

# pickle

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## Five new emerging biz to enter in the Indian showbiz

# MONEY MONEY MONEY

Opportunities galore in the Indian showbiz sector to bet in the following five show business areas

### FILM SALES AGENTS

There is an immediate need for professional film sales agents in India. This could also be a sales agency or a company similar to UK's Capitol Films. Sales agents represent filmmakers looking for distribution and broker deals. There are lot of opportunities for agents to represent a filmmaker from the script stage or enter into a contract when the film is in its completion stage for distribution (domestic, international, Satellite, mobile and wireless). The need of the hour is transparency, accept cash in cheque (with no kick-backs) and provide regular financial accounts for filmmakers and work professionally.

### HOME RENTAL DVD LICENSORS

Thanks to the recent Delhi High Court ruling neighbourhood libraries across India cannot lend film DVDs and VCDs of Hollywood studios without obtaining a license. This could also be applicable for Copyrighted Hindi DVDs and VCDs. While pirates get a movie much faster into the market than copyright holders, the emergence of licensors will enable original titles to be made available at neighbourhood libraries at a much faster pace.

Licensors act as policemen to guard against misuse of original titles in libraries. Licensors will be appointed by companies who own distribution rights of the movies.

### LEGAL CONTRACT SPECIALISTS

In the reel world, there is a real need for lawyers who understand contracts in the filmed entertainment space. As the Indian filmed software goes global, companies are looking for specialists in the film and TV contracts. While MNCs have these specialists in their processes, home grown companies are increasingly looking for talent in this space. Legal software's currently available are centred or tilted towards an overseas broadcaster or a foreign entity. Indian templates are needed and will be in demand in the coming years. Entertainment lawyers are in great demand for independent filmmakers.

### NEW DISTRIBUTION MODEL FOR INDE MOVIES

Sony Pictures Entertainment has Sony Picture Classics. It is an autonomous company of SPE that produces, acquires and distributes independent films from America and around the world. 20th Century Fox has FoxFaith, Fox's new faith-and-family-values division.

This kind of offshoot is missing in India. Currently, it is catered to independent filmmakers who have contacts with the big distribution players. It is time that big domestic and international distributors seriously look at independent filmmakers. There is a real need for an Yashraj Classics or an Adlabs Classics. This process has to be institutionalised as there will always be movies made by small filmmakers.

### IT SOFTWARE FOR FILMED ENTERTAINMENT

There is a growing need for IT software products for the Indian film sector. In the Indian filmed entertainment space, the IT process implementation (new software products) is evolving fast in overseas business, than in the domestic operation. The business model, box office collection, home entertainment distribution is more or less similar in operation to all entertainment brands in India. The digitalisation has already brought in top IT players to enter this space. There will be a demand for specific IT software products for the film sector. While content will determine the success of any film, a value add in the form of IT software to measure money grossed is the big picture visualisation for this sector.

## PICKLE PREDICTIONS: share views at [natvid@gmail.com](mailto:natvid@gmail.com)

1

Germany's top bank is all set to finalise and fund \$ 100 million in a listed movie production company/companies in India. This is to fund for a slate of Indian movie projects in the next four to five years.

2

India's top television broadcaster may team up with a leading 'Khan' star to create a movie studio in India similar to what is in Hollywood.

3

Corporate entities like Adlabs, UTV, Yashraj will have a complete hold of film software exports from India in the medium term. Small time exporters will vanish or become a value chain in the corporatised structure.

**Time Warner quits four year theatre venture in China**

# Will Warner Enter India?

India follows an open policy and has no restriction in film production, distribution and exhibition

By N Vidyasagar

**N**ow that the Time Warner has decided to pull out from cinema business in China, many in the Indian exhibition sector are looking closely at luring the Hollywood conglomerate.

India follows an open door policy for the film sector. 100 per cent Foreign Direct Investment is allowed in film sector covering film financing, production, distribution marketing and exhibition. The only obligation in the film sector is to get a Censor board certificate.

Last week Warner Brothers International Cinemas (WBIC), a subsidiary of Time Warner said that it has ceased investment in Chinese movie theatre market citing restrictions on foreign ownership.

WBIC operates in four theatres with local China partners -- with

Shanghai Film Group Corp. and with Shenzhen Investment Trust. When Warner entered the market in 2004, they had plans to construct 40 movie theatres in China. Warner will continue their China operations in local language film production,

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home video joint venture, consumer products, and studio stores.

Industry analysts maintained that studio major Time Warner as a strategy concentrated on China and Sony Pictures Entertainment had its eyes on India. Earlier Warner had also dabbled into entering theatre business in India, but it not take off.

Industry representatives pointed out the situation is different in India as there is an explosive growth in the exhibition sector— especially in the multiplex theatres in major Indian cities.

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across the country.

In recent times, multiplexes have seen the highest growth and the 300-odd multiplex screens across the country contribute over 60 per cent of the box office collections. There is transparency and governing structure as most of the major exhibition companies in India are listed entities -- Adlabs, PVR, Inox, Shringar among others. Essel group's Fun Multiplex is fast emerging as an leisure spot in India.

Time Warner as a group has more interest in India-- getting their weekly Time Magazine, AOL, Fortune into India. Time Warner properties like CNN, HBO, Cartoon Network, Pogo have already established its presence in India.

Fortune Global Forum has announced that it would hold its tenth global forum on "Mastering the New Global Economy" in October 2007 at Delhi.

While India is top in the radar of New York-based Time Warner, it is likely that they would get into the due diligence of entering the

theatre market in India. India has around 11, 500 single movie theatres, but has over 100 multiplex malls across the country.

**India's top movie exhibitors with a national footprint**



**ADLABS CINEMAS**

Adlabs Cinemas is one of India's largest motion picture exhibitors in the country. Currently it has 50 screens in the top 10 urban cities across India. Adlabs is looking at investing Rs 2 billion over three years towards cinemas. The division will have 20 cinemas operating before end of FY 06-07 and 85 new screens by FY 08, taking the total to 135 screens. Adlabs is targeting a record 10 million moviegoers in FY 06-07.



**PVR CINEMAS**

Ajay Bijili promoted PVR Cinemas has a record of entertaining 8.8 million viewers in 2005. It is India's largest Multiplex Cinema operator and established the first Multiplex Cinema in India, PVR Anupam, in Saket, Delhi in 1997 and the largest Multiplex Cinema in India, PVR Bengalooru in 2004. PVR has a pan India footprint with presence in 6 cities namely Delhi & NCR, Bengalooru, Mumbai, Hyderabad, Indore & Lucknow.



**INOX LEISURE**

INOX has 12 multiplexes with 44 screens in 11 cities. Its proposed merger with CCPL (89 Cinemas), will give INOX access to an additional 9 multiplexes in West Bengal and Assam. It is the diversification venture of the INOX group into entertainment and is a subsidiary of Gujarat Flurochemicals Ltd. INOX Leisure's mission is to be the leader in the cinema exhibition industry and eventually get a high market share.

## Manu Rewal speak his mind on the real world of cinema



# INDE VOICE

Reality Check on the Changing Face of Indian Cinema

Filmmaker **MANU REWAL** works out of Delhi and runs Duniya Vision Pvt Ltd. His vision is to make films that would reach to a bigger global audience. He has made number of films (*Mandu, Le Corbusier in India, Hollywood ki Pukar, Chai Pani etc*) which got him recognition in many European and North American Film Festivals. He is scripting his new venture *Ramu and Juliette*. (A satirical Romantic Comedy) He took time off with **PICKLE**

**After *Chai Pani etc*, we haven't seen much of you. What are you working on?**

I am working on my next project *Ramu and Juliette*, a satirical romantic comedy set in India and France (or another western country). The scripting process is on and I are looking for co-production partners. For more info contact : [manu@duniyavision.com](mailto:manu@duniyavision.com).

**Do you think an audio visual treaty between India and France would enhance and help filmmakers like you?**

It would not only help filmmakers, but would be a big win-win for both countries which have an alternate socio-economic-cultural model to that of the US; The French and Indian industries as a whole would also benefit since cinema is in a way, a form of extended advertisement for products and lifestyles, as well as being vehicles of cultural values. I think it is imperative that both the Indian and the French officials move as fast as possible to iron out all differences and finalise an official treaty.

**Your movie *Chai Pani etc (Love Bribes etc)* was well received and appreciated at the International Film Festival of India, Goa in 2005 and in the Montreal World film festival among others But it has not seen its wide distribution in the country?**

As I was being either being offered absurd deals or no deals, unlike most other independent producer/directors in India, I decided to distribute the movie myself. As I had a very small budget for the P&A, I could only release it with 12 prints in 8 cities. In Delhi where I actually had more control over the process, the film did exceedingly well and was removed after 6 weeks because bigger films needed space...For more about the film *Chai Pani etc* [www.chaipanietc.com](http://www.chaipanietc.com) The audience is there for small films like mine but there are very few companies who

distribute movies that do not follow the Indian bollywood type song and dance formula with Stars.

**What is it that you would like to see emerge for the independent filmmakers in India?**

Two things (at least) need to be done urgently.

1. Institutional / Bank Finance : One obvious place to start would be at the IDBI. The Government Bank, IDBI funds only movie projects of Rs 4 crore (40 million Indian Rupees) essentially with people who are very established and who tend to make the typical bollywood films with Stars. It would be good to extend this facility to smaller films of say Rs 2 crore or may be Rs 1 crore with a different business model, evaluation process and sales strategy.
2. Sales Agent/ Distributor for non bollywood smaller films: There is a big need for at least 4/5 professionally run Sales Agents/ distributors that will look at the non bollywood sector. Maybe the NFDC could try its hand at doing this, but it would need to be run on a professional basis independent of Govt control. Maybe some form of subsidy or support needs to be given to companies that distribute or sell such films. My experience has taught me that profits can be made in distributing these smaller more innovative films as there is now in India (especially after the last 15years) a real audience for these

films. But this can only be done if someone has a slate of these types of films to offer on a regular basis and a properly run distribution and marketing strategy that aims at all the different media and territories where the film can be sold. I believe the foreign market and Europe in particular is crying out for non bollywood but Indian films.

Note that Satyajit Ray's are still selling all over the world.

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## MARKET INDICATORS

# Overview

Indian filmed entertainment space has never witnessed good times like what they are now. UTV share prices has touched Rs 267.40. Six weeks back it was Rs 179.25. Another story to watch is TV 18. It has moved from Rs 602.00 on September 26, 2006 to Rs 932.25 on November 10, 2006. Studio 18 is all set to invest \$15 million on movie production in India. Majority of the big movies released this year has not lost money. While the thumb rule is that four movies succeed out of 10, this year nine out of 10 movies have not lost money.

**Media & Entertainment Companies traded in the Bonbay Stock Exchange (value in Rs)**

Company name	Sept 27, 2006	Nov 10, 2006
Adlabs Films	345.35	389.90
Balaji Telefilm	137.00	164.0
Cinevista Ltd	23.00	22.80
Crest Animation	115.70	109.40
Cyber Media	80.00	126.50
Deccan Chronicle	481.30	663.55
ETC Networks	43.15	46.50
ENT Network India	244.70	225.05
Galaxy Entertainment	202.40	197.55
HT Media	581.90	745.70
Inox Leisure	153.65	176.40
JagranPrakashan	292.05	267.55
K Sera Sera	29.50	33.10
Mukta Arts	55.95	60.75
NDTV	214.25	242.90
PVR	255.10	236.85
Sahara One	317.00	335.00
Saregama India	185.85	207.60
Shringar Cinema	46.90	54.90
Sun TV	1244.10	1424.35
TV 18	602.00	932.25
TV Today Network	75.85	79.40
TIPS Industrie	28.20	24.05
UTV Software	179.25	267.40
Zee Telefilms	302.25	330.65

### Contact Information

Send your letters, views, suggestions to

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## BY THE NUMBERS

**Who gets what in Bollywood? Industry figures say Hrithik Roshan Rs 12 crore (35 Cr for three films), Sharukh Khan Rs 12 crore for Don, Aamir Khan Rs 8 crore, Akshay Kumar Rs 5 crore, Rani Mukherjee, Priety Zinta, Aishwarya Rai are in the Rs 3 crore slab**

## PICKLE DIGEST



**Yashraj Films Dhoom 2 starring Hrithik Roshan and Aishwarya Rai will release on November 24**

## IFFA Award Function at Yorkshire in June 2007

Countries make beeline and many are even ready to bid to get Wizcraft's IFFA award function hosted on their hometown. Now it is official that the eighth edition of IFFA awards will take place at Yorkshire, UK, in June 2007. Amitabh Bachchan made a formal launch at the House of Commons. UK's Secretary of State for Culture, Media and Sport, Tessa Jowell said IFFA Awards at Yorkshire will prove the growing bond between the two countries.

## Wanted Band members for Pritam Chakraborty

Pritam Chakraborty is undertaking another musical journey with UTV's upcoming film Metro, directed by Anurag Basu. He is all set to form a rock band that will be an integral part of the film narrative. He is on the look-out for two band members to be his partners in crime. The criteria for selection is well defined people with intense obsession for music of any kind, who can identify the melody in the waves of the ocean, enthusiast who can't help but head bang listening to a Jimmy Hendrix or tap their feet listening to an old dhun at the nearest tea stall.

## Rajshri's Vivah target Indian Diaspora Online

For the first time, an Indian film was released online in the pay per view format with its theatrical release. Rajshri Pictures released 'Vivaah' on rajshri.com. The idea is to reach out to Indian diaspora in countries where Bollywood films are not released on theatres. The website presently provides free streaming of old Bollywood films and music videos. Indian content is slowly reaching out to overseas audience in new formats. Time Warner Cable and Bodvod recently signed with Bollywood production houses UTV Motion Pictures and Adlabs to offer Hindi-language films through their video on demand service to customers in New York and New Jersey.