

Newspaper Name	Money Today
Date	October 09
Page No	7
Description	Artistic Revival

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The value of paintings of blue-chip artists is down by about 38%.

Artistic Revival

These were the days, a Souza or Husain commanded a price for which you could buy a one-facing apartment in the swanky neighbourhood of Worli in Mumbai. Today, you may have to toss in a small painting by Ram Kumar to clinch the deal. This is because not even the blue-chip painters have been spared by the art market crash. "If a painting was bought in June-September 2008 and sold in the same months of 2009, the fall in prices of modern masters like V.S. Gaitonde, Tyeb Mehta, Akbar Padamsee, J. Swaminathan, S.H. Raza, M.F. Husain and FN. Souza would be about 35-40% on an average," says Neville Tull, founder chairman of Ostar's. Does this mean

that you can now lay your hands on the works of these masters? Not really, unless you are willing to extra cash (over and above your regular expenses and investments) of more than Rs 10 lakh. The good news is that even though a Raza may be out of reach, works of young and contemporary artists are available for a steal. According to Tull, in the past one year, their valuations have gone down by as much as 70-80%. Surely a great buy, but doesn't the extent of correction ring a warning bell about their prospects? Mukesh Pandya, director of Religare Art Initiative, doesn't think so. "This is a fantastic time to buy, especially for first-time buyers or those looking to invest

so that, if required, a turnaround of the risk is possible," says Pandya. Tull is more circumspect about emerging artists. He suggests buying them primarily for the "love of art" as they would take almost 20 years to significantly appreciate in value, if at all. However, those who had bought the A-listers four to five years ago have nothing to worry. "If the work by a master was bought in 2004, the returns would still be 20-25% per annum," says Tull.

This is much like the stocks that disappear from the houses. So similar to an equity investment, Pandya advises serious research such as visiting the galleries, following the works of the artist, evaluating the infrastructure of the gallery, etc. Currently, Religare Art Initiative is aggressively promoting the works of emerging artists like Dalna Mohapatra, Jyoti Banjara, Anam and Anshuk Sen, whose works cost Rs 2-5 lakh (per photograph). "But the investment horizon should be at least three years,

Obviously, the bursting of the art bubble has resulted in opportunities galore. Already, galleries like Saffronart are reporting that the collectors are returning to pick up Indian masterpieces that are available for a bargain. Newbies aren't far behind. In the second edition of the Indian Art Summit held in August this year, about 30-40% of the sales were to first-time buyers. So if you are feeling arty, go and invest. Just remember the slowdown lesson summarised by Anshu Pathak, managing director of Artistic: "Focus on quality, rarity and artists who will stand the test of time. Then you won't go wrong."

—by Anoop Lalwani

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Artist: Jeeb Rastogi, 2008 Price range: Rs 2-3 lakh

Artist: Megha Jain Price range: Rs 4-5 lakh

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30-40% of purchases at the India Art Summit were by first-time buyers.

QUOTE

"Property prices have bottomed out across India, particularly in metros like Mumbai and Delhi."

—Ravi Sid Kumar, Joint Managing Director, Religare (see page 24 for details)

"It is alleged that high commissions drive agents to mis-sell. Despite the mis-selling, investors reposed faith in the market and bought 10 crore in the past two years."

—J.R. Mehta, Secretary General, LIC Insurance Company

"Too much diversification is admitting to mediocrity. It reflects a portfolio strategy where stocks are valued as if they are value buys."

—Anoop Lalwani, Chairman, Religare Advisory Services (see page 70 for details)

"Money is likely to move into overbought sectors that have not yet seen like banks."

—Ajay Arora, Vice-President, Religare India Advisory