 years and living in and around the Pune area were considered part of the population for this study. A sample size of 200 is chosen for this study.

Sampling unit: Population unit belonging to the age group of 25 years and older were treated as the sampling unit.

Sampling Frame: Selected areas of Pune City such as Dhayari, Sinhgad Road, Sadashiv Peth are considered as sampling frames.

Data Analysis

After conducting a survey with a sample size of 200, a data analysis of the responses received from customers and industry representatives was conducted. For this study researcher have prepared a 25-item questionnaire and employed an interview technique. Data analysis and interpretation of some of the key questions are provided below.

Table 1: Do you think Implementation of GST & changed prices affect your buying behavior in entertainment area.

Sr. No	Response	Numbers
1	Yes	101
2	No	74
3	No Idea	25

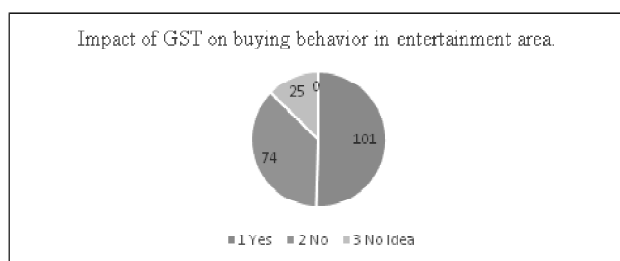


Fig.1: Impact of GST on buying behavior in entertainment area.

Fig.1 indicate perception of entertainment sector customers post GST implementation. Approximately half of the population confirms that GST will result in buying behavior changes for entertainment area.

Table 2 : Do you think GST will lead to easier administration & simplified procedures for businesses.

Sr. No	Response	Response in Numbers
1	Yes	162
2	No	25
3	No Idea	13

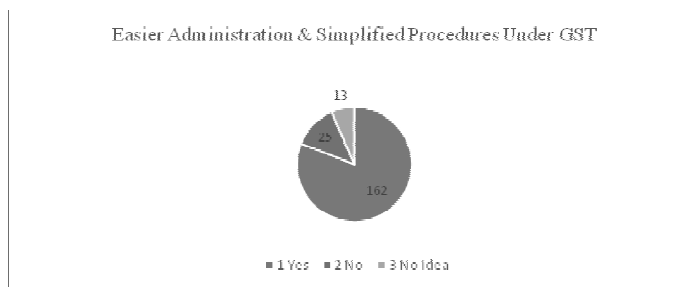


Fig. 2: GST Procedures & Administration

Fig.2 shows 81% of the sample population believes that GST will reduce cascading of taxes, which will simplify taxation procedure and administration.

Findings

1. GST has simply changed the view of individuals for entertainment industry. Increased rate of GST for some segments of Entertainment industry is compensated by Input Tax Credit (ITC) facility given under GST to Entertainment sector.
2. This Study additionally observed that average citizens are not completely mindful about itemized changes that GST made in this area. Particularly the distinction in tax rate dependent on category of entertainment.
3. Improved perception –The execution of the GST will help improve the image of the sector as businesses work under greater responsibilities and stricter solvency requirements.
4. Changes in tax rates in entertainment sector is positive for customers in Maharashtra. In the long term, businesses and customers will benefit from increased transparency and accountability that sector functions have so far avoided.
5. Additional Local body tax -Individual states are allowed to levy an additional local body tax (LBT) over & above GST for movie tickets. This feature makes movie tickets as only product with double taxation. The rate of LBT is decided by the state.
6. Availability of ITC – Input tax credit for services is available under

GST regime. This means, input GST paid on services like catering, renting a space etc. can be adjusted with output GST due from sell of tickets.

7. This research Study notices some viable difficulties in Implementation of GST in Entertainment industry. Some of them are as beneath.
 - Each input cost as far as materials, work, and so forth must be independently and altogether broke down to give appraisals of absolute GST due.
 - Advantage of input tax credit is applicable to GST paid however, currently no system is set up to analyze an increase in other non-GST costs because of transition.
8. Summary of advantages and difficulties of GST in Entertainment industry are as follow

Advantages of GST in Entertainment industry

- GST removes cascading impact of indirect taxes in entertainment area.
- Simple methodology for tax computation & fewer compliances.
- Defined treatment for E-business administrators.
- Improved transportation & logistics proficiency.

Difficulties of GST in Entertainment industry

- Increased costs because of software product buying.
- Not being GST-consistent can draw in penalties.
- Increase in operative expenses.
- Difficulty in adapting to a total online tax collection framework.

Conclusion

The entertainment industry consists of important subsegments like movies, DTH & cable services, amusement parks, advertisements etc. Changes in tax rates in movie sector is positive for customers in Maharashtra & Pune as tax rate changed from 45% in VAT regime to 28% under GST. The new GST system & tax rate changes seen positive for the multiplex owners in Maharashtra and expected to boost their profitability. This is primarily because of availability of input tax credit (ITC) on the fixed costs associated with multiplex. The prices of DTH and cable services and advertisement in print media have come down with the implementation of GST. As the usage of DTH and cable services have increased, this would benefit the end consumer. The ticket prices for amusement parks and for concerts have increased under the new structure. This idea of entertainment, especially going for a concert or to the amusement park is significant in city like Pune & hence this area of entertainment is negatively affected by GST. Overall, GST would boost entertainment business with increased digitization and access to data

services at lower costs. In the long term, businesses and customers will benefit from increased transparency and accountability that sector functions have so far avoided.

References

Journals

- Dubey, N., Kumar, D. and Pandey, S. (2017), “An Enquiry Into the Effect of GST on Real Estate Sector of India”. *International Journal of Trend in Scientific Research and Development*. vol.1(6):1001-1005
 - Ms. Shalini R (2016), “Impact of GST on Indian Real Estate Sector”. *International Journal of Business and Administration Research Review (IJBARR)*.vol.XII (III):1251-1257
 - Ehtisham Ahamad and Satya Poddar (2009), “Goods and Service Tax Reforms and Intergovernmental Consideration in India”, Asia Research Center, LSE,2009.
 - Nitin Kumar (2014), “Goods and Service Tax in India-A Way Forward”, *Global Journal of Multidisciplinary Studies*, Vol 3, Issue6, May 2014.
 - Shefali Dani (2016),” A Research Paper on an Impact of Goods and Service Tax (GST) on Indian Economy”. *Business and Economics Journal*. vol.7(4).
-