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## Nova Cinemas eyes big projection in the South

Plans to have 3,000 screens in four years, across India

**SWATHI MOORTHY**

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Nova Cinemas, the theatre arm of Mumbai-based UFO Moviez, plans to open 3,000 screens in the next four years through the franchise model.

UFO Moviez, which is in the technology space, is shifting focus to build cinemas in partnership with franchises through the Nova brand. Vishnu Patel, Chief Executive Officer - Special Projects, who was in Chennai for the Big Cine Expo 2017, told *BusinessLine* that the company is keen on improving its footprint in the South.

### JV agreement

In line with that, the company has entered into a joint venture agreement with an exhibitor in Kerala to develop three cinemas and expects to take it to 75 in the coming years.

The company had partnered Y Screens to establish 200 screens in Andhra Pradesh and Telangana. Patel said talks are on to collaborate with exhibitors in Tamil Nadu.

According to Patel, the move comes as a result of saturating cinemas market.

"There are only few cinemas coming up every year," he said. Nova Cinemas is an attempt to take cinemas to tier II, III and IV towns, which have buying power and are aspiring for better quality.

### Focusing beyond metros

"We are not competing with big players as our focus markets are not metros," Patel said. There are two models the company is working on - greenfield and brownfield. Greenfield projects will be a

mixed use complex with both commercial and entertainment activities consisting of two screens with 400 seats.

While the company will bear the cost of building and providing technology services, the franchisees will have to provide the land.

The investment per screen is estimated to be ₹4 crore with Nova contributing ₹40 lakh, ₹2 crore coming from bank funds, and the rest from the franchisee.

Patel said, "This is the model we are looking to make it work in the North market."

### Brownfield projects

Brownfield projects will mostly be renovations and refurbishing of old cinema halls, which will suit the South market better as it has more cinemas than the North. Patel feels that this has a huge potential in the South where many small theatres are looking to upgrade.

Talking about the cinema market in India, Patel said the potential is huge given the large movie-going population but still largely under tapped.

Every year, some 1,500 movies are released across 9,500 screens, 70 per cent of which are in urban areas.

"There is a potential for 20,000 screens to come up in tier 3 and 4 towns," he added.