



CM - ELEVATE



# Meghalaya Cinema Theatre Scheme

Government of Meghalaya 2023



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## 1 Background

PRIME Meghalaya Cinema Theatre Scheme is a component under the Chief Minister's ELEVATE program launched by the Government of Meghalaya which aims to employ, engage and empower the youth of Meghalaya by promoting entrepreneurship and by providing easy access to credit through onboarding of various banks as financial partners of the program. To minimize the risk associated with credit flow, the Government is providing front end subsidy in the form of down payment and backend subsidy in the form of EMI co-payment (optional for some schemes). Through this program, the entrepreneurs including individuals, collectives, villages organizations, various business entities and traditional institutions etc. will have easy access to various schemes on a single online portal. The program encompasses a number of sectors such as agriculture, horticulture, veterinary and animal husbandry, tourism, entertainment, sports, wellness and any business venture of economic interest for the people of the state.

## 2 About the Scheme

Meghalaya boasts a wealth of cultural traditions that are currently at risk of fading away. It is essential to ensure the preservation and promotion of this cultural heritage so that future generations can also embrace and enjoy it. Cinema or film plays a significant role in in shaping people's perspective, emotions, and culture through showcasing different lifestyles, beliefs and historical contexts. It can entertain, educate and influence social attitudes by portraying diverse characters, experiences and themes. The visual narratives, creative storytelling techniques, and diverse artistic styles of cinemas serve as source of inspiration for artists. It provides a platform for artists by influence their creativity and ideas.

Cinema theatres which serve as communal spaces where people gather to experience films together for artistic expression, cultural preservation, and community engagement. The Government understands that by investing in new and improving the existing facilities, an environment can be created that nurtures talent, showcases the state's unique culture, and provides avenues for recreation and enjoyment for all residents. However, Meghalaya faces dearth of entertainment and media establishments that can cater to the needs and aspirations of its people.

To address the concern and invigorate the entertainment landscape of Meghalaya, the State recognizes the critical need for well-established and efficiently run facilities. The proposed project aims to enrich the cultural and recreational experiences of the community by establishing Cinema Theatres in the region which will not only screen movies but play a pivotal role in promoting local film talents. By providing a platform for emerging filmmakers to showcase their works, the government seeks to nurture and amplify the unique voices and stories from the community. Regular film festivals will be a highlight, celebrating the rich tapestry of cultures, both local and international, and encouraging intercultural exchange and dialogue. With modern audio-visual technology at disposal, the cinema halls will offer an immersive movie-watching experience, rivalling the convenience of home entertainment while recapturing the magic of the silver screen.

With respect to the above, the government is launching the **"Meghalaya Cinema Theatre Scheme"**, a credit linked scheme aimed at providing entertainment to the citizens and promoting cultural enrichment for the people of the state. The selected applicants will receive financial aid to establish Cinema Theatres which may include "value additions" like food courts, childcare, gaming zones, car detailing, retail stores, halls and any other amenity that would ensure that the establishment is successful.

## 3 Objectives of the scheme

- **A dedicated space to exhibit homegrown cinema and films:** This space will serve as a vibrant showcase for locally produced films, nurturing a sense of cultural identity and pride within the community.

- **A communal hub fostering social connections and interactions:** As a central gathering place, it will encourage diverse social interactions and engagement, strengthening the bonds within our society.
- **A catalyst inspiring artistic expression and the craft of filmmaking:** By providing a platform for creativity to flourish, it will ignite a passion for artistic expression and filmmaking skills, shaping the future of our cinematic heritage.
- **An advocate for celebrating and safeguarding the richness of local traditions:** With a commitment to preserving local traditions, it will stand as a champion for the cultural heritage and traditions that make our region unique and vibrant.
- **20 Cinema Theatres to be established in the state of Meghalaya:** Our ambitious plan includes the establishment of 20 state-of-the-art cinema theatres across Meghalaya, enhancing access to quality entertainment.
- **Local artist will have a place where they can showcase their movies:** As a platform for local talent, this space will provide opportunities for artists to present their films, fostering a sense of pride and recognition within the community.
- **Improved economic activity through employment in production, distribution and operations:** This initiative is expected to generate increased economic activity by creating jobs in film production, distribution, and operational roles, contributing to the region's prosperity.

## 4 Overview

Scheme	Providing financial aid to 20 entrepreneurs from across the state to build cinema theatres in their major economic hubs
Who can apply?	<ol style="list-style-type: none"> <li>1. Individuals from Meghalaya</li> <li>2. Registered firms in Meghalaya only companies (such as Pvt Ltd, LLP, Sole Proprietorship etc, organisations “for profit”. However, NGOs, SHGs, Societies may not be eligible based on their constitution)</li> </ol> <p>(In case applicants wish to apply and require assistance in registering their firms, PRIME can provide the necessary support)</p>
Total number of cinema theatres	Twenty (20) numbers minimum to one in each district.
Launched By	Promotion and Incubation of Market Driven Enterprises (PRIME)
Nodal Department	Planning Department
Implementing Department	Meghalaya Basin management Agency (MBMA)

TABLE 1 SCHEME DETAILS

## 5 Project distribution across Meghalaya

- 1) A maximum of 20 cinema theatres in the state with priority being provided to one application per district first.
- 2) A maximum of 20 applicants will be selected in the state of Meghalaya however giving priority to one application per district first i.e., unless every district has had one selected entrepreneur

(provided applications are received and approved by the selection committee) no other district will have more than 1 selected application.

## 6 Eligibility criteria for the applicants of the scheme

The eligibility criteria are designed to ensure that the selected applicants are residents of Meghalaya, possess relevant experience, have secured appropriate land arrangements, demonstrate commitment through contributing shares and are contributing to job creation.

- 1) **Residency requirement:** All partners involved in the proposal must be residents of the state of Meghalaya. Valid identification documents demonstrating residency will be required as part of the application
- 2) **Experience requirement:** Applicants must provide proof of relevant experience in the field related to the proposed project. Fresh applicants without demonstrated experience will not be considered. Experience can be substantiated through past projects, portfolios, certifications, or testimonials.
- 3) **Land Ownership or Lease requirement:** The proposal must include proof of land ownership or a valid lease agreement for the proposed establishment. If the land is owned, documentation demonstrating ownership will need to be provided. If the land is leased, a valid lease agreement with the necessary tenure must be submitted. Such as Registered land, Bank statements, any uncleared loans, Criminal cases police verification, Name of the proposed place
- 4) **Contributing Share:** Applicants must demonstrate their commitment to the project by providing proof of the required contributing share. This can include financial contributions, resources, or any other form of investment outlined. The evidence of the contributing share should be clearly presented in the application.
- 5) **Employment requirement:** The proposed establishment must commit to employing locals in accordance with the funds they have received and the kind of unit they are running. This criterion aims to promote job creation and contribute to local employment opportunities. Proof of employment needs to be provided.
- 6) **Disqualification:** Applications from individuals with any political affiliations, central and state government employees, permanent employees of PSUs and **immediate family members of such individuals \***, retired individuals who are drawing pension will not be entertained.

\*Immediate family members include non-married children of such people, non-married individuals whose siblings are having such professions, spouse of someone who is in that profession, parents of such people in those professions.

### Applications shall not be ordinarily considered for the following:

1. Following individuals (currently employed as full-fledged or contractual, or retired and drawing pension) and their Immediate family members which includes spouse, parents, and children up to the age of 30
  - a. state and central Government employees
  - b. employees of public sector undertakings, subsidiaries of public sector undertakings and divisions of public sector undertakings etc.
  - c. any individual whose job is concerned with politics such MLAs, MLCs, MPs etc. or seeking to hold a similar position in government
  - d. registered class-1 contractors
  - e. consultants who are currently engaged with state or central government
2. Only one member from a family is eligible for the scheme.
3. Pressure groups and organizations that are primarily political in nature

## 7 Financing Plan

### 7.1 Financing Partners

- 1) State Bank of India (SBI)
- 2) The Shillong Co-operative Urban Bank Ltd

### 7.2 Loan amount, loan-term, and repayment schedule

- 1) The bank will sanction a maximum of 70% of the total project cost (including interest) as loan or lesser if the applicant requests so.
- 2) Total loan term will be for 15 years
- 3) Repayment of the loan through EMI will start after 18 months of moratorium period. Total EMI months will be 162 months.

### 7.3 Annual rate of interest

- 1) Annual rate of interest: as per decided by the bank
- 2) Annual rate of interest will be fixed/floating for the loan term as per decided by the bank

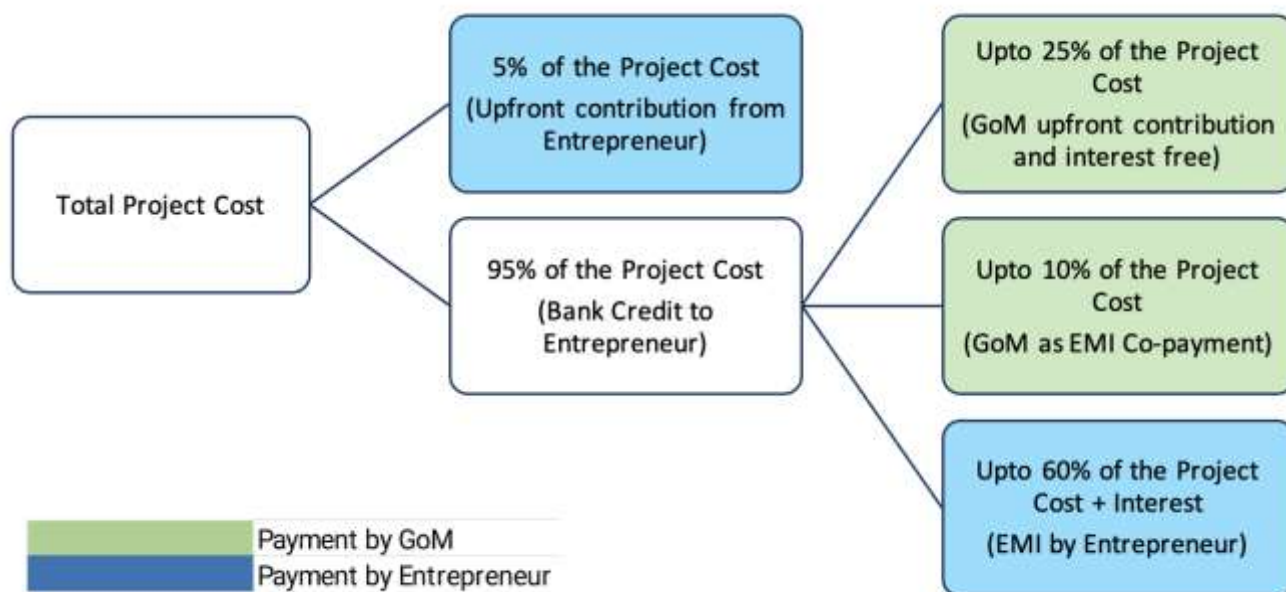
### 7.4 Quantum and Nature of Financial Assistance:

- 1) A maximum project cost estimated is ₹ 1.5 Cr (Rupees One Crores Fifty Lakhs) for 100 seater cinema theatre will be accepted and ₹ 3 Cr (Rupees 3 Crores) for 200 seater cinema theatre will be accepted.
- 2) The financial aid will be provided by the Government of Meghalaya as grant subsidy for the project.
  - a. Up front subsidy will be up to the tune of 25% of the total project cost or ₹ 37.5 lakhs whichever is less, 5% would be the own contribution of the entrepreneur and the remaining 70% must be contributed via bank loans or own contribution for 100 seater movie theatre and a backend support of 10% of the project cost or ₹ 12.5 lakhs (Rupees Twelve Lakhs Fifty Thousand) whichever is less
  - b. Up front subsidy will be up to the tune of 25% of the total project cost or ₹ 75 lakhs whichever is less, 5% would be the own contribution of the entrepreneur and the remaining 70% must be contributed via bank loans or own contribution for 200 seater movie theatre and a backend support of 10% of the project cost or ₹ 25 lakhs (Rupees Twenty Five Lakhs ) whichever is less
- 3) Additional support:
  - a. Mentoring via acceleration coaching will be done for recipients through PRIME

### 7.5 Summary of the financing plan:

The figure below shows the total financial share between Government of Meghalaya and Entrepreneur.

The figure below shows various financial components and payees of the total project cost



### 7.6 Illustration to understand the payment terms

Let's consider an example to understand the various financial components of the project for a 100 seater and 200 seater movie theatre:

Components	Values 100 Seater	Values 200 Seater
Total Project Cost	1,50,00,000.00	3,00,00,000.00
Down payment/Margin Money	45,00,000.00	90,00,000.00
Contribution by Entrepreneur	7,50,000.00	15,00,000.00
Contribution by GoM	37,50,000.00	75,00,000.00
Auto Loan Amount	1,05,00,000.00	2,10,00,000.00
Annual Interest Rate	13.4%	13.4
Term of Loan	15	15
Total Monthly EMI	2,11,251.14	3,43,170.17
EMI Support	62,500.00	2,08,333.33

**Disclaimer:**

Annual interest rate may differ at the time of sanction of the loan and prevailing rate of the bank will be applicable.

The project may include some of the following cost:

Infrastructure and Construction:

- Building Structure: Focus on cost-effective building materials and design to optimize space.
- Flooring and Lighting: Choose durable and low-maintenance materials.

- Restrooms: Install basic, functional restroom facilities.

Interior and Seating:

- Seating: Consider comfortable, but economical seating options.
- Interior Decor: Opt for a simple and attractive interior design that aligns with your theme.

Projection and Sound Equipment:

- Digital Projector: Consider a DLP (Digital Light Processing) or LCD projector suitable for your screen size. Brands like Epson, Christie, and Barco offer cost-effective options.
- Screen: Choose a high-quality, yet budget-friendly projection screen.
- Sound System: Opt for a 5.1 or 7.1 surround sound system with amplifiers, speakers, and subwoofers. Brands like JBL, Yamaha, or QSC provide economical solutions.
- Audio Processor: Invest in a digital audio processor to enhance sound quality.

Air Conditioning and Ventilation:

- HVAC System: Select an energy-efficient split-type or central air conditioning system with climate control capabilities.
- Ventilation Fans: Install exhaust and ventilation fans to maintain air quality and circulation.

Ticketing and POS System:

- Ticketing Software: Choose a user-friendly ticketing software with online booking capabilities.
- POS System: Opt for a touchscreen POS system with inventory management for the concession stand.
- Barcode Scanners: Use barcode scanners for quick and efficient ticket validation.

Miscellaneous Equipment:

- Cinema Seats: Invest in comfortable, yet economical cinema seats with cup holders.
- Projector Screens: Select retractable or fixed screens of appropriate size and quality.
- Lighting System: Install energy-efficient LED lighting for ambiance.
- CCTV Cameras: Consider a basic security camera system for safety.
- Fire Safety Equipment: Ensure you have fire extinguishers and smoke detectors installed as per safety regulations

**Disclaimer:**

*The above are just examples of what maybe included in a Cinema Theatre additional change may be added to the above*

The tables below show the details of shared costs between GoM and entrepreneur for the project.

**Down payment:**

Payee	Down payment
Entrepreneur	7,50,000.00
Loan	1,05,00,000.00
GoM	37,50,000.00



Payee	Down payment
Total	1,50,00,000.00

### 7.7 Illustration to understand a Costing Model

Following is an example that would show what the costing of setting up of a 200-seater single screen cinema theatre\*:

Description	Amt	Unit
Floor Space	4,000.00	sft
Construction	3,000.00	Rs/sft
total construction cost	1,20,00,000.00	Rs
Seating	4,000.00	per seat
seats	200.00	nos
total seating cost	8,00,000.00	Rs
Projector Christie solaria	50,00,000.00	pc
Dolby Surround 7.1	10,00,000.00	pc
Heating and Ventilation	20,00,000.00	ls
Lighting	5,00,000.00	ls
acoustic walls	5,00,000.00	ls
projection room	5,00,000.00	ls
concession stands	5,00,000.00	ls
ticketing system	3,00,000.00	pc
parking	10,00,000.00	ls
miscellaneous	24,10,000.00	ls
Total	2,65,10,000.00	Rs

\*This is just an example. Charges can vary from location to location

### 7.8 Illustration to understand a Revenue Model

Following is an example that would show what the potential sources of revenue would be and the costing of running of such a unit\*:

Description	200 seater	100 seater
Net Ticket Income	83,20,000.00	62,40,000.00
Net Concession Income	35,36,000.00	26,52,000.00
Screen Advertising	20,80,000.00	15,60,000.00
Brochure Advertising	50,000.00	37,500.00
Bar & Cafe Net Profit	3,00,000.00	2,25,000.00
Parking Fee	1,66,400.00	1,24,800.00
<b>Total Annual Net Income</b>	<b>1,44,52,400.00</b>	<b>1,08,39,300.00</b>
Staff Salaries and Benefits:	12,00,000.00	9,00,000.00

Utilities (Electricity, Water, etc.):	24,00,000.00	18,00,000.00
Film Rentals:	24,96,000.00	18,72,000.00
Concession Inventory and Restocking:	14,14,400.00	10,60,800.00
Maintenance and Repairs:	1,00,000.00	75,000.00
Marketing and Promotions:	6,00,000.00	4,50,000.00
Insurance:	30,000.00	22,500.00
Miscellaneous Expenses:	50,000.00	37,500.00
<b>Total Cost:</b>	<b>82,90,400.00</b>	<b>62,17,800.00</b>
<b>GST 18%</b>	<b>26,01,432.00</b>	<b>19,51,074.00</b>
<b>Net Profit</b>	<b>35,60,568.00</b>	<b>26,70,426.00</b>

\*This is just an example. Charges can vary from location to location

### 7.9 Financial Aid Disbursement

Subsidy from the GoM will be transferred to the bank in favour of the entrepreneur within a specified time of receipt of request from the bank.

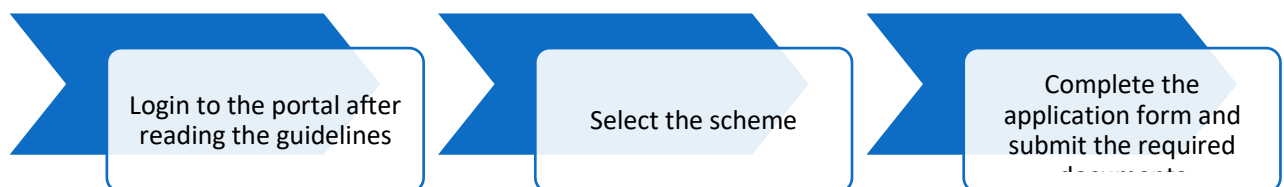
In case the entrepreneurs fail to pay the documents and down payment within a specified time of announcement of the results, the next applicant in the waiting list will be awarded the scheme.

## 8 Implementation Mechanism of the Scheme

### 8.1 Implementation Agency

1. Government of Meghalaya has identified **PRIME** as the implementation agencies for the scheme.
2. **Coordinating Officers:** PRIME

## 9 Application procedure



### 9.1 Submission Requirements

The proposal should substantially outline the intended plans of the entrepreneur following the following structure:

1. **Executive Summary (1-2 pages):** Provide a concise summary of the project, highlighting the key activities and objectives.
2. **Profile of applicant(s) (1-2 pages):** Outline the background of the applicants, including their relevant experience, previous ventures, training, certifications, and any other pertinent information.
3. **Facilities to be provided & Physical Setup (3-5 pages):** Describe the plans for setting up the wellness, cultural, and entertainment centres, including the preferred locations, equipment required (with quotations and drawings), and any necessary documents such as No Objection Certificates (NOCs) from relevant authorities.

4. **Financials (2-4 pages):** Present the budget for the project, including the estimated financial requirements, revenue models (e.g., ticket sales, memberships, sponsorships), and any other financial considerations.
5. **Timelines (1-2 pages):** Specify the proposed duration of the project along with major milestones, such as the start date, completion date, and significant stages or phases.
6. **Documentation (1-3 pages):** In this section, you can request any additional supporting documents that may be relevant to evaluating the proposals.
7. Any certificates or proof of past activities may be submitted in the annexure of the proposal.

Please note that these page lengths are approximate and can be adjusted based on the level of detail you wish to include in each section. It is essential to provide enough information to evaluate the proposals effectively while ensuring the RFP remains concise and focused.

## 10 Entrepreneur Evaluation mechanism

entrepreneurs will be evaluated through a three-step process.



### 10.1 Initial Screening and shortlisting

1. The submitted proposal will undergo an initial screening of the submitted application to determine if the application aligns with the objectives and scope of the project. This screening will assess whether the proposed project addresses the stated needs and requirements.
2. **‘Screening Committee’** will be consisted of
  - Head of the Committee: PH, PRIME
  - Other members:
    - One representative from the partner bank(s)
    - To be decided\*

### 10.2 Proposal submission, presentation and personal interview

1. The shortlisted applicants will have to submit a proposal

Softcopy	Pdf to <a href="mailto:info@primemeghalaya.com">info@primemeghalaya.com</a>
Hardcopy	PRIME Startup Hub Meghalaya, JN Stadium Complex, Polo

2. The proposal shall include
  - I. detailed business plan
  - II. financial projections and
  - III. evidence of financial sustainability.
3. Incomplete or ineligible proposals, not adhering to the guidelines outlined below, will be immediately disqualified, and eliminated from the challenge (e.g., not a citizen of the state, not adhering to prescribed proposal structure).

4. Shortlisted applicants will be required to present their proposal before an Evaluation Committee. During the presentation, applicants will need to demonstrate the financial viability of their project.
5. The applicants will be invited at a specified date/time to pitch in front of the committee. The entrepreneur may pitch for 15 minutes. The committee may request for clarifications after the presentation.
6. **‘Evaluation Committee’** at State Level will be consisted of  
Chairman: ED, MBMA  
Other Members:  
To be decided\*  
Criteria that would be used for evaluation:
  1. Attractiveness & Relevance of Proposed establishment
  2. Ambition regarding social impact that the establishment will have (such as employment, increasing the economic activity in the area etc)
  3. Relevant Experience and scope of the project
  4. Solid business case with credible path to profitability & long-term sustainability
  5. Any other points that support the project

### 10.3 Physical inspection of proposed land

Selected applicants from the second stage of the application process will undergo an inspection of the land and relevant documents submitted with the proposal.

- This inspection is to ensure verification the ownership or validity of the lease agreement for the proposed establishment.
- It will also assess the suitability and compliance of the land with the project requirements.

### 10.4 Declaration of the final list of entrepreneurs

- The best proposal in every district for every category will be selected and will be accepted for the financial support outlined above.
- The selection committee may announce multiple entrepreneurs from one district if applicants are found with promising results for the same district.
- Final list of the entrepreneurs will be available online

## 11 Terms and Conditions

- **Usage of Government Funds:** To ensure compliance with the intended use of the funds and to encourage proper allocation, the entrepreneur must ensure that the funds provided by the Government cannot be utilized for operational purposes or working capital. Funds are specifically allocated for the purchase of assets in the form of machinery or equipment required for setting up the wellness, cultural and entertainment centres. It is important to note that the funds cannot be used for the purchase of land.
- **Usage of Facilities:** In the future if the Government of Meghalaya needs space to promote or conduct events of public significance, the recipients should prioritize allowing the usage of the facilities for these events as a first priority with negotiable rates.
- **Breach of Clauses:** If any breach is found in the utilization of funds, such as the misuse of Government funds for operational purposes or other diversions of stated funds, a 16% annual interest charge will be levied on the applicant and may include legal action.

- **Utilization Certificates:** Regular submission of bills and receipts in original need to be done to the banks. GST bills where ever possible would be preferred.

## 12 Annexures

## 12.1 Annexure 1: Application form (Individual)

**Guidelines:**

1. Every detail in the form must be carefully filled.
2. Self-attested documents must be enclosed along with the form
3. Incomplete applications will be rejected.

S.N.	Questions	Answers
1	Name	
2	Mobile Number	
3	Age	
4	Gender	
5	Address	
6	Current Occupation	
7	Location of proposed movie theatre	
8	Type of movie theatre	
9	Estimated seating capacity	
10	Will you offer additional amenities	

11	Are you planning to offer specialized screening events	
12	Projection System	
13	Sound System	
14	Estimated budget for setting up the movie theatre	
15	Will you be personally managing the movie theatre?	
16	Do you have any prior experience in cinema management?	
17	Attach a copy of your ID proof	
18	Attach any relevant documents, such as architectural plans, if available.	

19	Attach DPR	
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## 12.2 Annexure 2: Application form (Registered Firms)

**Guidelines:**

1. Every detail in the form must be carefully filled.
2. Self-attested documents must be enclosed along with the form
3. Incomplete applications will be rejected.

S.N.	Questions	Answers
1	Name of Company/ Firm	
2	Names of Board Members	
3	Name of Contact Resource	
4	Mobile Number of Contact Resource	
5	Age of Resource	
6	Gender of Resource	
7	Address	
8	Current Trade	
9	Location of proposed movie theatre	
10	Type of movie theatre	
11	Estimated seating capacity	

12	Will you offer additional amenities	
13	Are you planning to offer specialized screening events	
14	Projection System	
15	Sound System	
16	Estimated budget for setting up the movie theatre	
17	Will you be personally managing the movie theatre?	
18	Do you have any prior experience in cinema management?	
19	Attach a copy of ID proof of CEO/ Directors	

20	Attach any relevant documents, such as architectural plans, if available.	
21	Attach DPR	