

# THE ECONOMIC TIMES

Coming soon: Fund to invest in hollywood movies

13 Oct 2009, 0029 hrs IST, Nandini Raghavendra, ET Bureau

MUMBAI: For those super rich Indians who were yearning for a photo-op or even more with Hollywood stars like Brad Pitt, Bruce Willis, Matt Damon, Colin Farel or Christian Bale here's the ticket. Fund their movies.

An Indian, AVT Shankardass, is unspooling the reels with an irresistable offer for Indian investors a chance to invest in film projects initiated by their stars like Christian Bale (of Batman fame) or a movie starring Matt Damon, both projects which Shankardass has tied in, with promise of more such to follow.

Shankardass, son of the Delhi-based celebrity lawyer Vijay Shankardass who fought the famous Nizam of Hyderabad jewels case, has had a successful stint as screenwriter for Warner Bros and CEO of Victory, a film finance corporation, where he backed more than \$300 million in motion picture financing.

He has also been a consultant to Jordan, Bahamas and Brazil among others on tax efficient structures for making movies.

What spurred Shankardass to come to India and woo the high net worth Indians with his Global Entertainment Partners (GEP), a Rs 500 crore close-ended film fund, was the success of Cinema Centro Fund, similar venture that is in entertainment business with Indian partnership, in raising Rs 250 crore in Brazil.

Cinema Centro plans to disburse 80% of its \$50 million to Hollywood film projects and the rest to Indian films.

"With India and Brazil already sharing a co-production treaty, we are very excited about investing part of our Cinema Centro fund in Indian films, which I think have glamour, musical and have a potential for a huge market and we want to be part of that," said Briacko Mortealeeno, an Italian American film producer who handles film libraries as well as individual productions and is the director of the Brazilian fund speaking to ET from LA.

"The idea is to invest 80% in international entertainment projects, largely films but also in live entertainment and television and the rest 20% in Indian films," says Shankardass about his fund.

Having passed both RBI and SEBI's muster, Shankardass has already managed to raise Rs 200 crore of which Rs 100 crore is his own equity in keeping with his principle of putting in 20% of his own money into every venture, be it a fund or any other investment.

The idea of investing Indian equity into Western entertainment projects seems like a perfect win-win solution to the 40-year-old Indian born.

"With media approaching more structured finances, capital coming in from across the globe, film funds increasingly are ensuring that they enter into agreements which are legally sound," says Bijal Ajinkya who is Partner with Nishith Desai Associates, a law firm with offices in Mumbai, Bangalore, Silicon Valley and Singapore, which helped in structuring GEP.

"There is an unprecedented opportunity in investing in the international entertainment industry which generates over \$70 billion across half the number of film titles that India produces," says Shankardass.

"At the moment, there is a huge need for resources in the West for their content and

production and here we have the money, so marrying the two is sure to yield result. As for each project, I believe in never putting in less than 20% of a project cost and never more than 50%," he explains his strategy.

The confidence in Hollywood content follows access to multiple markets and territories, access to multi-platform releases and a huge demand from across markets for North American English content and this demand comes not just from films, this includes syndicated television thereby increasing returns multifold and diminishing risks.

"We also include live entertainment which taps into markets of high tourism, providing low to mid cost shows. Such enterprises are entirely risk managed and protected as local institutions, including hotels are contractually obliged to place orders on a daily basis in access or break even requirements, thereby providing a built in profit margin," adds Shankardass.

The GEP fund closes this year end with a maximum of 30 investors and is a seven year close ended fund with a five year investment period. Shankardass is confident of at least a 30% return for his investors. "My entertainment portfolio never loses money," says Shankardass confidently.

AVT Shankardass looks very much a part of the show business he talks about—be it Hollywood or now Bollywood. His talk on numbers, returns and film funds is peppered with names like Bruce Willis, Brad Pitt and Colin Farell, all of whom he has worked with be it as in his capacity as scriptwriter or financier.

After all, he is someone who preaches that entertainment "is man's fourth necessity; when people are done with food, clothing and shelter, they turn to us to entertain them".

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