



Indian Association of Amusement Parks and Industries

404, Shreya House, Pareira Hill Road, Off M V Road, Opp Gurunanak Petrol Pump, Andheri East, Mumbai 400 099 Maharashtra, India.

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To,
Shri Narendra Modi
Hon'ble Prime Minister of India
Government of India
New Delhi

23 March, 2020

Sub: Request for Stimulus for Amusement Industry to sail out from Covid-19 Impact

Respected Prime Minister,

Kindly accept our warm greetings from India Association of Amusement Parks and Industries (IAAPI)!!!

Amusement Industry applauds the initiatives taken by the Government towards building a strong nation. The steps taken and schemes launched under your leadership are commendable for the growth of India and its citizens at large.

Indian Association of Amusement Parks and Industries (IAAPI) is an apex body representing the interests of Amusement Parks, Theme Parks, Water Parks and Indoor Amusement Centre in India. IAAPI is a non-government, not-for-profit, industry-led and industry-managed organization, playing a proactive role in development of this sector. Founded in 1999, IAAPI is India's premier business association having 461 members from the private sectors including small and medium enterprises consisting of park operators and equipment manufacturers. IAAPI works to create and sustain an environment conducive to the development of Amusement sector in India, partnering industry, Government, and civil society, through advisory and consultative processes.

Amusement Industry – Investment and Seasonality: Amusement Industry comprising of Amusement Parks, Theme Parks, Water Parks and Family Entertainment Centres are capital intensive, requiring huge investments in terms of land cost and procurement of rides. The industry is also highly seasonal and operates mainly from mid-March – July due to climatic reasons. For rest of the months, the capacity of the amusement & theme park is left unutilized, making the operational costs overrun the revenues. Thus, in view of the same, conducting business in such an environment has become a major concern and industry is now struggling for its survival.

Contribution to the Country: Amusement industry plays a major role in creating employment both directly and through ancillary and other related industries like hospitality, food & beverage, transport industry and more. It helps to create an economic multiplier effect accelerating the growth of the economy. Amusement industry employs sizeable number of people directly and indirectly and contribute to the government exchequer significantly. Amusement industry forms a major part of social Infrastructure which plays a vital role in nation building as it offers active outdoor recreation for kids, youth and families from middle and lower middle-class strata of the society.

Impact of Covid-19 Outbreak on the Amusement Industry: As a responsible industry, we understand, respect and support the decision of the Government and the Local bodies in curtailing the spread of COVID -19 and almost all amusement parks have been closed.



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With almost no revenues, due to suspension of operations as a consequence of the pandemic, amusement park industry is running out of working capital and is finding it difficult to meet its financial obligations such as staff salaries, advance tax, GST, PF, ESI and other state levies, loan interest and instalment payments etc. The amusement industry is in dire straits due to Covid-19 outbreak. As a consequence, the amusement industry is looking at pan India financial distress and bankruptcies, closure of businesses and massive job losses.

The amusement park industry is on the verge of collapse and seeks instant emergency decision to rescue and sail the entire amusement industry from the prevailing turbulent environment. The only way this can happen is by reducing fixed operating expenses significantly in the immediate term till consumption in the sector bounces back and the economic activity revives.

Our Prayer: Hon'ble Prime Minister, on behalf of the amusement fraternity, we wish to submit our representation regarding the challenges that the amusement industry is experiencing owing to the crises of COVID – 19 pandemic.

As 100% of the amusement parks have suspended operations in the interest of social security and following orders given by respective state governments to close down the operations resulting in no revenue/ income during such period. Even if operations are commenced, we envisage it will take at least 5-6 months for the patrons to regain trust and confidence and start flocking the amusement parks.

In the light of the same, we sincerely submit our following Prayers to the Hon'ble Prime Minister:

- **Complete GST Holiday for 12 months:** To make the entry prices economical to attract the patrons, complete holiday for 12 months (Central and State level) is sought for, also as with almost no revenues, there is hardly going to be any GST, as the revival of business may take time.
- **Deferment of Fiscal Statutory Compliance Deadlines:** Deferment for 6 months in payment of direct or indirect taxes of all statutory dues like advance payment of taxes, PF, ESIC etc. at the central government level or state government level.
- **Waiver of Custom Duties on Import of Spare Parts:** Waiver on custom duties on import of spare parts to bring down the repair and maintenance cost.
- **Reduction of Effective Rate of Interest on Loans from Financial Institutions:** Reduction by 200 basis points in effective interest rate being charged by financial institutions on term loans, working facilities and other facilities with immediate full transmission for working capital to reduce the burden on cash outflows.
- **Moratorium of 12 months on Payments to Financial Institutions:** 12 months moratorium on instalments of principal and interest payments on loans and working capital from financial institutions besides a doubling of working capital limits on interest free and collateral free terms.
- **Fiscal Support for Salaries:** Support fund for 12 months on the lines of MNREGA to support basic salaries with direct transfers to affected amusement industry employees.
- **Concessional Pricing for Water and Electricity:** Provision of water and electricity to the amusement industry for 6 months on concessional and subsidised rates.
- **Lower Rate of Income Tax and Early Settlement of Income tax Refunds:** To enhance the cash inflows and reduce the cash outflows to support.



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The amusement industry which is an integral part of Indian tourism industry is still in its nascent stage and in the prevailing turbulent environment, it needs the support of the Government now more than ever to tide over this crisis.

We sincerely believe that the approval of the above requested Prayers of the amusement industry will certainly and immensely aid it to tide over the current predicament and enable to contribute to the society and the country.

In anticipation of an affirmative response for the benefit of the entire Industry and the Country.

Thanking you,

Yours sincerely,

Sohansinh Jadeja

President

Indian Association of Amusement Parks and Industries (IAAPI)

CC:

Smt. Nirmala Sitharaman

Hon'ble Minister of Finance

Government of India

Shri Piyush Goyal

Hon'ble Minister of Commerce and Industry

Government of India

Shri Prahlad Singh Patel

Hon'ble Minister of Minister State (Independent Charge)

Ministry of Tourism

Government of India