Notice inviting public comments with respect to the commitment proposal submitted by the Opposite Party in Case No. 42 of 2023 titled *The Film and Television Producers' Guild of India Limited and PVR INOX Limited.*

The Competition Commission of India ('**CCI**'), *vide* its order dated 30.09.2025 passed under Section 26 of the Competition Act, 2002 ('**Act**') directed the Director General to conduct an investigation and submit a report in Case No. 42 of 2023: ***The Film and Television Producers' Guild of India Limited and PVR INOX Limited*** for alleged contravention of the provisions of Section 4 of the Act.

PVR INOX Limited ('**Commitment Applicant**') has filed a commitment application under Section 48B of the Act read with the Competition Commission of India (Commitment) Regulations, 2024 ('**Commitment Regulations**') as amended *vide* Notification dated 18.08.2026.

The Commission, while considering the commitment proposal of the Commitment Applicant, has decided to invite comments, objections or suggestions, if any, from the public, in terms of Regulation 5 containing details as per Regulation 5(2) of the Commitment Regulations.

A copy of the non- confidential summary filed by the Commitment Applicant in terms of Regulation 3(1)(i) of the Commitment Regulations, is enclosed herewith as **Annexure-A**.

The CCI invites public/stakeholders to submit written comments, if any, on the aforesaid summary to be sent to the email: secy@cci.gov.in or by post, addressed to **The Secretary, Competition Commission of India, 10th Floor, Office Block- 1, Kidwai Nagar, New Delhi-110023**, with subject "**Comments, objection or suggestion on the commitment proposal in Case No. 42 of 2023 latest by 01.10.2026**"

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NON CONFIDENTIAL

ANNEXURE - 8

A SUMMARY, NOT CONTAINING ANY CONFIDENTIAL INFORMATION, COMPRISING OF PRIMA FACIE OPINION OF THE COMMISSION EXPRESSED IN THE ORDER ISSUED UNDER SUB-SECTION (1) OF SECTION 26 OF THE ACT ALONG WITH DETAILS OF COMPETITION CONCERNS, ALLEGED CONTRAVENTIONS, DULY CAPTURING COMMITMENTS OFFERED BY THE COMMITMENT APPLICANT AND HOW THEY ADDRESS THE COMPETITION CONCERNS, UNDER REGULATION 3(3)(I) OF THE COMPETTION COMMISSION OF INDIA (COMMITMENT) REGULATIONS, 2024

1. On 30 September 2025, the Hon'ble Competition Commission of India (***Commission***) issued a *prima facie* order (***Prima Facie Order***) under Section 26(1) of the Competition Act, 2002 (***Competition Act***), initiating an investigation against PVR INOX Limited (***PVR INOX***), with regard to the levy of Virtual Print Fee (***VPF***).

2. Set out below is a summary of: (a) the *Prima Facie* Order, (b) the commitments proposed by PVR INOX to address the *prima facie* concerns (***Commitments***), and (c) and explanation on how the proposed Commitments address each of the Hon'ble Commission's *prima facie* concerns.

3. This summary has been prepared based on the requirements of Regulation 3(3)(i) of the Competition Commission of India (Commitment Regulations), 2024 (***Commitment Regulations***).

I. *Prima Facie Order*

4. The Hon'ble Commission *prima facie* found that PVR INOX's continued levy of VPF violates Section 4(2)(a), 4(2)(b), 4(2)(c) and 4(2)(d) of the Competition Act, on the following grounds:

(a) *Section 4(2)(a)*: It allegedly amounts to discriminatory conduct, as certain Hollywood and Hindi film producers are allegedly not required to pay VPF, whereas other film producers are still required to pay VPF;

(b) *Section 4(2)(b) and 4(2)(c)*: It limits and restricts the supply of films in the market as small and medium sized producers allegedly may not be able to afford the upfront lump sum VPF payments prior to release of their films; and

(c) *Section 4(2)(d)*: It is allegedly not attributable to any specific service provided by PVR INOX.

II. *Proposed Commitments*

5. Without prejudice to PVR INOX's submission on merits, in order to: (i) fully address the Hon'ble Commission's *prima facie* concerns; (ii) bring about a timely change in market conditions; and (iii) avoid a prolonged and resource-intensive investigation that would be inefficient for all relevant stakeholders, PVR INOX has proposed certain commitments under Section 48B of the Competition Act. The proposed Commitments are summarised below:

(a) ***Cessation of VPF***: PVR INOX shall **cease charging VPF (or in fact, <u>any</u> upfront payment)** from all film producers (irrespective of the language of the film). This cessation shall take effect upon the expiry of 120 days from the date on which the Hon'ble Commission accepts the proposed Commitments (***VPF Cessation Date***);

(b) ***Introduction of a uniform choice-based framework for all producers***: From the VPF Cessation Date, PVR INOX shall introduce a uniform, choice-based framework (***Choice Based Framework***) which shall be equally available to all producers / films. Under the Choice Based Framework, prior to the release of any film, the relevant producer shall be able to make a choice between the following two options:

Option 1	Option 2
Producers may pay a nominal weekly per-show fee towards exhibition service charges (***ESC***), deducted from the distributor / producer's share of the net box office collection (***NBOC***) at the end of every week. The per-show ESC shall be INR 450 (for standard format screens) or INR 600 (for premium format screens*), which further reduces to INR 250 (standard format screens) or INR 350 (premium format screens) after a total of 60 shows[1] per theatre (computed based on the entire run-period of the film). This fee model ensures that: (i) there is a standard set of rates equally applicable for all producers; and (ii) all producers equally are eligible to avail of a volume-based discount, which facilitates and promotes wider screening opportunities for all producers. * *Premium formats include IMAX, 4DX, ScreenX, LUXE, etc.*	In case producers would not like to pay any fixed charges, they can instead opt for a revised revenue share arrangement (***RRS***) with PVR INOX, under which the distributor / producer's share of NBOC is reduced by no more than 7.5% from the existing rate.[2] PVR INOX believes that a uniform percentage reduction across all distributors / producers would be the most objective, uniform and transparent methodology, and will therefore endeavour to apply the same percentage reduction to all distributors / producers.

1 While considering whether the 60 shows threshold has been met, both premium and standard shows shall be aggregated, so that it is easier for producers to reach that number and avail of the lower rates.

2 For example, if the distributor / producer's current share of NBOC in a given week is 50%, and the reduction is 7.5%, the distributor / producer's revised share of NBOC for that week shall be 50% - 7.5% (i.e., 42.5%).

6. It is important to note that none of the options include any upfront payment at all and therefore, PVR INOX **is entirely doing away with the requirement of any upfront payment by film producers, thereby fully eliminating the cash-flow burden associated with pre-release payment obligations**. Instead, producers shall now have the flexibility and freedom to opt either for a fixed and uniform ESC (if they prefer to make a fixed weekly payment which will be collected from the distributor / producer's share of the NBOC) or, alternatively, a minor revenue-share reduction (if they prefer not to make any fixed payments), based on whichever option best fits the relevant producer's / film's commercial needs. This choice shall be equally available to **all** producers for **all** films.

7. PVR INOX is willing to offer the Commitment Proposal in perpetuity. However, in order to ensure that the ESC / RRS remains cost-reflective and sustainable over time, PVR INOX reserves the right to reexamine the exact ESC / RRS quantum after every 3 years, given that costs and revenue structure change over time. Any such re-examination shall be undertaken in good faith, based on objective, data-backed assessment of actual cost movements (including equipment, maintenance, etc.), and will be carried out transparently in consultation with producers, with a view to maintaining fairness and non-discrimination.

III. *Effectiveness of the Commitment Proposal*

8. The *Prima Facie* Order relates exclusively to the levy of VPF. Accordingly, cessation of VPF (and in fact, any upfront payment at all) and the introduction of the proposed Choice Based Framework completely addresses the Hon'ble Commission's *prima facie* concerns, as demonstrated below.

   (a) <u>*Section 4(2)(a):*</u> As VPF will no longer be charged from any film producer (irrespective of the language of the film), there can be no case / question of discrimination between any producers arising from

VPF going forward. All producers will equally be exempted from VPF (or any upfront payments altogether). Further, under the proposed Choice Based Framework, all producers will equally have the same choice between ESC and the RRS, across all titles and screens, thereby eliminating any potential for discriminatory treatment.

(b) *Section 4(2)(b) and 4(2)(c):* As VPF will no longer be charged from any producer, there can be no question of VPF limiting the supply/denying access to producers going forward. Under the proposed Choice Based Framework, there is significant flexibility introduced for producers to choose a model that best suits their commercial needs, without any upfront payment obligations at all. Therefore, there is no alleged barrier for producers.

(c) *Section 4(2)(d)*: As VPF will no longer be charged from any producer, there can be no question of VPF amounting to an unrelated supplementary obligation going forward. Under the RRS option, there is no separate payment required at all and only a revenue share arrangement is in plxace. Further, even under the ESC option, the payment is directly in lieu of an exhibition service charge which is linked to demonstratable costs incurred by PVR INOX. Therefore, both the RRS and ESC options directly relate to the exhibition-related costs incurred by PVR INOX (and in fact, under RRS, there is no separate payment at all). The comprehensive framework provides a direct and transparent link to the services necessary for the exhibition of films.

9. In summary, the proposed Commitments offer a fair, non-discriminatory and transparent choice to producers that maps cleanly onto producers' differing commercial preferences and risk profiles, while fully addressing the Hon'ble Commission's *prima facie* concerns through complete cessation of VPF or any other upfront payments altogether, and also allowing continued viability for PVR INOX.