



# The Billion-Dollar Bet That Shows Franchising Works in India

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Authors: [Safir Anand](#), [Mudit Kaushik](#) and [Sehr Anand](#)

India's franchise economy is entering a period of valuation clarity. A franchise that has lifted the IPL trophy only once is drawing bids of nearly \$1.8 billion. That number demands analysis beyond sport. It signals that India now recognises franchising as a disciplined ownership model capable of producing durable enterprise value.

Royal Challengers Bengaluru's proposed sale, expected to conclude by March 31, reflects the maturity of the Indian Premier League's commercial design. The IPL aggregates media rights and league-wide sponsorships at central level and distributes a substantial portion of those revenues among franchises. For investors, this structure creates predictable annual income insulated from short-term performance cycles. A team's on-field record matters, but it does not determine solvency. The franchise agreement converts sporting participation into a structured commercial licence supported by pooled monetisation.

RCB's own journey illustrates the point. The franchise secured an IPL title in 2025 and a Women's Premier League title in 2026, enhancing its market profile. Its long association with Virat Kohli has amplified sponsorship value and merchandise demand. Yet the valuation is not a reward for celebrity alone. It is grounded in recurring distributions from central broadcasting contracts and league sponsors. Investors price visibility of cash flow, not sentiment.

The capital efficiency of the IPL model strengthens that proposition. Franchises typically lease stadium infrastructure rather than invest in ownership. Fixed asset exposure remains limited, and capital is deployed towards brand development, talent acquisition and commercial partnerships. The operating entity may be lean, but it participates in a league that negotiates media rights at national scale. This alignment between central monetisation and local execution is the defining feature of successful franchising.

For readers within the franchise community, the legal architecture warrants careful attention. Each IPL team operates through a corporate vehicle holding rights under a long-term franchise



agreement with the Board of Control for Cricket in India. That agreement governs revenue sharing, brand usage, territorial participation, player acquisition mechanisms and termination conditions. Change of control provisions require league approval before ownership transitions can close.

These clauses preserve system integrity and protect collective value. The asset being sold in the RCB transaction is therefore not physical infrastructure. It is a defined bundle of contractual rights embedded within a regulated ecosystem. Intellectual property protection over team names, logos and merchandising assets enables independent revenue streams. Sponsorship agreements, player contracts and licensing arrangements form part of a layered commercial structure. In any transfer, buyers undertake rigorous due diligence across corporate compliance, financial exposure and trademark portfolios. The valuation reflects enforceability and continuity of these rights.

Global interest in the sale from bidders such as the Glazer family and the Adani Group confirms that this is not merely domestic enthusiasm. International capital recognises the IPL's governance framework and revenue design. India's policy permitting full foreign investment in sports, subject to regulatory conditions, has further widened the investor base. Franchising in sport now sits alongside consumer, hospitality and education models as a credible entry point into Indian markets.

The contrast with other Indian leagues is instructive. Where central broadcasting arrangements weaken and revenue pooling is absent, franchise valuations contract sharply. Without balanced agreements aligning league and franchise incentives, investor appetite diminishes. The IPL demonstrates that disciplined contract design and transparent revenue allocation are decisive factors in sustaining valuation multiples.

RCB's origins also reflect a broader franchise principle. A relatively focused operating team, embedded within a larger corporate group, scaled through participation in a centrally monetised league. Scale was not achieved through heavy asset accumulation. It was achieved through integration into a system governed by clear rights and obligations. That is the essence of franchising.

For India's wider franchise sector, the implications are clear. Sustainable valuation emerges from three elements: First, a way to pool money together that guarantees steady income. Second, solid contracts that clearly spell out everyone's rights and responsibilities. And third, unique brand elements (like logos and names) that allow each franchise to build its own identity under the main brand. When a franchise gets these right, money naturally flows in.

The billion-dollar bids for Royal Challengers Bengaluru therefore represent more than a high-profile transaction. They mark a stage in India's commercial evolution. Franchising is no longer treated as an adjunct model suited only to retail expansion. It has matured into an ownership structure capable



of attracting global investors, delivering predictable returns and preserving brand equity at scale.

Sport has made this transition visible. The underlying principles apply far beyond cricket. When agreements are carefully structured and governance is disciplined, franchising converts passion into enterprise value. The RCB sale stands as a clear demonstration that India now prices that value with confidence.



**KEY CONTACT**



**Safir Anand**

Senior Partner

[View Bio of Safir Anand](#)