
The IPL Money Game

Business Model & Team Valuations

Knowledge Series

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INVESTORS

FRANCHISE

BROADCASTERS

"Cricket is India's religion – and the IPL is its most profitable temple"

❖ The IPL as a Business – An Analytical Foundation

The Indian Premier League (IPL) has grown into one of the world’s most powerful sports ecosystems, sitting at the intersection of sports, media, entertainment, and capital markets. More than just a cricket league, it operates like a content-driven, IP-led business.

Unlike traditional leagues that depend on match-day revenue, IPL is powered by centralised media rights, strong sponsorships, and franchise-led brand monetisation. Its ability to generate high value from a short 60-match season makes it one of the most commercially efficient sports properties globally.

Traditional Sports League	IPL Business Model
Match-day revenue dominant	Media rights as primary engine
Long season (200+ games)	Concentrated 74-match window, high viewership density
Local audience focus	National + global reach via OTT and satellite broadcast
Stadium-first experience	Content-first, platform-distributed consumption
Government or federation-owned	Privately owned franchises with institutional investors

A key feature of the IPL business model is centralized revenue with decentralized execution. The governing body controls major revenues like media rights and league sponsorships, while franchises operate independently to build brand value, fan engagement, and local partnerships. This structure provides stability through assured

central income and growth through franchise-level innovation.

The IPL also benefits from strong network effects. Higher viewership attracts more sponsors, increased investment boosts franchise revenues, and better team performance enhances the overall product – creating a continuous cycle of value creation and driving the league’s rapid growth.

💡 Professional Insight

IPL demonstrates how strategic monetization, centralised control, and brand-driven value creation can transform a sports property into a multi-billion-dollar business ecosystem – with lessons applicable across sectors far beyond sports.

❖ IPL Ecosystem – Stakeholder Architecture

The IPL ecosystem is a complex, interdependent network of stakeholders, each playing a critical role in value creation and monetisation. At its core, BCCI governs the league and controls central revenue. Franchises, broadcasters, sponsors, players, and fans each occupy a defined role in this value chain.



The IPL ecosystem works through strong interdependence, where each stakeholder’s role directly impacts overall value creation. The BCCI provides structure and financial stability through centralised revenues, while franchises focus on building brands, engaging fans, and generating local revenues.

Stakeholder	Role in Ecosystem	Value Driver
BCCI	Governs league, sets regulations, manages central revenues	License fees, revenue pool, regulatory control
Franchise Teams	Operate as independent businesses; brand & local revenues	Sponsorships, ticket sales, brand equity
Broadcasters & OTT	Distribution channels converting matches into content	Ad revenues, subscription growth, viewership data
Central Sponsors	Title and associate sponsorships at league level	Brand visibility, consumer association
Players	Core product – on-field performance and off-field brand value	Auction value, jersey sales, endorsements
Fans	Most important stakeholder; drive all monetisation	Ticket sales, merchandise, digital engagement

Broadcasters and OTT platforms are key value drivers, converting matches into high-engagement content and generating advertising and subscription revenue. With the rise of digital, data and viewer insights now play a crucial role in monetization.

Franchises build brand value, while players add both performance and commercial appeal. At the core are the fans, whose engagement drives viewership, sponsorship value, and overall revenues.

❖ Revenue Model – Central vs. Franchise-Level Economics

A key strength of the IPL model is the split between stable and variable revenues. Central income – mainly media rights and league sponsorships – provides a predictable, contract-backed base, ensuring financial stability for all franchises regardless of performance.

Franchise revenues, however, are performance and brand-driven. Teams with stronger fan bases and better results can secure premium sponsorships and higher match-day and digital income, creating healthy competitive incentives.

The model also benefits from strong operating leverage. With a large fixed revenue base, any incremental growth in sponsorships or fan engagement significantly boosts profitability.

Overall, this dual structure balances stability with upside, making the IPL one of the most scalable and efficient sports business models globally.

Revenue Composition



➤ **Structural Observations:**

- a. **Stability anchored at the centre:** The BCCI's control over media rights means the league's financial floor is set by a handful of large broadcast contracts – insulating all ten franchises from year-to-year performance variance on the biggest revenue line.
- b. **Franchise economics are asymmetric:** Successful, high-profile franchises (MI, CSK, RCB) can extract meaningfully more from sponsorships and tickets than mid-table clubs. The revenue split model redistributes central income but doesn't equalise franchise-level earning power.
- c. **Digital and content are the emerging frontier:** As short-form and OTT consumption habits mature in India, franchise-owned content channels could shift from supplementary to a meaningful independent revenue stream within this decade.
- d. **Central sponsorship carries latent brand risk:** Unlike the media rights, the title sponsorship value is mostly dependent on perception. Controversies involving players, umpiring, or governance can pressure sponsors to renegotiate or exit. The Vivo → Dream11 → Tata transition is an instructive precedent.

❖ [Media Rights – The Primary Economic Engine](#)

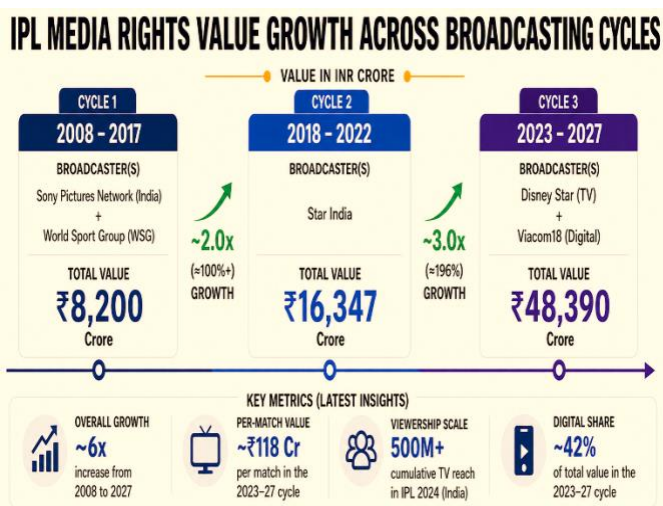
Media rights are the financial backbone of the IPL, contributing the largest share of revenues and offering a stable, contract-backed income stream. This predictability enables both the Board of Control for Cricket in India (BCCI) and franchises to plan investments and operate with strong financial certainty.

A key strategic move was the unbundling of TV and digital rights, which created competitive bidding and drove a 3x jump in value—from ₹16,347 cr (2018–22) to ₹48,390 cr (2023–27). Each renewal cycle effectively becomes a valuation reset point for the entire ecosystem.

Beyond scale, media rights unlock premium advertising. High, concentrated viewership allows

broadcasters to charge premium rates, while digital platforms leverage user-level data for targeted, more efficient monetization.

Importantly, media rights extend the IPL's footprint beyond India, with distribution across multiple international markets, positioning it as a global content property rather than a domestic league. Each renewal cycle of media rights acts as a major valuation reset point, where the entire ecosystem, including franchise valuations, is effectively repriced based on future revenue expectations.



The unbundling move was the structural masterstroke. The jump from ₹16,347 cr to ₹48,390 cr isn't purely a reflection of IPL's growing audience, it's the result of manufacturing competitive tension between two large-pocketed bidders (Jio HotStar and Reliance/Jio) who would have otherwise bargained against each other in a single-package auction. The BCCI essentially ran a spectrum auction playbook, separating the asset into two complementary but non-substitutable rights – linear TV and digital streaming – ensuring neither winner could walk away.

One of the biggest highlights is the near-equal value of TV and digital rights. Television rights were sold for around ₹23,575 crore, while digital rights were slightly higher at ₹23,758 crore. This is very unusual. In most countries, digital rights are still valued much lower than TV.

The fact that a digital platform like Jio matched a traditional broadcaster shows how much streaming has grown in India, especially for premium live sports like the IPL.

Dimension	TV	Digital
Current state	Mature, near-peak mass reach	High-growth, data-rich
Best advertiser fit	FMCG, Mass brand campaigns, Rural	Fintech, Gaming, Direct-to-Consumer
Pricing model	Premium fixed inventory	Cost Per Mille (CPM), Programmatic, Dynamic
Viewer data	Limited /Panel-based	User-level analytics
Engagement type	Passive, Family/Household	Interactive, Personalized
Growth trajectory	Incremental	Sharp upward

Looking at revenue per match highlights the IPL’s commercial strength. At roughly ₹118–₹131 crore (\$14–\$16 millions) in media rights value per match, the league stands close to top global benchmarks like the National Football League (NFL), with the gap narrowing despite IPL’s shorter, high-density season.

From an investor perspective, franchise valuations are tightly linked to media rights. In simple terms, current valuations are driven by expectations from the next rights cycle. The 2028–32 cycle will be especially critical.

A key risk, however, is reduced bidder competition – particularly on the digital side due to industry consolidation. If fewer strong players participate, the competitive tension that drove past valuations may weaken, potentially limiting the premium achieved from splitting TV and digital rights.

❖ Viewership Dynamics – The Audience Engine

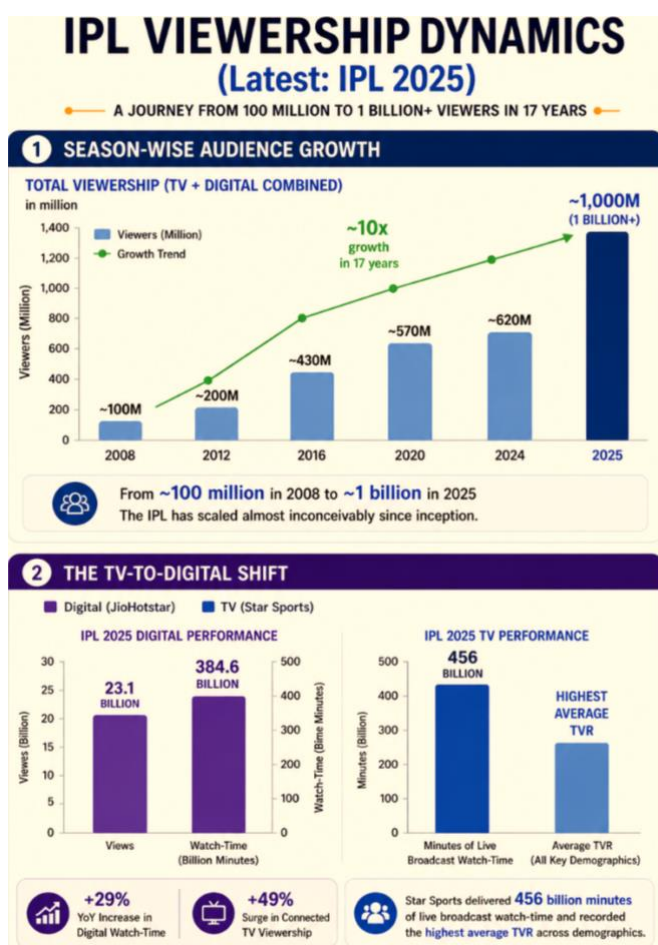
IPL’s commercial success is driven by its unmatched viewership strength – a rare mix of scale, simultaneity, and real-time national engagement. What sets the league apart is its dual-platform model, combining linear TV reach with rapidly growing digital streaming.

This allows IPL to blend mass reach with targeted monetisation – something few global leagues achieve at this scale.

A major shift came when digital moved from paid access to a scale-first approach. Free streaming didn’t just boost viewership; it reshaped the business model – focusing first on user acquisition and engagement, then monetizing through ads, sponsorships, subscriptions, and data.

This “free-to-scale” strategy wasn’t a revenue loss, but a market-capture move. By removing access barriers, platforms expanded reach, built user habits, and created a larger monetizable base for future growth.

IPL is also acting as a digital infrastructure catalyst. It drives data consumption, smart TV usage, app downloads, connected-TV adoption and digital payment-linked subscriptions. In that sense, IPL is not only benefiting from India’s digital growth; it is actively accelerating it.



This is why IPL digital rights are strategically valuable; the asset is not just the match feed, but the consumer base, viewing behavior, engagement patterns, and advertising inventory around it.

IPL is also a digital infrastructure catalyst. It drives data consumption, smart TV usage, app downloads, connected TV adoption, and digital subscriptions – not just benefiting from India’s digital growth, but actively accelerating it.

❖ Cost Structure & Salary Cap – Financial Discipline by Design

IPL franchises operate within a controlled financial framework, where player spending isn’t purely driven by owner wealth. The BCCI set the 2025 auction purse at ₹120 crore per team, with a broader salary cap (including match fees and performance pay) fixed at ₹146 crore for 2025, rising to ₹151 crore in 2026 and ₹157 crore in 2027.

Cost Component	Analysis
Player Salaries (Auction)	Largest cost; governed by the salary cap. Retention and auction dynamics create pricing variance.
Operational Expenses	Travel, logistics, ground staff. Largely fixed and predictable, forming a stable cost base.
Marketing & Branding	Established brands (MI, CSK) spend less proportionally vs. newer franchises – an underappreciated cost moat.
Stadium & Infrastructure	Home ground arrangements vary – creating asymmetric cost structures across franchises.
Administrative & Governance	Teams with institutional ownership typically have stronger governance infrastructure, reducing reputational risk.

From the latest cycle, the IPL is not just increasing player budgets – it is enforcing cost discipline. From 2025, players earn a ₹7.5 lakh match fee per game, over and above their auction contract. A player featuring in all 14 league matches can earn an additional ₹1.05 crore.

This creates a balanced cost structure. Even wealthier franchises like Mumbai Indians, Chennai Super Kings, or Royal Challengers Bangalore cannot outspend others freely. Success depends more on scouting, retention strategy, auction discipline, coaching, and player development. The salary cap thus acts as a financial equalizer, while still rewarding smarter team-building.

❖ Team Valuation Methods – A Hybrid Approach

IPL franchise valuation goes beyond on-field performance. Teams are valued as a mix of scarce media-rights assets, consumer brands, and sports entertainment platforms. Value is driven by central revenue visibility, sponsorship strength, fan loyalty, stadium economics, and the scarcity of ownership (only 10 teams).

A. Discounted Cash Flow (DCF):

Houlihan Lokey, The official investment bank for IPL franchise valuations uses DCF as its primary tool. DCF estimates future cash flows, with a strong focus on the 2023–27 media rights cycle (₹48,390 crore) and expectations of higher renewal values.

Factoring in media rights growth, brand value, and scarcity premium, analysts valued Royal Challengers Bangalore at around \$1.78 billion. While the final deal was an all-cash transaction, the valuation is fundamentally driven by DCF assumptions, treating the franchise as a high-value “trophy asset” with stable long-term revenues.

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The reason DCF produces numbers that seem disconnected from current profits is simple: it prices future earning potential, not today's income. RR won the inaugural title in 2008 and had an operating income (EBIT) of just ₹54 crore in FY25 – yet sold for \$1.63 billion.

B. Brand Valuation – the Relief-from-Royalty method

Brand value acts as a significant multiplier in franchise valuation and is often calculated using the relief-from-royalty method. This approach asks: how much would the franchise have to pay to license its brand if it didn't own it? That licensing cost, capitalized over time, equals the brand's worth.

Critically, brand value is embedded within business value, not equal to it. That is why a brand estimate and a sale price can sit far apart without either being "wrong".

C. Comparable Transactions – Revenue and EBITDA multiples

Analysts benchmark IPL team valuations against global sports deals. With annual revenues of ~₹700-800 crore and valuations of ~\$1.6-1.8 billion, IPL teams trade at ~20-22x revenue multiples.

While this appears high versus traditional businesses, it is standard in sports – where valuations reflect brand strength, fan base, and future growth, not just current earnings.

Even compared to top football clubs like Manchester United, Liverpool FC, Arsenal FC, Chelsea FC and Manchester City, only the very top teams commands higher valuations than IPL franchises like Royal Challengers Bangalore, Mumbai Indians, and Chennai Super Kings.

❖ Key Valuation Drivers – Financial & Non-Financial

The valuation of an IPL franchise is determined by the interplay between measurable financial metrics and a set of intangibles, brand-driven factors that are harder to quantify but often more important.

A key secondary lever is a franchise's ability to diversify revenues beyond central pools – through digital monetisation, merchandise, and global league linkages.

Driver	Type	Impact
Media Rights	Financial	Primary revenue source; sets valuation base
Franchise Revenue	Financial	Sponsorships, tickets and merch drive earnings
Central Sponsorships	Financial	Shared income supports all teams
Player Costs	Financial	Cost control directly impacts margins
Digital & OTT	Financial	Fast-growing, high future upside
Brand & Fans	Non-Financial	Strong loyalty enables premium pricing
Star Players	Non-Financial	Increases viewership and engagement
Market Size	Non-Financial	Larger cities offer higher monetization
Performance	Non-Financial	Success strengthens brand value
Governance	Non-Financial	Stability reduces investor risk
Global Growth	Non-Financial	Expands audience and long-term value

Brand Value Rankings (as per 2025)



❖ The RCB Deal – \$1.78 Billion

The Royal Challengers Bengaluru (RCB) franchise was sold for a record-breaking \$1.78 billion (approx. ₹16,600 crore) in March 2026 to a consortium led by the Aditya Birla Group, The

Times of India Group, Bolt Ventures, and Blackstone. This all-cash deal represents a complete divestment by United Spirits Limited (Diageo), covering both the men's IPL and women's WPL teams.

RCB was bought for \$111.6 million in 2008 and sold for \$1.78 billion in 2026 – a CAGR of approximately 16.5% over 18 years.

❖ The RR Deal – \$1.63 Billion

Rajasthan Royals saw a change in ownership, with existing shareholder Kal Somani taking full control of the team at a valuation of \$1.63 billion. A consortium that includes Walmart joined Somani. RR was bought for \$67 million in 2008 and sold for \$1.63 billion in 2026 – a CAGR of approximately 18.5%.

RR actually delivered better CAGR than RCB despite having a fraction of RCB's brand recognition – a direct consequence of its lower entry price.

💡 Professional Insight

Valuation isn't just about wins – it's driven by ownership, BCCI alignment, and brand strength. Royal Challengers Bengaluru' 2025 title pushed it past Mumbai Indians, showing how one win can shift valuations.

❖ Franchise Economics: Build vs Scale

CVC Capital Partners acquired Gujarat Titans (GT) in 2021 for **₹5,625 crore (~\$590 million)**, entering at an early price-discovery stage. Despite initial doubts, the team delivered immediate success – winning in 2022 and reaching the final in 2023.

The key inflection came in 2025 when Torrent Group acquired a 67% stake, implying a ₹7,522 crore valuation. CVC retained 33%, executing a partial exit while preserving upside.

Build Strategy (GT model):

- Enter early / expansion phase
- Drive fast brand + on-field success
- Scale commercial metrics quickly
- Monetize via stake sale / exit

In contrast, **RP-Sanjiv Goenka Group (RPSG)** acquired **Lucknow Super Giants (LSG)** for ₹7,090 crore – then a record price.

While performance has been consistent, the strategy is long-term.

Hold & Scale Strategy (LSG model):

- Focus on stable central revenues
- Gradual brand building (not title-dependent)
- Long-term ownership, delayed monetisation

RPSG has expanded globally by acquiring:

- SA20: Durban Super Giants
- The Hundred: ~49% stake in Manchester Originals (2025)

Strategic intent:

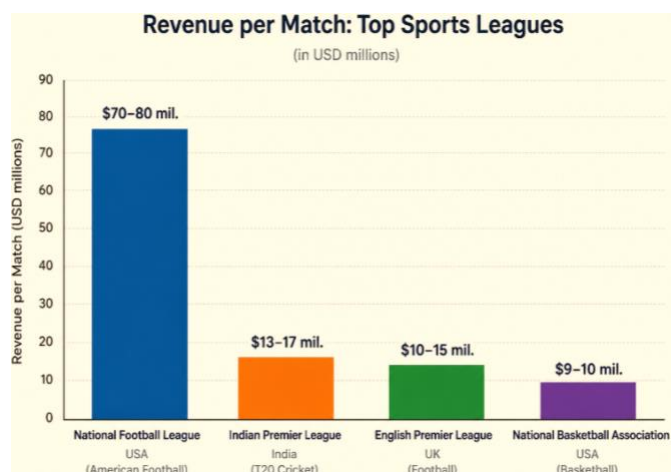
- Diversify revenue streams
- Build global fan ecosystem
- Strengthen sponsor leverage

GT reflects a **build-and-exit** play, while LSG represents a **hold-and-scale** model – two distinct but viable IPL value creation strategies.

❖ Global Comparison – Revenue Per Match Benchmarking

When global sports leagues are compared on a revenue-per-match basis, the picture shifts. While leagues like the National Football League and English Premier League lead in total revenue, the Indian Premier League stands out as one of the most economically efficient sports properties globally.

Revenue per Match Benchmark



❖ Risk Drivers in IPL Valuations: A Structural Analysis

The IPL's valuation narrative is compelling, but it is not risk-free. Beneath its high-growth, high-multiple profile lies a set of **structural, regulatory, and event-driven risks** that can materially impact franchise economics.

As with most IP-led businesses, the IPL operates on an **asymmetric payoff curve** – where upside is driven by scarcity, media monetization, and fan engagement, while downside is often triggered by concentrated dependencies and governance shocks.

Crucially, many of these risks are **non-linear** – they remain dormant for long periods but can rapidly compress valuations when triggered.

■ Critical Risk Flags for IPL Franchises

- ▶ **Media rights dependency:** 65-75% of IPL income flows from a single contract cycle. Non-renewal or significant underbidding at the next auction is a material valuation risk.
- ▶ **BCCI regulatory risk:** Franchise operations are governed by BCCI regulations which can be revised unilaterally. Franchises lack contractual parity with the governing body.
- ▶ **Sponsor dependency:** Title sponsorships can be withdrawn quickly during controversies or economic downturns, as seen with Pepsi (2013) and Vivo (2020).
- ▶ **Player injury and performance risk:** A franchise reliant on marquee players faces material brand impact if those players are unavailable for significant portions of the season.
- ▶ **Viewer fatigue:** IPL viewership growth has moderated post-pandemic. An expanding cricket calendar may dilute the scarcity premium that drives advertiser demand.
- ▶ **Franchise governance risk:** Weak ownership governance, as demonstrated by Deccan Chargers and Kochi Tuskers cases, can lead to termination – total capital loss for investors.

The **Risk Control Matrix (RCM)** below translates each identified risk into actionable mitigation through structured controls and governance safeguards:

Risk Category	Risk Description	Risk Rating	Impact	Likelihood	Key Controls / Mitigation Measures
Media Rights Dependency	60–65% revenue tied to one cycle → impacts cash flows	High	Directly impacts central revenue pool and franchise cash flows	Medium	- Long-term contracts - Revenue diversification - Strong viewership to sustain bidding
BCCI Regulatory Risk	BCCI can unilaterally modify rules, revenue sharing, or governance norms	High	Structural risk affecting ownership rights and economics	Low	- Strong franchise-BCCI relationship management - Compliance with governance norms - Collective lobbying via franchise group

Sponsor Dependency	Reliance on key sponsors; vulnerable to exits (e.g., PepsiCo 2013, Vivo 2020)	Medium	Revenue volatility and brand perception impact	Low	- Diversified sponsor portfolio - Long-term contracts - Strengthening franchise brand equity
Player Injury & Performance Risk	Over-dependence on marquee players, fan engagement, and sponsorship pull	Medium	Short-term brand and revenue disruption	High	- Strong bench strength and squad depth - Analytics-driven scouting - Insurance for player contracts
Viewer Fatigue / Demand Risk	Moderation in viewership growth; crowded global cricket calendar dilutes exclusivity	Medium	Impacts advertising rates and media rights valuation	Medium	- Innovation in fan engagement (digital, fantasy gaming, OTT features) - Strategic scheduling - Global audience expansion
Franchise Governance Risk	Weak ownership governance may lead to termination (e.g., Deccan Chargers, Kochi Tuskers)	High	Potential total capital loss	Low	- Institutional ownership structures - Strong financial discipline and compliance - Transparent governance frameworks

Key Analytical Insights:

- **Concentration Risk is Structural:** The IPL's biggest strength – its media rights value – is also its largest vulnerability. A weak bidding cycle can reset the entire valuation framework downward.
- **Regulatory Asymmetry Exists:** Unlike US leagues, franchises operate under a centralized authority (BCCI), creating **limited contractual protection** for investors.
- **Brand vs Performance Trade-off:** Mature franchises (e.g., Mumbai Indians, Chennai Super Kings) are relatively insulated due to brand equity, while newer teams are more exposed to performance volatility.
- **Governance is a major Risk:** Unlike other risks that impact earnings, governance failure can result in **complete franchise termination**, making it the most severe downside scenario.
- **Mitigation is Partial, Not Absolute:** Most controls reduce volatility but do not eliminate structural dependencies.

While revenue visibility appears strong, valuation durability depends on factors largely outside franchise control – making risk assessment as critical as growth analysis.

❖ Future Outlook – Growth Vectors for the IPL Ecosystem

The IPL’s next phase of growth is unlikely to come from match expansion alone. The more important value drivers will be **adjacent monetisation layers** – women’s cricket, digital subscriptions, global franchise networks, merchandise, licensing, and premium fan engagement.

The ecosystem is now moving from a **league-led revenue model** to a broader **sports IP platform model**.

Growth Vector	Current Position	Upside Potential	Valuation Impact
WPL expansion	₹4,670 crore franchise sale value; ₹951 crore media rights for 5 years	Larger calendar, more teams, deeper sponsorship pool	Creates parallel cricket IP platform
Digital monetization	IPL 2025 crossed 1 billion TV and digital viewers; 840+ billion watch-time minutes	Hybrid free + paid model, CTV ads, subscriptions	Higher ARPU and stronger next rights cycle
Global franchise networks	IPL owners active in SA20, ILT20, MLC, The Hundred	Cross-market fan monetization and brand licensing	Diversifies revenue beyond India
Merchandise / D2C	Still only ~3–5% of franchise revenue	Could rise materially with e-commerce, loyalty apps, creator content	Expands non-media revenue base
New team additions	Expansion to 10 teams validated franchise demand	Future expansion can unlock large one-time fees	Supports valuation floor for existing teams

The IPL is no longer just a cricket league, it is becoming a year-round, multi-platform global entertainment franchise. Its key strength is a robust revenue model.

The next phase is about converting scale into diversified revenues. Success will create global sports businesses, failure leaves reliance on cyclical media rights.

Special Mention

Thank you **Sanved Sattur, Aryan Hinge and Aman Waswani** for the compilation of this series.

RRCO Corner

Congratulations to **Abhishek Bang, Ayush Bora, & Raj Athariya** on receiving the Rising Star Award for the quarter ending March 2025, and to **Bhairavi Sarada** for being honoured with the Torch Bearer Award for the same quarter.





🌟 Night Out

We hosted a vibrant night-out event recently, bringing everyone together for a memorable evening. The night featured fun games, energetic dance sessions, and lively musical performances that kept the atmosphere buzzing.

A refreshing pool party added to the excitement, while the unlimited aamras party was a clear highlight for many. Overall, it was a great mix of entertainment, team bonding, and celebration.



Compliance Calander for the month of May 2026

S.N.	Due Date	Compliance
1	07-05-2026	Deposit of TDS deducted in April 2026
2	07-05-2026	Deposit of TCS collected in April 2026
3	07-05-2026	Payment of Equalization Levy for April 2026
4	07-05-2026	Filing of ECB-2 Return for April 2026 (only if any transaction occurs)
5	11-05-2026	Filing of GSTR-1 (April 2026)
6	13-05-2026	Invoice Furnishing Facility (IFF) - April 2026
7	13-05-2026	Filing of GSTR-6 (April 2026)
8	15-05-2026	Payment of Employees' State Insurance (ESI) contribution for April 2026
9	15-05-2026	Payment of Provident Fund (PF) contribution for April 2026
10	15-05-2026	Payment of Professional Tax (PTRC)
11	15-05-2026	Filing of Professional Tax monthly Return (PTRC)
12	20-05-2026	Filing of GSTR-3B (April 2026)
13	20-05-2026	Filing of GSTR-5A (April 2026)
14	22-05-2026	GSTR-3B (QRMP - April 2026)
15	24-05-2026	GSTR-3B (QRMP - April 2026)
16	25-05-2026	Monthly tax payment under QRMP (PMT-06)
17	31-05-2026	Filing of TDS Return for Quarter-4 of FY 2025-26
18	31-05-2026	Filing of Statement of Financial Transaction (SFT) Return