



Distributors may step in for IPL theatre rights

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DISTRIBUTION companies rather than multiplexes are expected to bid for theatre telecast rights of the Indian Premier League (IPL) tournament between 2010 and 2019 as commercial viability of these rights remains as unpredictable as a Twenty20 cricket match.

"It makes sense for a content aggregator or distribution company to bag these rights and then syndicate it to multiplexes and other players," said a senior executive with a production house.

Pure multiplex companies might steer clear of the bidding process, he added requesting anonymity.

This will be first of its kind bidding for any sporting event in the country.

The IPL telecast rights for 2010-19 include rights for exhibition in cinemas halls and other public spaces such as stadiums, malls, hotels and restaurants, the IPL organising committee has stated.

The reserve price of the bid has been pegged at \$2 million per year with November 12 as the last date for submission of bids. Meanwhile, questions regarding financial viability and the commercial valuation of these rights remain.

"Not all matches garner equal amount of TRPs or generate excitement in good measures. There's a big question on how occupancies can be sustained in the cinema halls over 45 days spanning 60 matches," said a senior executive with an entertainment company.

However, he added that during the past two seasons producers were shying away from new movie releases during the IPL season, so the timing of IPL for multiplex screening sounds good.

IPL CEO Sundar Raman said he expected good response to the 10-year rights sale. "One does not plan to expect a full house from day one and if this happens it will only

help the prospective rights holder to break-even from the first year. But the IPL is a sporting event which will definitely help the rights holder to break even faster than it happens in similar businesses," he said.

So far, matches that have been telecast in the country in multiplexes sustained largely on the advertising sponsorships and were screened in select multiplexes in the metros. When contacted, Delhi-based PVR Ltd group president Pramod Arora said, "We are examining the bid document and are still working on the nitty-gritty of the bidding process."

Inox Leisure COO, Alok Tandon said he has yet to understand the fine print in the bid, while Reliance Big Entertainment CEO Rajesh Sawhney declined comment.

Meanwhile, UFO Moviez, a digital technology company, claims to be the only firm that has the expertise to screen live content in hi-definition format on the big screen. "We are the only digital company to have the ability to screen live content in the MPEG format which is ideal for the big screen," said Kapil Agarwal, joint MD at UFO Moviez.

Currently, 1,700 screens are equipped with that technology, he said.

UFO Moviez has no plans to bid for the rights, but is looking at forging technology partnerships with the prospective rights holders, said Mr Raman.

"The event is a good 5-6 months away" which will give the prospective rights holder enough time to get the technology in place. It will also drive digitalisation in cinema halls."

Multiplex players, however, believe that technology is not the limiting factor as much as the commercial valuation of the rights and the rights holder can partner with multiple technology partners to screen these rights. The question for them is, if it will be a hit or a miss?



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SUNDAR RAMAN
CEO, IPL