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### **Under the hammer**

With Indian art taking off in a really big way, substantial response at auctions of art and other collectibles can't be too far behind, writes SAVIA RAJAGOPAL-SHAH

A burgeoning middle class, a booming economy and a country exhibiting all the classic traits of globalisation – a heady mix of all these factors have given the Indian art scene a tremendous boost over the past few years. Slowly but surely, there has been a definite growth in the art and auctions segment. India is steadily emerging as a new market that has tremendous potential. Sample this. Till five years back, the Christies sale of Modern and Contemporary Indian art made \$ 600,000. The same sale fetched a whopping \$17.8 million last September! A related statistic citing the controversial eclectic artist M F Hussain can be sited in the same context. He is often considered one of India's most celebrated contemporary Indian painters. Roaring controversies relating to his work, apart from growing interest in the artist himself have seen his paintings fetch a small fortune. Till approximately 2000, his works would have sold for less than \$ 16000, according to experts. However, recently a painting by him completed in the 1960s, sold for an astounding \$ 486,000, to a private collector. This stupendous amount was supposedly *double* the estimated price. Another case in point would be Rs 6.9 crores paid for an Amrita Shergill painting sold at an auction in Delhi, which is the highest amount paid for a painting auctioned in India. It is thus a testament to the fact that the Indian art market is well on its way to see exponential growth and offers fantastic potential.

International houses such as Christies and Sotheby's have been quick to acknowledge that India is an extremely important market. Although they do not auction in India, the highest amount achieved by a contemporary Indian painting is US\$ 1.6 million sold by Christie's in September 2005. Says their India Representative, Ganieve Grewal, "India is a very important emerging market all round -- be it economically or for art. The rise of the Chinese economy and the subsequent rise in Chinese buying has been a factor in our market for some time now and the Indian developments are going the same way." Likewise in its first ever sale dedicated to contemporary Indian art in New York, Sotheby's raked in approximately \$1.2 million. The very same sale saw a record price for an MF Hussain painting, among which 43 other paintings of his were snapped by largely international buyers!

The boom in buying art in India can largely be attributed to greater per capita income and a greater spending power. This literally translates to an economy which has citizens who are willing to spend on more intangible items and not necessarily, always on those that can have good returns. The psyche too is changing and people are more accepting of creative aspirations. Elucidating on this is Shobha Sah, Head of Operations, Birla Insurance Advisory Services Ltd., "There is an emergence of a new moneyed class. People are earning record salaries and are making money in new world economy ventures. A lot of people see collectibles as a new class of investment options, while others may want to indulge their passion for art and other collectibles. Earlier people

were content to admire; now they want to own.” A sentiment echoed by Grewal, who feels that economic development is the key to the boom. “People, who feel their basic needs are covered, turn to other, more elevated pass-times, and art very often is one of them. People want to belong and art helps to create that sense of belonging. And it is clear that there can be no market without high quality art. The amazing variety of Indian art by contemporary artists as well as very established artists, are now being discovered by international collectors as well. It is a very exciting time.”

Conditions such as these augur well for the art fraternity, art dealers as well as those involved in auctions. According to research last year the auction market was worth \$ 150 million for Indian art alone. This figure would be considered miraculous when you take into account that the year before saw the very same segment being valued at approximately \$ 50 million! When you look at the recent past you will find more examples of artists crossing higher price barriers and commanding unheard of prices. A case in point would be a painting by Tyeb Mehta that sold for approximately \$ 1.6 million at a Christie’s auction. Shares Sah, “Tyeb Mehta’s paintings routinely fetch a few crores each in auctions, for the last three years. He is not the beneficiary of these prices though as his paintings are being brought in to the market by buyer who had purchase them much earlier.” Artists such as F Souza and SH Raza have also had their paintings cross the \$1 million mark. Sah attributes this phenomenal growth in prices for Indian art to greater exposure at all levels. To a great extent, she feels exposure of new artists at international art fairs at Basel and Miami showcase Indian art and artists. Many new artists, she adds, are doing cutting-edge work and getting invited to global events. “India is the international flavour at the moment. And Indian art is getting its share of attention. Non Resident Indians who are doing well abroad are buying a great deal of Indian art,” she adds. This may be the case to a great extent but many industry experts also share that Indian residing locally are also taking more interest in Indian art and are more inclined to make these purchases.

Many urban Indians are looking at art as investments that can give good returns. The fantastic growth seen by the art sector and related activities has resulted in art investment funds being set up in the recent past. Finance experts put an approximate figure of nearly Rs 3 billion and above, that will be raised by such funds. Existing art funds include those by Crayon Capital, Edelweiss Securities and Osian’s Connoisseurs of Art. The latter is currently the largest art fund in India. However despite ventures such as these, experts insist that investors be cautious and sensible as this is still a developing market and not be solely carried away by the hype and hoopla surrounding Indian art and artists.

Apart from paintings, other collectibles also routinely fetch great prices. By and large though, modern paintings seem to be the big money generators for auctioneers. Christies Art sales in modern and contemporary Indian art generate a lot of interest, points out Grewal. Auctions relating to antiques are not as developed here in India but experts attribute this to the cumbersome legalities of dealing with the same. However, it is ironical as auctions dealing with Indian antiquities do very well abroad in auctions conducted by Christies and Sotheby’s among others. Apart from this, sports and film memorabilia is also auctioned but there are not big money spinners.

Despite the brouhaha and dizzying hype surrounding India and its art community, there are still others who believe that there is much more in store for Indian art. Grewal, who is the sole representative from international auction house Christies in India, reveals, “We are continuously researching our markets and making sure that we are shaping our business to serve the needs of our clients. We were very aware of the growing importance of the Indian market and felt the need to have a permanent representative in India so that we could keep a finger on the pulse. We have exhibitions in India, our specialists have lectures, and many of the Indian clients have a very direct connection to the Christie's international sales centres, through the Indian office.” Despite this vote of confidence, there are still some drawbacks which must be overcome to develop into an established market. Highlighting these drawbacks, Sah says, “There is a lack of infra structure and lack of qualified art professionals. Also there is a lack of genuinely big-time buyers. It will take time for people to invest in art in a significant way. I don't see people investing \$25 million in a single piece of art work here still -- this is what international collectors pay for a single Van Gogh or Picasso.” Also she points towards expensive real estate being a factor that holds back galleries and other such enterprises as galleries and auction rooms need space for the right ambience and to be acceptable to international standards. Whether or not, changes are made at the infrastructural level, it won't be too far fetched to think that Indian art could soon be tough competition to Chinese art and Indian artists too will receive much acclaim. Naturally, this translates into higher prices and better sales at auctions. And no one, certainly not anyone related to Indian art, will complain about that!

#### PULL OUT QUOTES

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