

Bollywood boycott dulls Indian screens

MUMBAI, India (AP) — The dispute between Bollywood producers and Indian multiplexes over revenue sharing hardened this week, with no end in sight to the monthlong boycott of new releases.

Indian movie fans — who spend an estimated 63 billion rupees (\$1.27 billion) each year at theaters — were again presented with a tepid array of aging Hollywood blockbusters and regional films Friday, the night usually reserved for new releases.

Richa Bose, a 23-year-old software engineer, stood out front of Inox cinema in south Mumbai, looking unhappily at his ticket for "Fast and Furious 4."

"We don't want to see it, but we don't have a choice," he said.

The stand off, which began April 4, has so far delayed the release of at least 6 major Bollywood films and two Hollywood movies, Angels & Demons and X-Men Origins, producers say.

Analysts estimate the boycott has already cost multiplexes 300 million rupees (\$6 million).

Talks between producers, who want a larger share of box office revenues, and multiplex owners collapsed Monday, prompting Mumbai's largest movie studios to vow to release new movies at single screen and non-chain theaters, beginning at the end of this month.

Multiplex owners shot back Thursday with a plan to jointly acquire distribution rights to a film to screen on their own.

Movie producers complain that India's seven national multiplex chains, which account for half of ticket sales by revenue, have acted as a "cartel," negotiating revenue sharing agreements on a per-film basis which puts individual producers at a disadvantage.

"When 7 national chains get together and tell you take it or leave it, you've got no option but to take it," UTV Motion Pictures chief executive Siddharth Roy Kapur said in an interview Friday.

"We were not getting our fair share."

Producers asked for more timely and transparent payments and demanded a standard 50:50 after-tax revenue sharing agreement.

During Monday's talks, they retreated, saying they'd accept 45 percent in the second week, and 40 percent thereafter.

Multiplex owners agreed Monday to institute a standard revenue sharing agreement of 50:50 in the first week, 40:60 in the second, 30:70 in the third, and 25:75 thereafter, Kapur said.

"That's the gap," he said.

There has been no date set to resume negotiations.

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http://www.theinsider.com/news/2124389_Bollywood_boycott_dulls_Indian_screens

Bollywood boycott dulls Indian screens

Bollywood producers and Indian multiplex officials said Friday they resolved their dispute over revenue sharing, ending a nine-week boycott on new film releases in the movie-mad country.

By [ERIKA KINETZ](#)

AP Business Writer

MUMBAI, India —

Bollywood producers and Indian multiplex officials said Friday they resolved their dispute over revenue sharing, ending a nine-week boycott on new film releases in the movie-mad country.

"The strike has been called off," said producer Mukesh Bhatt, who chairs the United Distributors and Producers Forum. The coalition of Bollywood filmmakers has been pushing multiplexes, which account for about two-thirds of India's box office revenues, to give filmmakers a greater percentage of ticket sales.

New films will be released starting June 12. Bhatt said the strike delayed the release of 45 films.

"Both sides were realizing that this stalemate is not in the interest of either side," said Deepak Asher, president of the Multiplex Association of India and director of INOX Leisure, which operates 27 multiplexes across the country.

The strike left Indian audiences - who spend an estimated 63 billion rupees (\$1.27 billion) each year at theaters - with a tepid array of aging Hollywood blockbusters and regional films to choose from. It also sent theater occupancy rates plummeting below 15 percent.

Producers estimate the boycott cost the industry \$40 to \$60 million in lost revenue. Others note that it was incredibly well timed: Few movies get released during April and May because the Indian Premier League cricket season keeps audiences glued to their television sets.

Under the new deal, producers and multiplexes will split revenue equally during the first week after a film's release, said Amit Khanna, chairman of Reliance Entertainment, which has both film production and multiplex divisions.

Producers will get 42.5 percent in the second week, 37.5 percent in the third week, and 30 percent the fourth week and beyond.

Multiplex owners had pushed for performance-based fees, and they got their way. If a film grosses more than 180 million rupees (\$3.7 million) at multiplexes during its first run, which typically lasts a month in India, producers will get an additional 2.5 percent of revenues for the first two weeks of ticket sales. If the film grosses less than about 90 million rupees, multiplex owners will get a rebate of the same amount, Khanna said.

Until now, revenue splits have been negotiated on film-by-film basis.

Khanna said Friday's deal furthers the professionalization - and growing corporate nature - of Bollywood.

"When you try to introduce rules in a chaotic set up, it's always painful," he said.

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http://seattletimes.nwsources.com/html/entertainment/2009195589_apasindiabollywoodboycott.html

A Dispute in Bollywood Over Revenue

New York Times, April 10, 2009, p. B1.

By [VIKAS BAJAJ](#)

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MUMBAI — It could almost be the plot of a Bollywood melodrama: A businessman, feeling frustrated and shortchanged after spending years as his brother's junior partner, lashes out, igniting a conflict that puts their fortunes at risk.



Rajanish Kakade/Associated Press

The actors Shah Rukh Khan, left, and Aamir Khan appeared together to support filmmakers.

Alas, for fans of Indian musicals and action thrillers, this is not the description of a movie about dysfunctional families. It is a real-life battle between film producers and theater owners that has brought releases of Hindi-language movies virtually to a halt here.

Indian movie producers and distributors are refusing to release movies to big theater chains until they get a guarantee of 50 percent of the revenue from ticket sales on all movies for the first four weeks of their run. Revenue-sharing arrangements are now negotiated movie by movie.

The dispute, which has been simmering for years, is coming to a boil at a difficult time for Indian movies. The country's big Hindi-language film industry, known as Bollywood, has not produced a big hit in the last three months. Box-office revenue fell 2.3 percent in the first quarter from sales in the period a year earlier, to 2.6 billion rupees, or \$52 million, according to IBOS, a film-industry news service. At the same time, the financial crisis has made it harder for movie producers to raise money for new projects.

Only a few movies have been released since the embargo went into effect last week. Producers say they are willing to hold movies back indefinitely until they get "fair rights for Friday nights," the evening that movies are released. Just as it does with its blockbusters, the industry has carefully stage-managed the strike. At a recent news conference, for instance, two of the country's biggest film stars and producers appeared to bury a long-running feud in an effort to present a unified front.

The actors, Shah Rukh Khan and Aamir Khan, who are not related, hugged awkwardly in front of a who's who of the filmmaking fraternity as dozens of photographers and camera operators jostled to record the moment. "Normally, creative people say, 'I'm creative, I'm a little crazy, I should make more,' " Aamir Khan said. "We are saying we want to be equal partners." Filmmakers may have star power on their side, but theater owners say their position is grounded in harsh economic realities.

They assert that an across-the-board revenue split would cripple theater chains because most of the hundreds of movies released every year do not earn much money. The chains control 850 of the 13,000 movie screens in the country, but they earn as much as 65 percent of the industry's revenue because ticket prices in the plush and modern chains are substantially higher than those in older, single-screen theaters.

Shravan Shroff, managing director of the Fame cinema chain, said the chains wanted a sliding-scale formula that would reward producers with a bigger share of revenue when movies did well and give them a smaller cut when the films did not succeed. He pointed to Hollywood, where producers and theater chains divide profits differently for each film based on various factors, including how many tickets are sold.

“We all want every film to work well; it’s in everybody’s interest,” Mr. Shroff said. “But at the end of the day, if you make a superhit movie, I am happy to pay; but if it’s a flop, why should I be the only one to suffer? You should suffer more.” While both sides publicly profess to value each other and say they want to negotiate in good faith, they have been trading barbs and accusing each other of collusion, chicanery and, of course, greed.

Film producers complain that chain operators often negotiate movie deals collectively and will hold out until the day or two before a release to sign deals so that they can extract better terms. They also accuse some theaters of fudging ticket sales and taxes to keep a bigger slice of revenue. “They would not settle the terms till the Wednesday or Thursday before the movie would play, and they would act together,” said Jyoti Deshpande, chief operating officer for Eros International, a large movie production and distribution company. “It was almost demeaning to do business that way.”

But the theater owners assert that it is movie producers and distributors who fight over the terms of the deal until the last minute. They also deny accusations that they manipulate sales and tax data, saying they would face stiff penalties for doing so. “We would also love to have the movie signed the week before,” said Alok Tandon, the chief operating officer of the Inox Leisure theater chain. “We love to open our box office for advance bookings.”

Thankfully for both sides, April is often a weak month for movies. This year, movies would have competed with a wildly popular cricket tournament, the Indian Premier League, which will be played in South Africa beginning April 18 but will be broadcast widely throughout India. Also, national elections start next week and run for a month. “They can afford a strike in April, but if it spills into May, both sides will be hurt a lot,” said Gitesh Pandya, editor of BoxOfficeGuru.com.

The strike could benefit producers that make movies in languages other than Hindi, which is spoken primarily in north India. But producers in Bollywood say they hope big studios in the south and elsewhere will also hold back movies.

The theater chains, for their part, are trying to line up rights to show cricket matches — India’s other great passion — if a deal is not reached soon.

<http://www.nytimes.com/2009/04/10/business/global/10bollywood.html?scp=1&sq=bollywood%20boycotting&st=cse>