

National Association  
of Motion  
Pictures Exhibitors  
New Delhi



# The story of film exhibition in India

2025



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# Foreword



**Sanjay Jaju**

IAS,  
Secretary, Ministry of  
Information and Broadcasting

Cinema has long been an integral part of India's cultural fabric—a medium that bridges languages, geographies, and generations. The immersive theatrical experience, especially its powerful soundscapes, remains beloved by millions. While the magic of the big screen continues to captivate millions, the traditional model faces significant challenges.

India's film exhibition industry faces unprecedented disruption. Shrinking footfalls, limited screen density, and increasing competition from digital platforms have put the traditional cinema model under serious strain.

India's rich cinematic heritage deserves a future as dynamic as its past. By embracing reform and fostering collaboration between industry and government, India can redefine moviegoing. The community experience of watching movie, together in cinema/theatre can help the industry substantially to regain its glory. It's not just about entertainment; it's about making cinema a powerful catalyst for inclusive national progress.



**Kamal Gianchandani**

President, Multiplex  
Association of India (MAI)

Cinema has always held a unique place in India's cultural and social fabric. Theaters are not just venues; they are vibrant community spaces where stories come alive, emotions are shared, and memories are made. Over the past few years, our industry has weathered extraordinary challenges, from prolonged shutdowns to evolving audience habits. Yet, it is this very period that has also reaffirmed the unmatched magic of the big screen and the enduring love of audiences for the theatrical experience.

This report offers deep insights into the current dynamics shaping cinema exhibition in India, from the resurgence in footfalls and evolving content preferences, to infrastructure growth, technological innovation, and changing consumption patterns. It highlights both our recovery and our reinvention.

To fully realize the sector's potential and ensure sustained growth, we urge continued and focused support from the government. This includes rationalization of GST on cinema tickets, granting industry status to cinema exhibition, streamlining single-window clearances, and incentivizing investments in underserved regions through targeted infrastructure support. With policy-level backing, the exhibition sector can become an even stronger contributor to India's cultural economy, employment generation, and soft power.

The journey ahead holds tremendous promise. With increased investments, a robust content pipeline, and a renewed appreciation for the theatrical experience, we are entering a phase of transformation driven by creativity, powered by technology, and sustained by collaboration across stakeholders.



**Nitin Datar**

President, Cinema Owners and Exhibitors Association of India (COEAI)

Our goal is to support a vibrant cinema industry that celebrates storytelling, embraces innovation, and benefits our members.

Single-screen theaters are special—they are community landmarks, symbols of nostalgia, and key to authentic movie experiences. As technology advances and preferences change, we recognize their importance in preserving the true spirit of cinema.

This association provides a platform for advocacy, education, and networking, helping members succeed—whether you run a historic theater or a modern multiplex. Together, we can ensure a sustainable, inspiring future for cinema that continues to entertain and connect audiences worldwide.

We thank the Government of Maharashtra and I&B Ministry for their support and vision. Let's work together to build a brighter future for cinema.



**Shashank Raizada**

President, National Association of Motion Pictures Exhibitors - New Delhi

New Delhi cinema landscape boasts a storied legacy, from historic venues like Regal Cinema, Delite and Liberty to contemporary multiplexes such as PVRINOX and Cinepolis, which serve as important cultural hubs that unite communities and showcase technological advancements.

In an industry that is constantly transforming, your commitment to delivering high-quality entertainment, adopting cutting-edge technologies, and fostering responsible exhibition practices is vital for the continued growth and sustainability of India's film sector. Despite recent hurdles due to COVID-19, the enchantment of the big screen endures, with audiences demonstrating steadfast passion for the theatrical experience.

This report underscores the resilience and promising future of the industry—driven by infrastructure upgrades, technological progress, and strategic initiatives. Through ongoing collaboration, forward-looking policies, and targeted investments, the cinema exhibition sector can further strengthen its role in India's cultural economy, employment generation, and global influence.

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**Tripur Subramaniam**

President, Tamil Nadu Theatre and Multiplex Owners Association (TNTMOA)

Over the years, Tamil Nadu has established itself as a vibrant cultural and cinematic hub, renowned for its rich legacy of film production, theater artistry, and a passionate audience. The Theatre and Multiplex Owners Association stands as a testament to the industry's commitment to preserving these traditions while embracing modern advancements and best practices.

This association aims to serve as a unified voice for theatre and multiplex owners across Tamil Nadu, advocating for the interests of its members, promoting responsible business practices, and enhancing the overall cinematic experience for audiences. This report provides valuable insights into the ecosystem, helping us better understand its dynamics. With the support of the government, we aspire to elevate the standards of entertainment venues, contribute to the local economy, and strengthen the cultural fabric of our society.



**Piya Sengupta**

President, Eastern India Motion Pictures Association (EIMPA)

Eastern India's film industry is full of life and creativity. Our cinemas are not just places to watch movies—they are places where communities come together to enjoy stories and connect with each other.

This report talks about how the industry is staying strong and coming up with new ideas. It highlights things like more people going to the movies, new types of films, and new technology. It also points out that the government can help by making rules that support filmmakers, like giving tax breaks and encouraging investments.

With teamwork and support, we can make movie-going better, grow the economy, and share India's culture with the world. The future of movies in eastern India looks promising and exciting.

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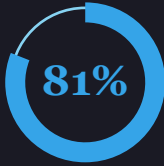
Recommendations to harness  
the true theatrical opportunity

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# Executive summary

I

Indians love the theatrical experience...



Of cinemagoers surveyed stated that, other things being equal, they preferred going to the cinema rather than watching films on streaming platforms

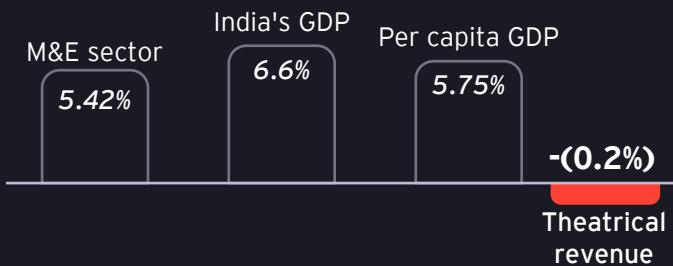


Preferred the sound and video experience, while 60% enjoyed the "going out to enjoy" experience

II

...yet theatrical exhibition is facing headwinds

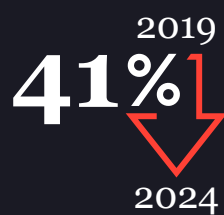
India's theatrical revenues have fallen since 2019  
CAGR 2019 to 2024



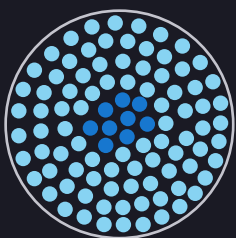
Screens per million of the population have fallen in India



Number of films grossing INR100 crore or more fell



Cinema caters to just a fraction of India's population

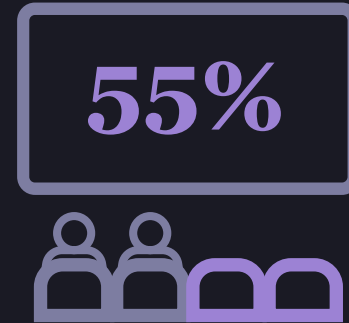


- 1.4 billion India's population
- 150 million (~10%) estimated to attend a movie in theaters as per industry estimates

III

What ails India's theatrical exhibition industry?

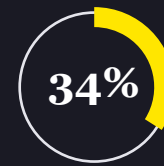
Cinemagoers indicate the key concern about going to cinema is quality of content



Short digital windows are another impediment



cinemagoers believed streaming releases were within eight weeks of theatrical release

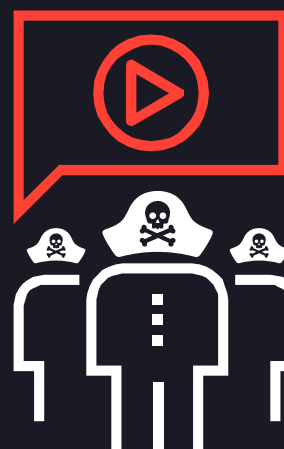


willing to wait if the streaming window was short



had waited for one or more films to release on streaming platforms in the last three months

Piracy continues to plague theatrical releases



51%

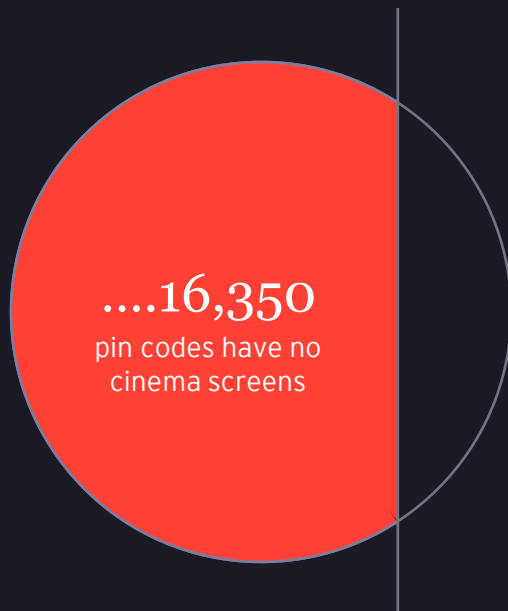
media consumers access content from pirated sources

## IV

### The missed opportunity

The core issue seems to be a shortage of screens, particularly low-cost theaters

Out of ~19,000 pin codes in India....



138,000 people employed today



125,000 people more could gain employment



As per our estimates, increase in cinema screens from 9, 927 to 20,000 can lead to 125,000 more jobs, and around INR950 crore more tax income for the government

## V

### Some recommendations

- In the short term, the following could be considered:
  - Deregulate the cinema exhibition industry in terms of ticket pricing, akin to the hospitality sector
  - Regulators can consider getting key industry stakeholders to mutually agree to increase the **theatrical window** (before release of the film on digital or television) from the current four - eight weeks to a higher number of weeks, particularly where films are running successfully
  - Permit **alternate use of theaters** (for purposes other than just screening films) to take advantage of the massive growth in live events, MICE and experiences
  - Permit **24x7 operation** of cinema infrastructure to enable increased monetization
  - Grant the exhibition segment **industry status** so that electricity, which is a key cost, can be paid at industrial tariffs, rather than higher retail rates
  - The 5% GST rate on lower priced tickets is currently permitted up to a value of INR100. There is a need to revise this value higher to factor in inflation since 2017 when the current slab of INR100 was determined. The MAI has made representations to increase this slab to INR300 in order to grow footfalls
  - Enable **copyright and rating parity** with OTT platforms and content, given that the reach of cinemas is much lesser, and has more controls in place
  - Curb **piracy** through stricter enforcement and easier and proactive take-down mechanisms
- To increase India's screen count to 20,000, the following could be considered in the longer-term:
  - Government can provide **tax holidays** to new screens set-up in pin codes where there are currently no screens
  - To incentivize the development of new screens, the government could consider providing **tax exemptions on incomes** for a certain period, setting up a fast-track process for providing **permissions**, and assisting with **land acquisition**, especially for low-cost theaters
  - Facilitate easy and simple **structures** for third-party investments in the infrastructure of the cinema and incentivize FDI
  - States could provide incentives for the setup of either (1) **entertainment complexes** that cater to movies, sports centers and live events, and/ or (2) **multi-purpose community centers** that could include healthcare facilities, banks, shops, cinema screens and education centers, in rural areas or Tier-4 and beyond cities, where over 60% of Indians live
  - Provide incentives to **convert** single screens into multiplexes



# Current state of film exhibition

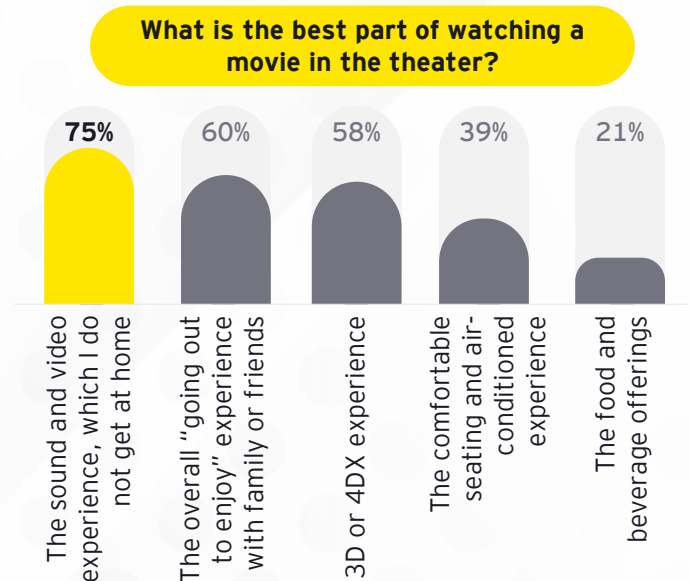
## Indians continue to enjoy the cinema experience

We surveyed 14,688 cinemagoers in June and July 2025, and the results indicated that:

- A majority (81%) preferred going to the theaters rather than watching films on streaming platforms
- 75% preferred the cinema experience due to the sound and video experience, which they did not get at home
- 60% enjoyed the overall 'going out to enjoy' experience with family or friends

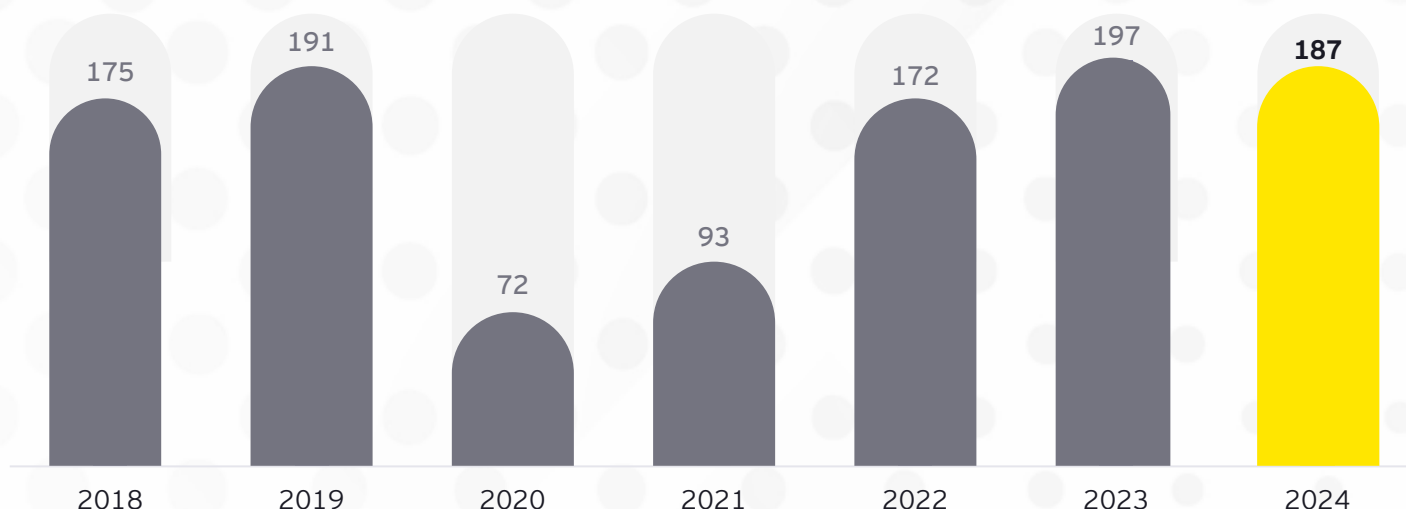
However, India's film exhibition industry stands at a critical crossroads, reflecting both its storied legacy and the challenges of a rapidly evolving market. Despite being home to one of the world's largest film audiences, the sector has struggled to keep pace with broader economic growth. Recent years have witnessed a decline in theatrical revenues, even as the media and entertainment

sector and the national GDP continue to expand. This widening gap underscores the need to reevaluate the status quo and identify underlying issues, setting the stage for a deeper exploration of financial trends, industry benchmarks, and opportunities for revitalization.



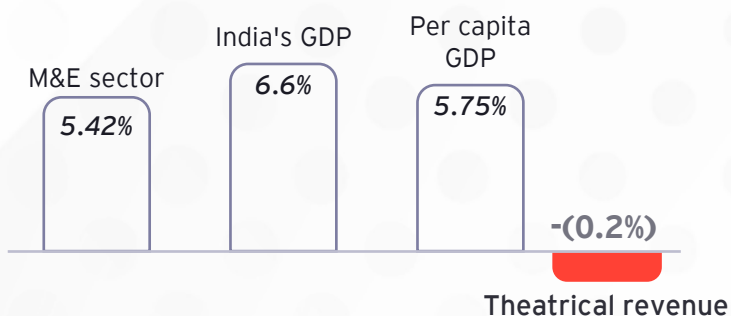
## Theatrical revenues lag GDP growth

Film segment revenue



INR billion (gross of taxes) | EY estimates

- India's filmed entertainment revenues have fallen 2% from their peak in 2019, decreasing from INR19,100 crore to INR18,746 crore in 2024<sup>1</sup>
- The revenue per screen has decreased by 5%, from INR1.21 crore in 2019 to INR1.15 crore in 2024
- During the same period:
  - India's M&E sector grew at a CAGR of 5.42%<sup>2</sup>
  - India's GDP grew at a CAGR of 6.6%<sup>3</sup>
  - India's per capita GDP grew 5.75%<sup>4</sup>



### India's theatrical revenues have fallen since 2019 CAGR 2019 to 2024

<sup>1</sup> FICCI-EY M&E sector reports 2019 to 2024

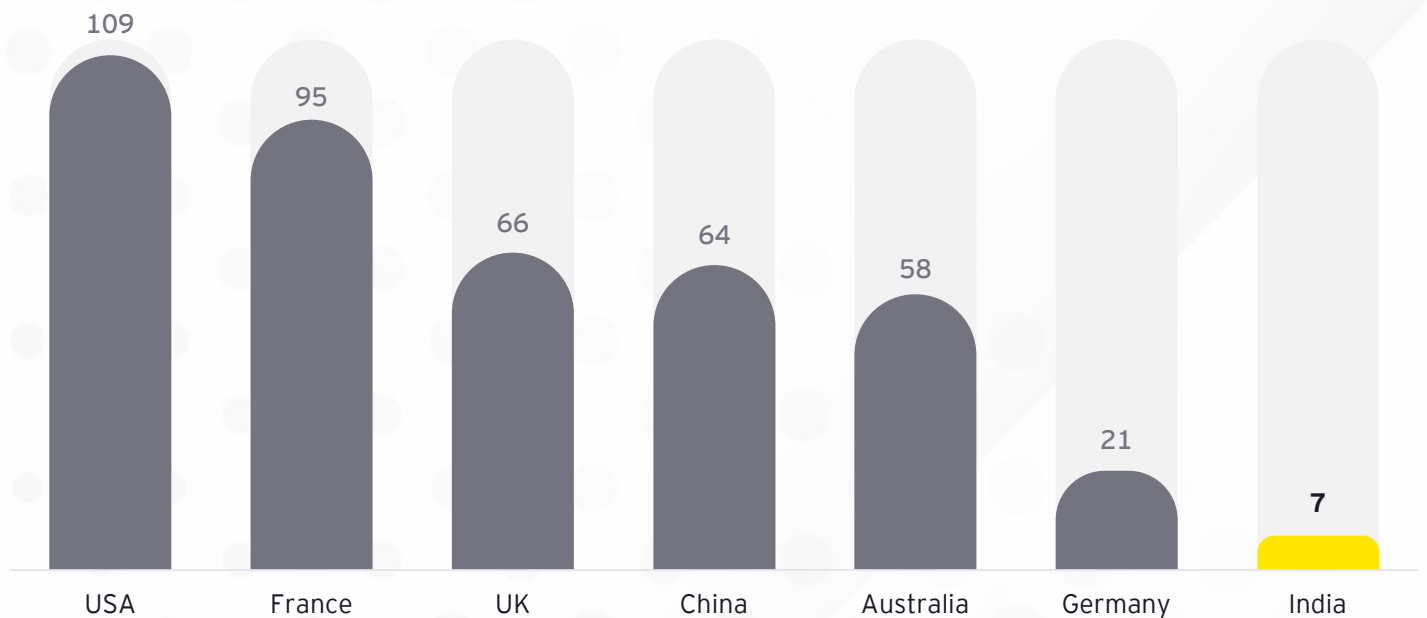
<sup>2</sup> FICCI-EY M&E sector reports 2019 to 2024

<sup>3</sup> <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD> and <https://www.statista.com/statistics/263771/gross-domestic-product-gdp-in-india/>

<sup>4</sup> <https://www.imf.org/external/datamapper/NGDPDPC@WE0/IND?zoom=IND&highlight=IND>

## Screen count remains subscale

Screens per million population



US: crossscreen.media, China, France, Germany: Statista, Australia: screenaustralia.gov.au, UK: cinemauk.org.uk, India: UFO

- The number of cinema screens in India has seen a marginal increase from 9,527 screens in 2019 to 9,927 screens in 2024<sup>5</sup>
  - Screens per million of the population have fallen from 7.6 in 2018 to 6.8 in 2024<sup>6</sup>
  - This also compares unfavorably with other large content production economies like the US (109 screens/ million), UK (66 screens/ million) and China (64 screens/ million)
- Single screens have been the most impacted, reducing by around 1,000<sup>7</sup> during the period 2018 to 2024
- Even large chains have reduced their investments during the period by 12%<sup>8</sup> between 2019 and 2024

### Screens per million of the population have fallen in India



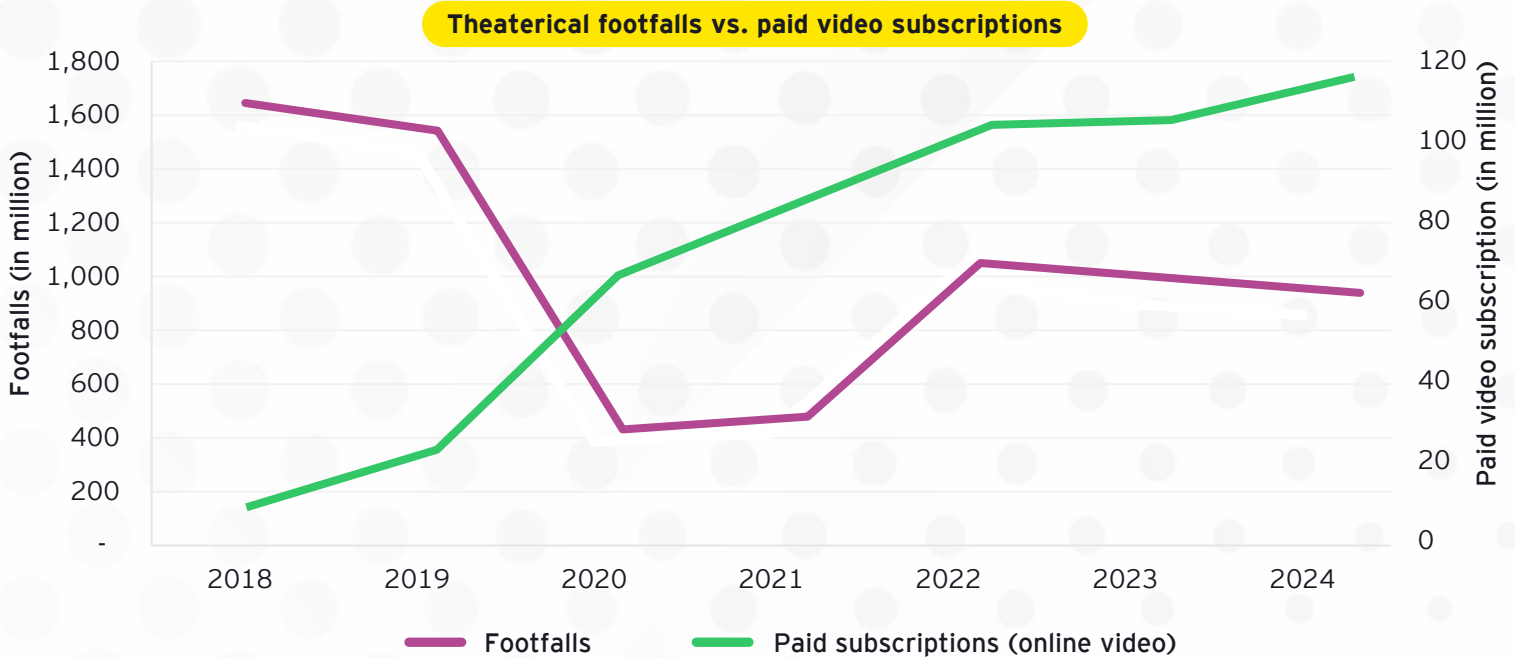
<sup>5</sup> UFO Moviez data, FICCI-EY M&E sector reports 2019 to 2024

<sup>6</sup> Missed opportunity: The story of theatrical exhibition in India

<sup>7</sup> PVR INOX

<sup>8</sup> In the financial statement of major cinema chains, cash from investing activities is considered (www.traxcn.com)

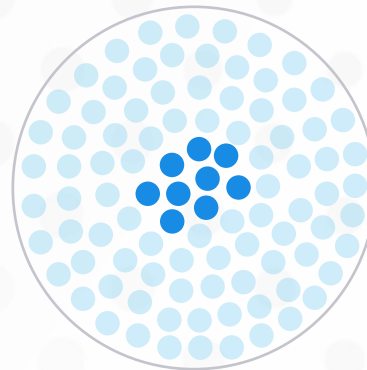
Footfalls have fallen by 41%



Theatrical footfalls: Comscore | Paid online video subscriptions: FICCI-EY report

- Total theatrical footfalls fell by 41%, from 1.46 billion in 2019 to 0.86 billion in 2024<sup>9</sup>
- Footfalls per screen per year have reduced by 44% during the same period, from 1.53 lakh to 0.8 lakh<sup>10</sup>
- Our survey of cinemagoers indicated that one third (35%) had reduced the number of films they watched in cinema since the period before COVID-19<sup>11</sup>
- Of India's population of 1.4 billion, industry discussions indicate that less than 150 million (~10%) are estimated to attend a movie in theaters in a year, as several alternative means of viewing films are available

Cinema caters to just a fraction of India's population



- **1.4 billion** India's population
- **150 million (~10%)** estimated to attend a movie in theaters as per industry estimates

<sup>9</sup> Comscore

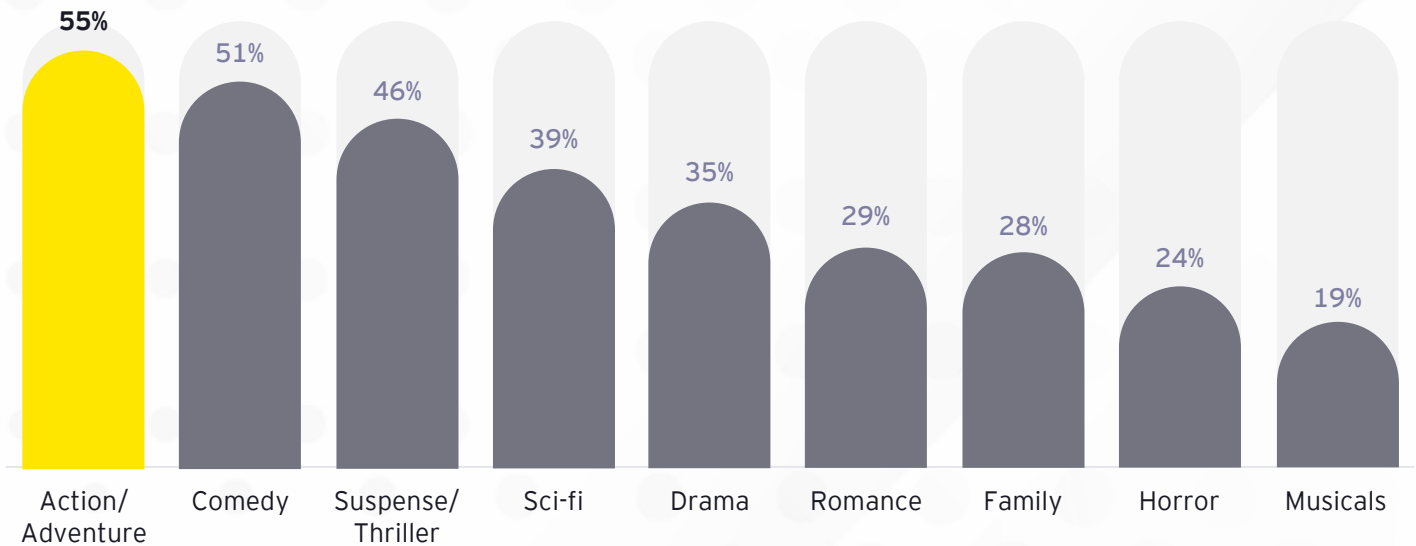
<sup>10</sup> EY estimates, using Comscore and UFO Moviez data

<sup>11</sup> EY survey of cinemagoers, June 2025

V

## Some genres find lower uptake in cinemas nowadays

Which film genre do you wish there were more of in cinemas?



GCF global survey of 68,191 respondents

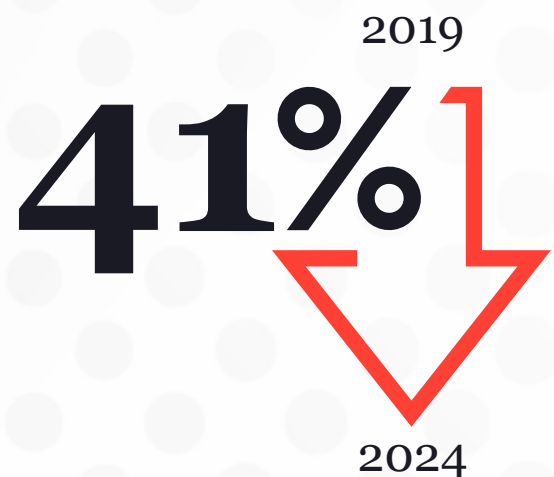
- The demand for spectacular films with high levels of special effects remains high, while other genres such as drama, romance and family are seeing lower demand, likely because such films can be adequately enjoyed at home

VI

## Success rate of films is declining

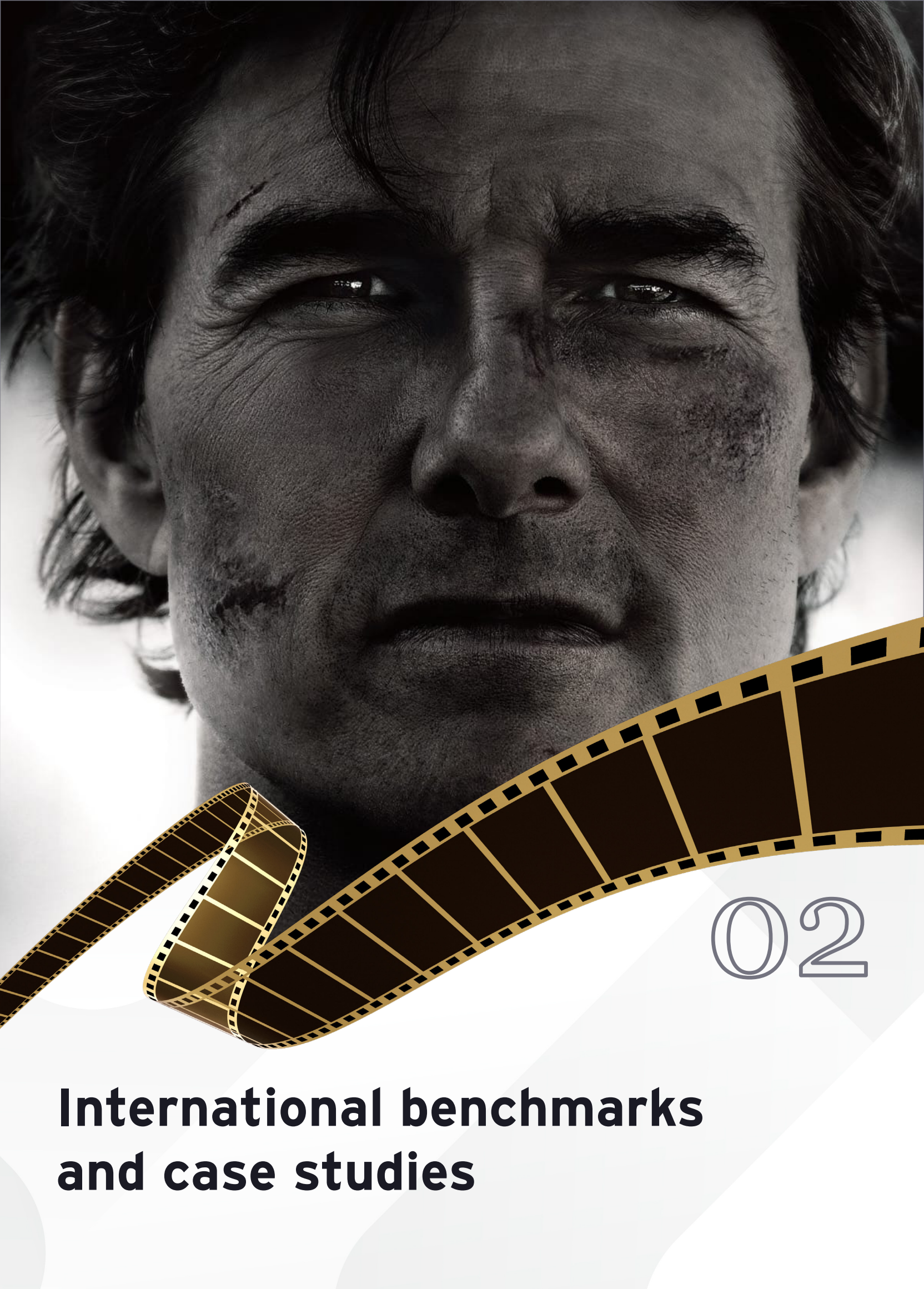
- Between 2019 and 2024, while a similar number of films were released in theaters, the number of films grossing INR100 crore or more at the box office fell from 17 to 10 (a 41% reduction)<sup>12</sup>
- Our survey of production houses in December 2024 indicated that 43% of respondents felt that theatrical revenues would stay the same as 2024 or fall further in 2025<sup>13</sup>

### Number of films grossing INR100 crore or more fell



<sup>12</sup> Analysis based on UFO Moviez and Comscore data

<sup>13</sup> EY and Producers' Guild of India survey of production houses



02

# **International benchmarks and case studies**

## India lags other developed content markets in terms of screen count

Country <sup>14</sup>	Number of screens			Population in 2024 (million)	Screens in 2024 (per million)
	2014	2024	Growth%		
China	23,600 <sup>15</sup>	90,968 <sup>16</sup>	285%	1,416	64
US and Canada	41,518 <sup>17</sup>	40,680	(-)2%	347	109
India	9,632 <sup>18</sup>	9,927	3%	1,464	7
France	5,800	6,300	9%	67	95
UK	3,947	4,587	16%	70	66

- India's screen density is amongst the lowest of all developed markets, and its current penetration of just seven screens per million makes the theatrical market a premium experience only

<sup>14</sup> <https://www.worldometers.info/world-population/population-by-country/>

<sup>15</sup> [https://english.www.gov.cn/news/top\\_news/2015/01/01/content\\_281475032707228.htm](https://english.www.gov.cn/news/top_news/2015/01/01/content_281475032707228.htm)

<sup>16</sup> <https://www.chinadaily.com.cn/a/202501/09/WS677efe10a310f1265a1d9bf6.html>

<sup>17</sup> <https://www.motionpictures.org/wp-content/uploads/2015/03/MPAA-Theatrical-Market-Statistics-2014.pdf>  
<https://www.motionpictures.org/wp-content/uploads/2015/03/MPAA-Theatrical-Market-Statistics-2014.pdf>

<sup>18</sup> [https://producersguildindia.com/Pdf/Screen\\_Density\\_creative\\_first\\_draft\\_v4\\_SP.pdf](https://producersguildindia.com/Pdf/Screen_Density_creative_first_draft_v4_SP.pdf) - page 10

## II

### Incentives provided to the theater exhibition industry by other countries

- UK<sup>19</sup>
  - Higher rate (53% compared to 34%) of relief through the Independent Film Tax Credit (IFTC) if the film meets criteria to qualify
- China
  - The cultural construction fee (3% of turnover) was waived for the year 2020 to alleviate the financial impact of the pandemic<sup>20</sup>
  - National subsidy scheme - 'China Film Consumption Year' campaign, valued at 1 billion yuan (about US\$138.8 million), aims to make moviegoing more accessible and affordable year-round through ticket discounts, special offers, generous coupons, buy-one-get-one-free deals and weekend giveaways<sup>21</sup>



<sup>19</sup><https://www.myriadassociates.com/resources/news/2024/independent-film-tax-credit-a-complete-guide/>

<sup>20</sup> <https://www.china-briefing.com/news/chinas-film-industry-benefit-new-support-policies-tax-breaks/>

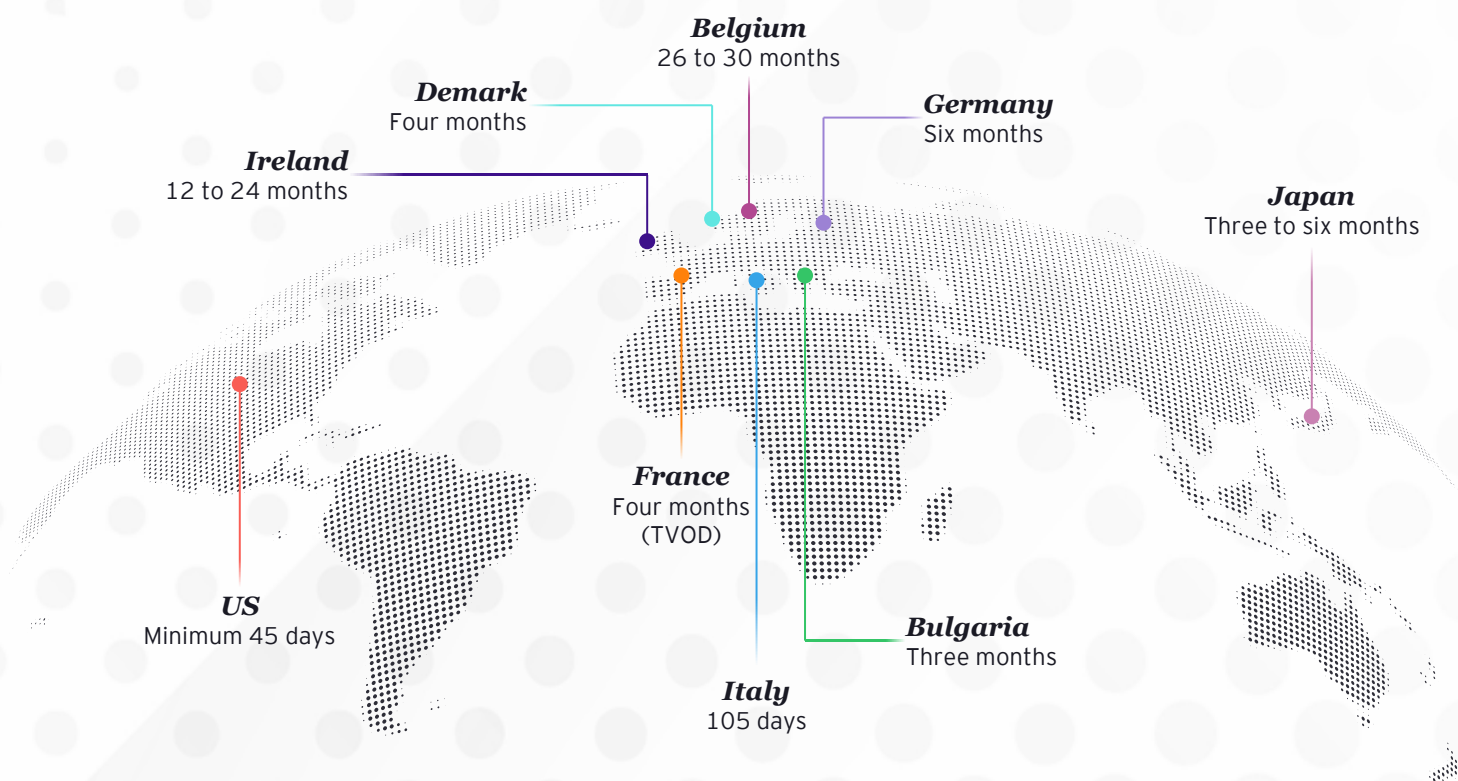
<sup>21</sup> <https://news.cgtn.com/news/2025-04-29/How-a-1-billion-yuan-subsidy-is-powering-China-s-cinema-market-1CXXyeOrGbc/p.html>



## Other measures taken across international markets

- Mandatory windows governed by legislative provisions
  - France - four months (TVOD), 15 to 17 months (SVOD)<sup>22</sup>
  - Bulgaria - three months (In practice, holdback periods run between four and six months)<sup>23</sup>
- Mandatory windows for state-backed films<sup>24</sup>
  - Ireland - 12 to 24 months
  - Germany - six months<sup>25</sup>
  - Italy - 105 days
- Windows governed by self-regulatory bodies<sup>26</sup>
  - Belgium - 26 to 30 months, as per recommendations by the Concertation Committee of the Cinema and Audiovisual Centre<sup>27</sup>
  - Denmark - four months, as per the agreement between the Danish Cinema Association and the Association of Danish Film Distributors
- Windows in practice as per free contracts in the industry
  - UK - 16 weeks<sup>28</sup>
  - Spain - 112 days (TVOD), seven to eight months (SVOD)<sup>29</sup>
  - US<sup>30</sup>
    - Before the pandemic, theatrical windows were often 80 to 90 days
    - Cinema United, a major US theater trade organization, led by Michael O’Leary, has called for a minimum 45-day theatrical window to protect box office revenues and support the theatrical ecosystem
  - Japan - three to six months and even longer, primarily due to slow shift to streaming platforms, limited screen availability and low piracy rates

## Theatrical windows across select countries



<sup>22</sup> <https://www.screendaily.com/news/french-culture-minister-submits-proposal-to-renew-windowing-agreement/5201302.article>

<sup>23</sup> <https://www.filmtake.com/distribution/screens-to-streams-the-evolution-of-film-release-windows-in-europe-part-one/>

<sup>24</sup> <https://www.filmtake.com/distribution/screens-to-streams-the-evolution-of-film-release-windows-in-europe-part-two/>

<sup>25</sup> <https://rm.coe.int/iris-plus-2019-2-release-windows-in-europe-a-matter-of-time/1680986358>

<sup>26</sup> <https://rm.coe.int/iris-plus-2019-2-release-windows-in-europe-a-matter-of-time/1680986358>

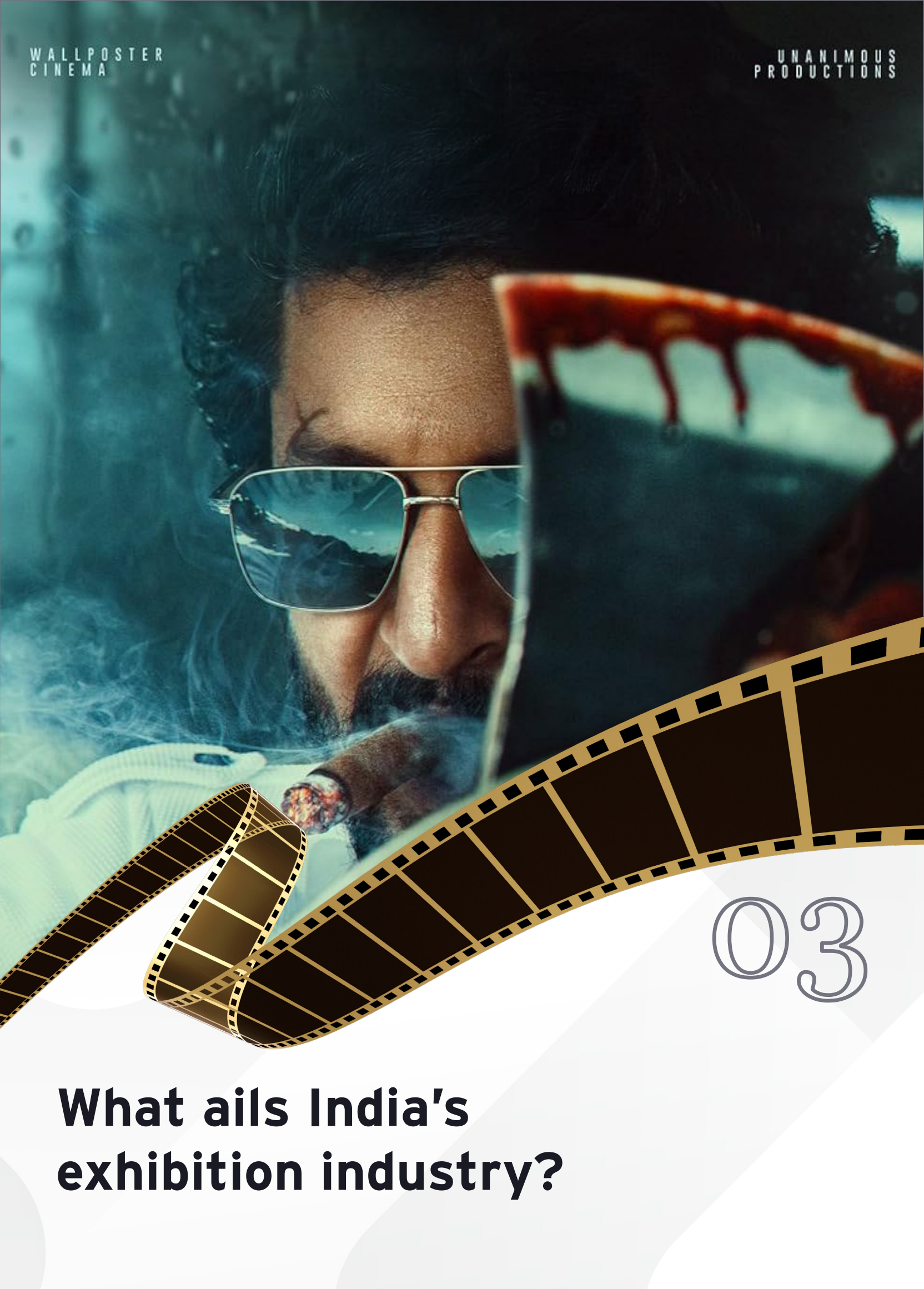
<sup>27</sup> <https://www.filmtake.com/distribution/screens-to-streams-the-evolution-of-film-release-windows-in-europe-part-one/>

<sup>28</sup> <https://rm.coe.int/iris-plus-2019-2-release-windows-in-europe-a-matter-of-time/1680986358>

<sup>29</sup> <https://rm.coe.int/iris-plus-2019-2-release-windows-in-europe-a-matter-of-time/1680986358> and

<https://www.hollywoodreporter.com/business/business-news/european-theatrical-window-standoff-gives-studios-pause-over-strategy-1235170587/>

<sup>30</sup> <https://www.latimes.com/entertainment-arts/business/story/2025-04-01/top-movie-theater-lobbyist-calls-for-a-minimum-45-day-window-for-films>



03

# What ails India's exhibition industry?

## Content quality

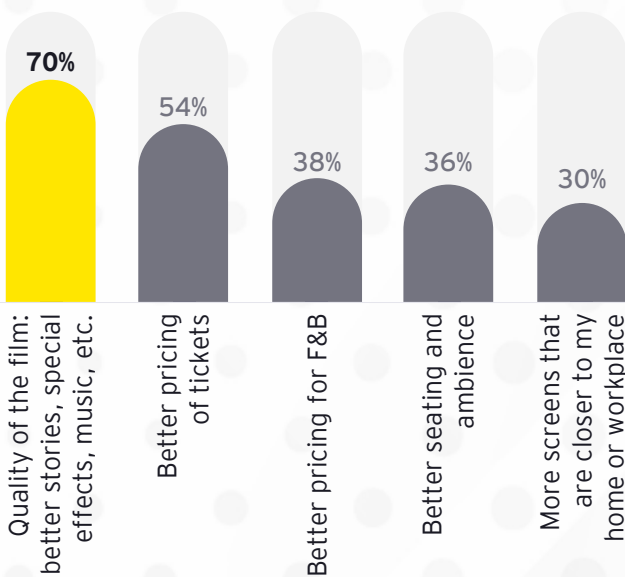
- 78% of content producers we surveyed agreed that the biggest concern that needs to be addressed is the shortage of quality writers/ stories<sup>31</sup>
- 55% - over half - of cinemagoers surveyed by us indicated that the key concern about going to the cinema was the quality of content, which they felt was deteriorating<sup>32</sup>
- 70% of cinemagoers would have liked to see improvements in stories, special effects, music, etc., which was the main area of improvement they wished for

**Cinemagoers indicate the key concern about going to cinema is quality of content**

**55%**



### Areas Indian cinemagoers wish to see improvements in



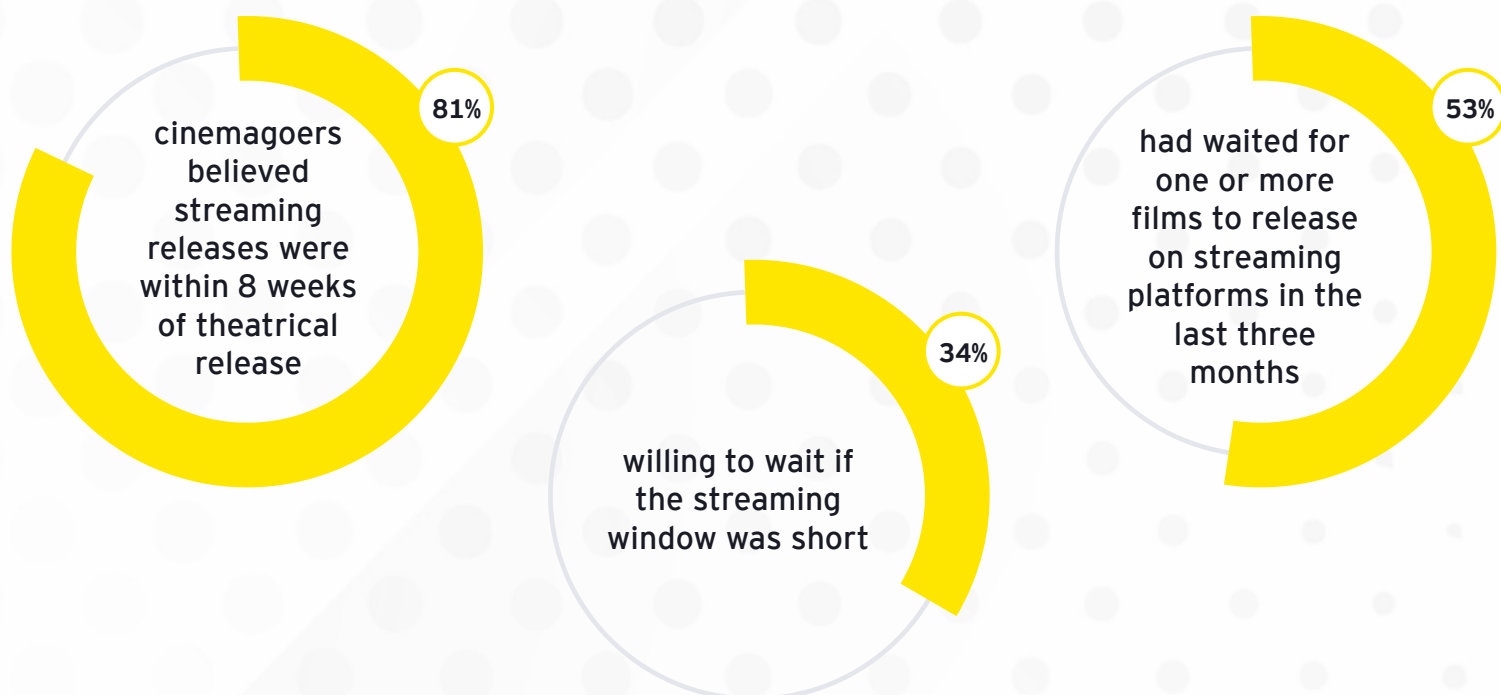
EY survey of cinemagoers, Jun 2025

<sup>31</sup> EY and Producers' Guild of India survey of production houses

<sup>32</sup> EY survey of cinemagoers, Jun 2025

## Shortening windows

- Theatrical window of 90 days before the release of a film on OTT was a pre-pandemic norm, but has reduced to four to eight weeks in 2024<sup>33</sup>
- 81% of cinemagoers we surveyed believed that streaming windows began with the release of the film, or within eight weeks of a film's theatrical release<sup>34</sup>, which naturally reduced the need to watch all films in the cinema halls
- 34% claimed that if the streaming window was short, they would prefer to wait for the streaming release<sup>35</sup>
- Not surprisingly, 53% of survey respondents claimed that they had waited for one or more films to release on streaming platforms (rather than watch it in theaters) within the last three months<sup>36</sup> which included 26% who had waited for more than one film to release on streaming platforms



<sup>33</sup> <https://www.businesstoday.in/trending/story/theatrical-window-for-films-ott-debut-likely-to-go-up-as-maharashtra-set-to-reopen-cinema-halls-307876-2021-09-28>

<sup>34</sup> EY survey of cinemagoers, Jun 2025

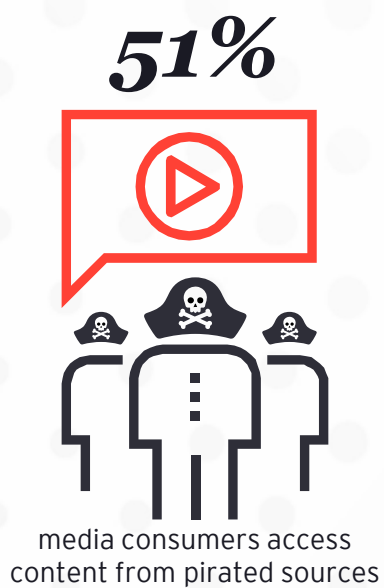
<sup>35</sup> EY survey of cinemagoers, Jun 2025

<sup>36</sup> EY survey of cinemagoers, Jun 2025

### III

## Piracy

- 51% media consumers access content from pirated sources, and 76% of those accessing pirated content belonged to the 19-to-34-year age group<sup>37</sup>
- The release of films on streaming platforms tends to increase the level of piracy<sup>38</sup>



<sup>37</sup> The rob report by EY - October 2024

<sup>38</sup> Global Cinema Federation Studio Visit report - March 2025

## IV

### Low per capita GDP related to other countries

India ranks 140th in terms of GDP per capita >

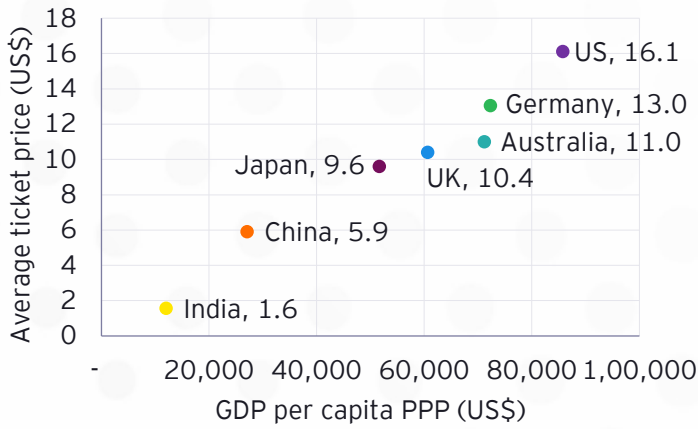
Country	GDP projections 2025			
	Nominal GDP (US\$ billion) <sup>39</sup>	Rank	GDP per capita (US\$) <sup>40</sup>	Rank
United States	30,337	1	89,678	7
China	19,535	2	13,873	73
Germany	4,922	3	57,914	17
Japan	4,389	4	33,806	37
India	4,272	5	2,937	140

- While we are the fifth largest economy, our GDP per capita is ranked 140<sup>th</sup>
- The income inequality, on top of that, also reduces the number of people who can afford the cinema experience - there is a 70% gap between rural and urban per capita income according to HCES 2023-24, MoSPI
- This results in several Indian households preferring to watch movies on lower cost alternatives such as pay television, free TV and free streaming

<sup>39</sup> (Basic data): IMF World Economic Outlook October 2024

<sup>40</sup> <https://worldpopulationreview.com/country-rankings/gdp-per-capita-by-country>

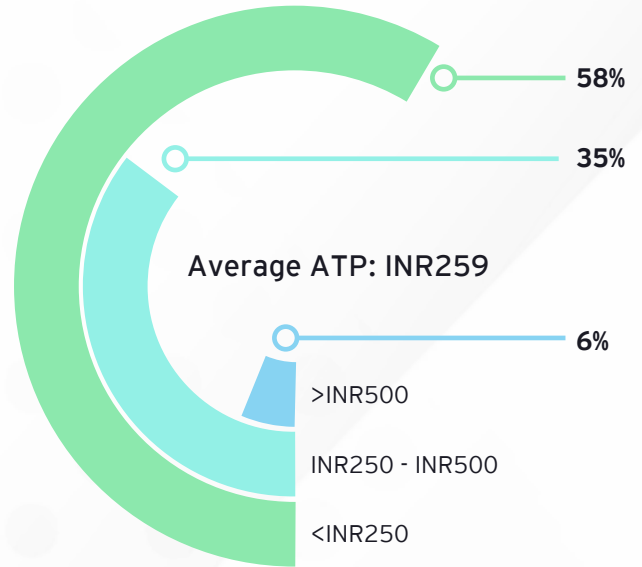
Consequently, ticket pricing is also relatively low



India ATP: Ormax | Other country ATPs: cinemark.com, cinemaUK.org.uk, globaltimes.cn, abc.net.au, eiren.org, euronews.com | GDP PPP: data.worldbank.org

- On a purchasing price parity (PPP) basis, too, India's average ticket pricing is relatively lower than those of developed markets
- India's largest multiplex chain has an average ticket price of INR259 (US\$3), while India's average ticket price is INR134 (US\$1.6) as per Ormax Media

Composition of ticket sales by average ticket price for PVR-INOX Cinemas, 2024-25

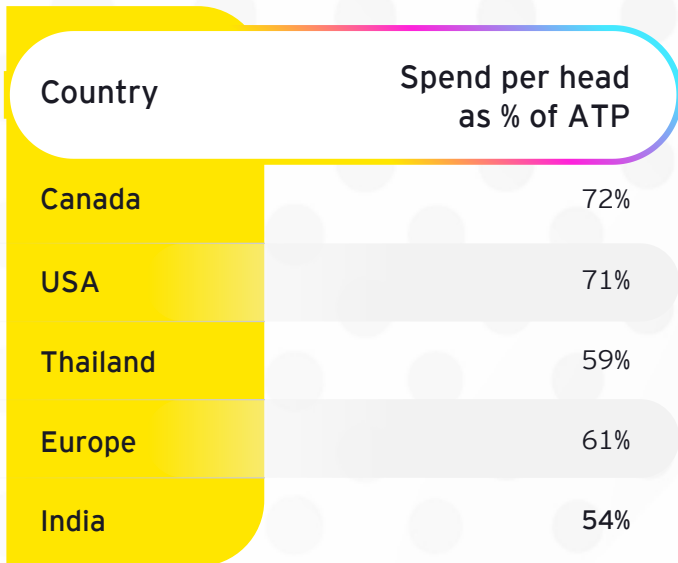


PVR-INOX

- 58% of tickets sold by India's largest multiplex operator were for under INR250 each, while only 6% were above INR500 in 2024<sup>41</sup>

<sup>41</sup> PVR-INOX

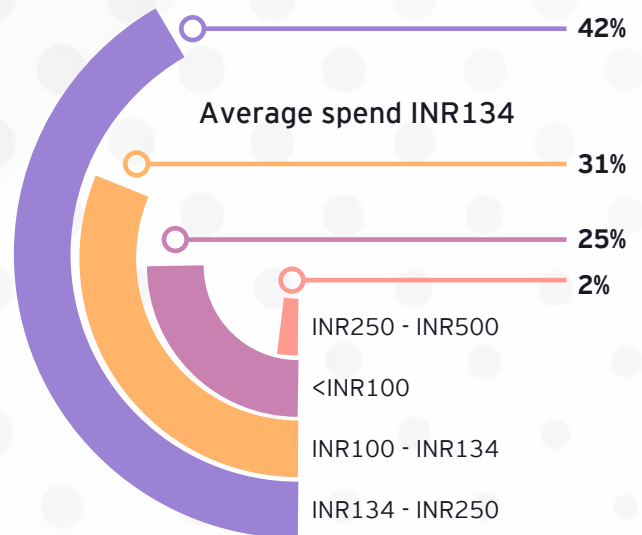
**Non-ticket revenues also lag international developed markets**



Percentage of spend per head (apart from ticket spends) as a % of ticket spends in select countries | USA - average of AMC and Cinemark; Canada - Cineplex; Thailand - Select major cinema chains; Europe - Kinopolis; India - PVR-INOX

- In terms of non-ticket spends, Indian audiences spend 54% of their ticket prices on food and beverage items, while in other developed markets, audiences spend up to 72% of average ticket prices

**Share of admissions based on average spend per head on food and beverage**



PVR-INOX | Average spend per head on food and beverage in INR

- Only 2.3% of PVR-INOX's admissions come from cinemas where the average spend on F&B was more than INR250 per head in 2024-25, while 56% of their admissions came from cinemas where the average spend on F&B was less than the company-wide average spend per head of INR134<sup>42</sup>
- 54% and 38% of our survey respondents, however, felt that one of the key improvements they would like to see was a rationalization in ticket and food and beverage prices<sup>43</sup>, respectively

<sup>42</sup> PVR-INOX

<sup>43</sup> EY survey of cinemagoers, Jun 2025

## V

### Electricity cost for theaters is higher than for many other consumer classes

- Domestic rate - INR3.4 to INR7.7<sup>44</sup>
- Commercial rate - INR7.2 to INR10.4 (excluding various rebates)<sup>45</sup>
- Rate for multiplexes (PVR-INOX) - INR12.3 per unit<sup>46</sup>

## VI

### GST rates on entertainment remain high compared to other services/products<sup>47</sup>

- Cinema tickets below INR100 have a GST rate of 5%, while tickets above INR100 have a GST rate of 18%. This limit of INR100 was set in 2017, and has not been revised upward in the seven years, while inflation has averaged 5.4% during that period
- Hotel accommodation (< INR7,500) - 5%, else 18%
- Food and beverage services (in specified cases) - 5%
- Most passenger and goods transport services, supply of tour operator services and house-keeping services - 5%
- Apparels (< INR1,000), footwear (< INR1,000) - 5%

## VII

### Ticket price caps hamper revenue generation

- **Tamil Nadu**<sup>48</sup>: Maximum cap of INR150 plus taxes (multiplexes), INR100 plus taxes (air-conditioned theater in Municipal Corporations/ Municipalities/ Town Panchayats) and INR75 plus taxes (air-conditioned theater in Village Panchayats)
- **Karnataka**<sup>49</sup>: Maximum capping of INR200 is proposed in 2025 budget
- **Telangana**<sup>50</sup>: Maximum cap of INR250 (multiplexes), INR150 (air-conditioned theater), INR70 (non-air-conditioned theater)
- **Andhra Pradesh**<sup>51</sup>: Regular seats for multiplexes are capped at INR150 plus tax in Municipal Corporations, INR125 plus tax in Municipalities, INR100 plus tax in Town and Village Panchayats. Premium seats in air-conditioned theaters are capped at INR100 plus taxes in Municipal Corporations, INR80 plus taxes in Municipalities, INR70 plus taxes in Town and Village Panchayats. Premium seats in non air-conditioned theaters are capped at INR60 plus taxes in Municipal Corporations, INR50 plus taxes in Municipalities, INR 40 plus taxes in Town and Village Panchayats. Recliner seats are capped at INR250 plus taxes for all cinemas across the state

<sup>44</sup> <https://www.nobroker.in/blog/electricity-rate-per-unit-in-india/> - average of minimum and maximum slab rates across 10 major states

<sup>45</sup> <https://www.nobroker.in/blog/electricity-rate-per-unit-in-india/> - average of minimum and maximum slab rates across 10 major states

<sup>46</sup> PVR-INOX

<sup>47</sup> <https://cbic-gst.gov.in/gst-goods-services-rates.html#>

<sup>48</sup> PVR-INOX

<sup>49</sup> <https://www.newindianexpress.com/entertainment/kannada/2025/Mar/08/karnataka-budget-2025-a-game-changer-for-kannada-cinema-with-rs-200-ticket-cap-and-industry-status>

<sup>50</sup> <https://www.thenewsminute.com/telangana/movie-ticket-prices-hiked-telangana-multiplexes-can-charge-rs-250-plus-gst-159149#:~:text=Movie%20ticket%20prices%20hiked%20in,the%20new%20prices%20were%20announced.>

<sup>51</sup> PVR-INOX



04

**The missed opportunity**

# I

## While Indians love visiting the cinema...

- 81% of survey respondents claimed that they usually preferred to watch films in cinema halls rather than on streaming platforms<sup>52</sup>
- 71% of cinema goers in India found a visit to the cinema to be good value, and 53% said they faced no barriers to visiting cinema halls if movies appealed to them<sup>53</sup>
- Only 20% said that they were happy to watch movies on streaming services, while 34% were on the fence and did not have a preference between digital and cinema<sup>54</sup>

## Prefer to watch films in cinema halls

81%

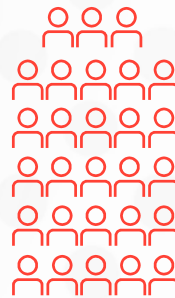


# II

## ...the opportunity is not being monetized

- Given that the fundamentals of cinema viewership remain intact, we believe there is a significant opportunity for growth in theatrical revenues
- Theatrical revenues can increase by INR6,600 crore if the number of cinema screens increases from 9,927 screens today to approximately 20,000 screens
- This will also lead to 125,000 more direct jobs, and around INR950 crore more tax income for the government as per our estimates

138,000 people employed today



125,000 people more could gain employment



As per our estimates, increase in cinema screens from 9,000 to 20,000 can lead to 125,000 more jobs, and around INR950 crore more tax income for the government

<sup>52</sup> EY survey of cinemagoers, Jun 2025

<sup>53</sup> Global Cinema Federation Studio Visit report - March 2025

<sup>54</sup> Global Cinema Federation Studio Visit report - March 2025

GLOBAL STAR  
RAM CHARAN  
SHANKAR'S

# CHAMAN GAME CHANGER



05

**Recommendations to harness  
the true theatrical opportunity**

# I

## Theatrical films generate significant economic value...

### Economic value generated by a film

#### Pre-release

- Promo creation
- Hoarding and poster design and printing
- Media planning
- Media spends across TV, print, radio, OOH and digital
- Event design and execution for promotion of the film, with associated hospitality, travel conveyance etc.
- Music sales
- Social media and VAS revenues for platforms and telecom operators

#### During theatrical release

- Malls benefit from footfalls, with supporting sales staff, transporters, manufacturers
- Restaurants, food suppliers, farmers, transporters
- Local conveyance including drivers, mechanics, petrol pumps and parking
- Ticket sales platforms
- Film distributors and digital distribution companies
- Bank and credit card companies
- Employment in cinemas for security, ticket sales, housekeeping, F&B, administration, projection, utilities, fire protection, IT etc.

#### Post-release

- Additional revenues from digital streaming, music streaming, broadcasting, radio and gaming
- Merchandising revenues
- Additional digital content creation, talk shows and interviews, fan engagement
- Film awards and festivals, and related event revenues

- Every screen that is set-up creates a corresponding impact on the local economy, by affecting conveyance, communication, shopping, apparel and make-up, transportation, parking, ticketing, security, housekeeping, etc.
- A recent report indicated a 2x multiplier of employment and revenues in relation to revenues earned by films<sup>55</sup>

# II

## ...and hence the core need is to address the shortage of screens

- Given how under-screened India is compared to the rest of the world, even a doubling of screens to around 20,000 (which would still be much lower than other countries based on population) would have a significant positive impact on the Indian economy
- 78% of our production house survey respondents believed that there was an urgent need for more low-cost theaters to grow theatrical revenues<sup>56</sup>

**78%**  
believe that there is an urgent need for more **low-cost theaters** to grow revenues

<sup>55</sup> PVR and EY analysis, Economic Impact of the film, TV and online curated content industry, by The MPA and Deloitte

<sup>56</sup> EY and Producers' Guild of India survey of production houses

## Doubling the screen count in India in 5 years can generate 1.25 lakh jobs and more than INR950 crores tax income for the government

To double the screen count, the following could be considered:

### Urgent requests

#### Provide clear monetization windows

- Based on global precedence (as explained in chapter 2 of this report) regulator can consider getting key industry stakeholders to mutually agree to increase the theatrical window (before release of the film on digital or television) from the current four - eight weeks to a higher number of weeks, particularly where films are running successfully
- 65% of production house survey respondents agreed that the four-week digital release window negatively impacted theatrical performance<sup>57</sup>
- Cinemark, in its 2024 investor deck, stated that exclusive theatrical windows increased customer awareness and film relevance, built stronger emotional connections with characters, produced bigger brands, generated incremental monetization and reduced piracy<sup>58</sup>

#### Remove business curbs

- Deregulate the cinema exhibition industry in terms of **ticket pricing**, akin to the hospitality sector
- Permit **use of theaters** for purposes other than just screening films (particularly during non-prime time) to take advantage of the massive growth in live events, MICE and experiences, such as for:
  - AGMs and corporate meetings
  - Birthdays and personal events
  - Spiritual events and prayer meets
  - Screening of live sports events
  - Music concerts, etc.
- Permit **24x7 operation** of cinema infrastructure across all states to enable increased monetization, as has been spearheaded by the Maharashtra Government vide Notification dated 31 January, 2020
- Permit **changes to ticket prices** without prior intimation (or with self-declaration within 24 hours on each state's portal) to promote free trade and allow the pricing as per the market dynamics (currently required in certain states)
- Enable censorship and rating parity with OTT platforms and content, given that the reach of cinemas is much lesser, and has more controls in place

65%



production house survey respondents agreed that the **four-week digital release window negatively impacted theatrical performance**

#### Help reduce prices

- Help reduce ticket prices and thereby increase footfalls and reach:
  - With effect from September 22, 2025, the GST on cinema tickets is determined by a two-tier system based on the ticket price:
    - 5% GST on lower priced tickets of INR 100 and below
    - 18% on ticket prices above INR 100
  - The 5% GST rate on lower priced tickets is currently permitted up to a value of INR100. There is a need to revise this value higher to factor in inflation since 2017 when the current slab of INR100 was determined. The MAI has made representations to increase this slab to INR300 in order to grow footfalls
  - Permit **input tax credits on food and beverage sales**, as has been permitted for advertising, economy class air travel, transport and other services
  - Grant the exhibition segment **industry status** so that electricity, which is a key cost, can be paid at industrial tariffs, rather than higher retail rates
- Simplify operations** for modern and state-of-the-art theaters by making old rules up-to-date:
  - Theaters using the latest digital projection and sound systems do not need a separate projection room
  - The need for projection certificates and a minimum number of projection staff are not required due to technological advances
  - Similar to Delhi, the Cinema License could be issued for 10 years with a system of yearly NOCs
  - Commercial decisions around hawking within the auditorium should be allowed at cinema exhibitors' discretion on a case-by-case basis

<sup>57</sup> EY and Producers' Guild of India survey of production houses

<sup>58</sup> Cinemark Holdings Inc - Q4 2024 investor deck released in February 2025

<sup>59</sup> Summarized based on inputs provided by multiplex chains

- **Provide infrastructure support**

- Provide subsidies and waivers across the country:
  - Provide **capital subsidy for setting up theaters**, which may be linked to the investment made, such as done by Odisha<sup>60</sup>, MP<sup>61</sup> and Uttarakhand<sup>62</sup>
  - States to encourage setting up new theaters, substantial expansion of existing cinemas or revival of closed cinema halls by granting **Stamp Duty concessions and waivers**, as has been done by Odisha<sup>63</sup>
  - Allow **input tax credits** of GST charged on construction of theaters
- Provide a **single window** for obtaining licenses to operate multiplexes across departments such as Public Works, Electrical, Fire, and Health

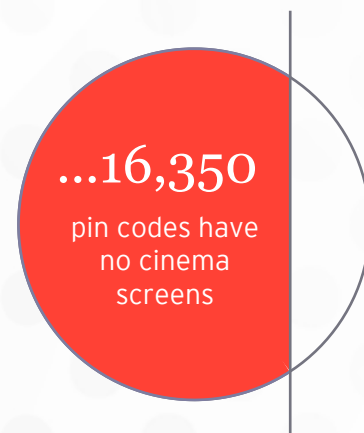
- **Help theaters increase revenue**

- Consider the following to help cinemas increase their ad revenues:
  - Permit **use of advertisements** that are shown on television without the need for a fresh censor certificate, which takes time, and delays/ reduces revenue for cinemas
  - Reduce mandatory **PSA social messaging** time from two minutes<sup>64</sup> currently mandated for each show to a lower amount of <1 minute, since there are no such mandates on other media
- Remove compulsions around **mandatory screening** of regional content by certain states such as Maharashtra, Karnataka, West Bengal and Assam. Popularity and demand for content should drive film scheduling

## Long-term asks

- Government can provide **tax holidays to new screens set-up in pin codes where there are currently no screens**
  - There are 16,350 pin codes in India (out of ~19,000 pin codes in India) where there are no cinema screens
  - India has 9,927 screens in the balance 3,150 pin codes<sup>65</sup>
- To incentivize the development of new screens, the government could consider providing **tax exemptions** on incomes for a certain period,
- Setting up a **fast-track** process [such as a single-window with 21-day approval timeline or deemed approval] for providing permissions, and assisting with land acquisition, especially for low-cost theaters
- Facilitate **easy and simple structures** for third-party investments in the infrastructure of the cinema and incentivize FDI
  - Apart from Cinapolis, there are no other foreign investors in India, which produces amongst the greatest number of films in the world
- Incentivize the **entertainment-in-a-box** proposition, where temporary screens and tented infrastructure move across towns to showcase films
- **States could provide incentives** for the setup of either:
  - **entertainment complexes** that cater to movies, sports centers and live events, and/ or

## Out of ~19,000 pin codes in India...



- **multi-purpose community centers** that could include healthcare facilities, banks, shops, cinema screens and education centers, in rural areas or Tier-4 and beyond cities, where over 60% of Indians live<sup>66</sup> but do not have access to many core services which are usually taken for granted in larger cities and towns
- Provide incentives to **convert single screens** into multiplexes. This can address not only the screen count issue but also improve maintenance and programming options
- Enable stricter enforcement mechanisms to **curb piracy**, including proactive legal remedies and quicker take-down orders

<sup>60</sup> Odisha state film policy 2019

<sup>61</sup> Madhya Pradesh film tourism policy 2025

<sup>62</sup> The Uttarakhand film policy 2024

<sup>63</sup> Odisha state film policy 2019

<sup>64</sup> Draft guidelines for exhibition of PSA films of the Central Government in Cinema Theatres, in the notice dated 17 July 2023, from the MIB

<sup>65</sup> Bridging the entertainment divide: expanding Indian cinema through low-cost rural theatres: Report by UFO

<sup>66</sup> Urban and rural population in India, 1960 to 2024 - FactoData

# About this report

## Glossary

AGM	Annual General Meeting
ATP	Average ticket price
CAGR	Compounded Annual Growth Rate
CGST	Central Goods and Services Tax
EY	Ernst & Young
FDI	Foreign Direct Investment
FICCI	Federation of Indian Chambers of Commerce and Industry
GDP	Gross Domestic Product
GST	Goods and Services Tax
IFTC	Independent Film Tax Credit
INR	Indian Rupee (US\$1 = Approx INR85)
M&E	Media & Entertainment
MAI	Multiplex Association of India
MICE	Meetings, incentives, conferences and events
MoSPI	Ministry of Statistics and Programme Implementation
MPA	Motion Pictures Association
OTT	Over-The-Top (streaming platforms)
PPP	Purchase price parity
SD	Stamp Duty
SVOD	Subscription Video On Demand
TVOD	Transactional Video on Demand

## Disclaimers and methodology

This report has been developed by conducting primary and secondary research, discussions with several companies and industry stakeholders, and by cross-referencing available data points. To the extent possible, the data has been verified and validated. However, there can be no guarantee that such information, as mentioned above, is complete or correct as of the date it is received or that it will continue to be correct in the future.

The survey results are naturally dependent on the number and quality of responses received. We have not independently reverified the data. However, the survey was administered by EY and responses directly collected and collated by EY.

Several factors impact footfalls, including content quality, pricing, distance to theaters/ number of screens, marketing spends, windows, perception about windows and pricing of OTT platforms. This report tries to use the most direct relationship between window length and theatrical revenues, where possible, but it is not possible to completely isolate the impact of any one factor.

Recommendations are provided to facilitate discussions at an industry level, and may need additional analysis and research before being finalized.

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# Acknowledgements

## Industry insights

Ajit Andhare

Amandeep Singh Khurana

Devang Sampat

Gaurav Sharma

Saurabh Pant

Siddharth Jain

Thomas Dsouza

Vivek Krishnani

## EY

Arunima Mitra

Ashish Pherwani

Bhavesh Laddha

Divya Harwani

Fiona Fernandes

Kabir Khattar

Kaveri Nandan

Mahboob Alam

Nirav Worah

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