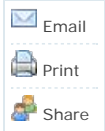


Recession-hit Hollywood turns to India for film financing

PTI

Sunday, January 10, 2010 16:45 IST

Mumbai: Left out in the cold after Wall Street banks cut down film financing, Hollywood has now turned to India to fund its movies through private equity.



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American private equity firms, banks and hedge funds, once a substantial resource for Hollywood films, have seen their coffers dry up over the past two years, which has led a Los Angeles-based financier to seek funds from India.

Indian origin producer AVT Shankardass, who has produced films like Harrison Ford-starrer *K-19: The Widowmaker*, Lisa Ray-starrer comedy *Ball and Chain* and an Indo-Pak war story *A Fortune Teller Told Me* has floated a Rs500 crore (over USD100 million) private equity fund in India.

The fund, Global Entertainment Partners (GEP) seeks participation from corporates and high net-worth individuals (HNIs) to produce American and international content.

The fund will raise Rs500 crore from India to make over 200 products in the next five years, including films, syndicated TV shows and pre-contractual live entertainment for casinos in Las Vegas.

"If you were in the film business and your eyes were open, you could see the recession coming. The entertainment industry is the first indicator for financial problems.

American companies are running out of money to make films," Shankardass said here.

The fund, comprising 33 Indian investors, provides a platform to individuals and companies that are keen on having entertainment as part of their portfolio, Shankardass said.

"We are going to end up with a total of 33 investors and none of them have any affiliation to the entertainment business. It's a seven-year closed-end fund with a five-year investment cycle. We leave the last two years for recoveries," he said, adding the fund would be closed by February.

GEP has roped in law firm Nishith Desai Associates to manage its contracts, and is in the process of tying up with an accountancy and public relations firm.

Shankardass plans to make films across different genres and sizes through Global Entertainment Partners.

"Between 30-50% returns per annum is the kind of profit I'm looking at. The first shoots won't be till April -May, so we are looking at late 2010 or early 2011 for the first film to release," he said.

Shankardass, who has worked as a stage artiste and a screen-writer for Warner Bros, says GEP is a project-based fund that will analyse each script independently, and finance only between 20-50% of the project so as to mitigate risk.

"People have always lost money when they are sole investors. Today, we are in the middle of a financial crisis, and I think it's important for us to protect the assets that people have so, my primary loyalty will remain with investments," he said.