

# THE HINDU BusinessLine

## UFO Moviez's theatre arm to start operations next month

To focus on 2-3 screen units for smaller towns

**BINDU D MENON**

Mumbai, September 29

Months after announcing the launch of its movie exhibition brand Nova Cinema, UFO Moviez India Ltd has said it will be investing ₹15 crore to set up at least 20 screens in non-metro regions by next year. It has already shortlisted five franchisees including in Maharashtra, Punjab and Gujarat.

The company will be following the franchisee model for its business and the first screen is expected to be up and running by November in Moga, Punjab.

UFO Moviez, a digital cinema distribution network and in-cinema advertising platform, has launched Nova Cinemas under its subsidiary Valuable Digital Screens Pvt Ltd (VDSPL).

"We already have expertise in the digital cinema distribution business. Film exhibition is a natural progression. We are targeting close to 2,000 screens by 2020. We will be

looking at a franchisee model to expand in Tier 2 and 3 cities, where there is a pressing need for good theatres," Vishnu Patel, CEO, Special Projects UFO Moviez told *BusinessLine*.

### Non-metros

He said the company will encourage local entrepreneurs to own and operate Nova branded theatres in various parts of the country.

"We are looking at a maximum of two-three screen theatres in non-metros. There are a lot of mini malls coming up across the country and we hope to rope in local players as franchisees for our mini-plexes," he said, adding that India has 9,000-odd single screens, against China's 40,000.

Multiplexes such as PVR, Cinepolis, Carnival and Inox

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CEO, Special Projects, UFO Moviez

together have about 2,500 screens.

India is estimated to have one of the lowest screen counts in the world — eight screens per million heads as compared to 117 per million in the US and 30 per million in China.

Patel said Nova franchisees can also avail of UFO's service offerings.

"Cinema exhibition will be a dedicated and captive customer base for our digital cinema and advertising business," he said, adding that while the primary investment will be made by the franchisee, UFO will ensure that the theatre is set up at a competitive cost. The company said it will also work closely on the content side.

On why UFO is choosing to launch two-three screen theatres when multiplex is where aspirations lay, Patel said the idea is to replicate the multiplex model in smaller cities. "We will have same F&B (food and beverage) ambience and chairs. Most of our screens will have about 300-400 seats. The average cost for interiors and fit-outs is ₹40,000 per seat," he said.