

Venture funds target Bollywood, regional movies

India's film industry is now attracting venture funds. First off the block is the Chennai-based Pyramid Saimira Theatre which is setting up a \$150 million fund to produce and distribute Bollywood as well as regional language movies.

And Pyramid's first production is southern superstar Kamal Hasan's multi-lingual *Dasavatham* — in which the lead actor appears in 10 roles. The fund has a reported exposure of 50 percent in the Rs. 350 million project.

Pyramid Film Fund, as the fund has been named, will unveil itself over the next nine months in three separate categories of \$50m each — based on the level of risk and exposure. P.S. Saminathan, managing director, Pyramid Saimira Theatre, told the *Economic Times*.

The Pyramid group will sponsor around 25 percent of the fund, while the remaining is being raised from venture funds and institutional investors. The movies that the fund finances — mostly in the mid-budget range of Rs. 50-100 million — will be distributed and exhibited by the Pyramid group through its country-wide theatre chain.

The Pyramid group, which is currently focused on markets in Andhra Pradesh, Tamil Nadu and Karnataka with around 120 screens, has chalked out plans for country-wide presence with around 2,000 screens by December 2007. As part of its foray into north India, the group has tied up with Delhi-based developer Spirit Global for a presence in 60 malls across Punjab.

Saminathan said each project that the fund invests in would be evaluated in terms of risks. The fund will at best have 50 percent exposure in the film project, with the remaining corpus brought in by the producer and the exhibitor — in this case Pyramid Saimira Theatre.

Under the low-risk exposure category,



A multiplex in Hyderabad. Venture funds are also setting up screens like this across India.

returns to the fund are assured, irrespective of the financial performance of the film.

Under the mid-risk fund, while the principal amount disbursed will be assured, the return over investment will be linked to the business generated. The fund will enter

into revenue-sharing agreements with producers for all investments made through its high-risk fund.

KPMG is currently working out the structure of the three funds and the risk parameters they will work under.

Saminathan said the funds' first project, *Dasavatham*, will be released with over 1,000 prints across the country in April next year, and dubbed in several languages, including Hindi and Telugu.

Talks are currently on to finance a few Bollywood movies as well, apart from several other regional language movies.

Over the last three-four years several corporates in India, including the Anil Dhirubhai Ambani Group (ADAG), the Tatas and the Aditya Birla groups have set aside funds for financing and distribution of movies.

British fellowships for 7 Indian filmmakers

Seven Indian wildlife documentary films have been selected for the British Environment Film Fellowships for 2006, it was announced in New Delhi.

Worth Rs. 600,000 each, the fellowships have been awarded to Sonya V Kapoor, Gurmeet Sapal, Himanshu Malhotra, Jay Mazoomdar, Kalpana Subramanian, Ashima Narain and Balan as a step toward checking wildlife crimes.

"Wildlife crime is an issue of grave concern for all of us today. India is home to thousands of rare flora and fauna, including the tiger, the sloth bear and the musk deer, among many other endangered species," British High Commissioner to India Michael Arthur said while announcing the fellowships.

"We all have a role to play in helping to

sustain this rich diversity and today, we are offering seven fellowships worth Rs. 600,000 each to these enterprising filmmakers to document these challenges. Through this collaborative endeavour between the U.K. and Indian filmmakers, we hope to address the larger issues of conservation of some of the world's rarest species," he added.

The documentary filmmakers are expected to complete their work by December.

The films will be aired on *Discovery Channel* and would also be screened in January at the Wildscreen Festival being held for the first time in India.

The world's largest and most prestigious international wildlife and environmental film festival, Wildscreen, is organised every two years in Bristol.

5.2 million new phone subscribers added in July

Growth in India's telephone subscriber base continued in July with 5.22 million new users being added. While it was good news for mobile operators, who added 5.28 million new subscribers during the month, fixed line subscribers actually declined by 0.06 million.

By July end, the fixed line user base was at 47.36 million and the number of mobile users at 111.23 million, according to the Telecom Regulatory Authority of India. The total telephony subscribers reached 158.59 million by July end compared to 153.37 million in June. The tele-density reached 14.40 at the end of July compared to 13.95 at the end of June.

In the mobile segment, 18.19 million new subscribers have been added during the first four months of the current financial year, compared to 7.62 million in the corresponding period of FY 2005-06. The additions of fixed line telephony subscriber is only



0.58 million for the four months of FY 2006-07 compared to 1.26 million during the corresponding period in the previous year. The gross addition of mobile and fixed line subscribers in the four months of FY 2006 is 18.77 million, compared to 8.88 million during the corresponding period in the previous year.

Broadband connections have also continued a steady growth rate since the beginning of 2006. By July end, total broadband connections in the country reached 1.70 million with a net addition of 0.15 million during July. There has been an addition of 0.35 million in the first four months of this fiscal, compared to 0.25 million during the corresponding period in the previous financial year.

India has become key R&D centre, says Dell Corp.

India has emerged as a strategic centre for research and development for the U.S.-based computer major Dell Corporation, according to Susan E. Sheskey, the company's Chief Information Officer (CIO). The India centre of the \$54 billion firm has, in fact, developed a series of products that are now being deployed globally.

The Indian arm of Dell Corp., whose e-commerce volume is more than Amazon, Google and eBay put together (it handles over 1,200 products), has helped the parent company cut costs by about a billion dollars this year (about Rs. 4.5 billion).

On a visit to India, Sheskey spoke to *BusinessLine* on how Dell has distin-

guished itself from competitors in leveraging information technology. "At Dell, IT is business," she said, highlighting how the company has used IT to bring in efficiencies internally and pass on the benefits to customers globally.

In India to oversee the staffing and development work at Dell's centres in Bangalore and Hyderabad, which account for over 20 percent of its global R&D team, Sheskey said the local engineers had created the Integrated Dell Desktop, which provides a single-point interface for various operations Dell executives handle globally.

The Indian design teams are now working on a new logistics solution that would be deployed in various locations across the

globe which would help streamline business.

Dell has grown rapidly in India over the last few years and now employs approximately 12,000 people. It operates in three broad areas — Dell International Services (which provides customer support and employs about 9,500 people in four locations); Dell IT in Hyderabad and Bangalore and Dell R&D; and the Dell India sales arm.

When asked if some of the products Dell developers have created internally, would be productised and marketed globally, Sheskey said: "As of now the focus is on internal use, but, maybe, some time later, we may consider this option."

Housing and real estate to push GDP growth: Study

An industry chamber study estimates that the Indian economy will grow at over 12 percent by 2015. And powering this growth would be the housing and real estate sector which would notch up 14 percent growth and double its contribution to the GDP from the current level of less than 1 percent.

The housing and real estate sector would generate over four million jobs by 2015 with demand for dwelling units likely to rise to 80 million for lower-middle and low income groups, involving an estimated investment of \$670 billion, the study said.

The Associated Chambers of Commerce and Industry (Assocham) study, to be released soon, projects that demand for dwelling units will grow to 90 million by 2020, which would require a minimum investment of \$890 billion.

According to estimates, the Indian housing sector at present faces a shortage of 20 million dwelling units for its lower-middle and low income groups which will witness a spurt of about 22.5 million dwelling units by the end of 10th Plan period.

Commenting on the study, chamber president Anil K. Agarwal said that investment required for constructing the dwelling units and related infrastructure during the projected period would be between \$670 billion and \$890 billion.

This would mean about an investment of \$34 billion to \$45 billion per annum during the period. The housing and real estate sector is considered a major booster, with its current size of roughly \$15 billion.

India has sixth-largest gold and forex reserves: Report

India is ranked sixth among the Top 10 countries with huge gold and currency reserves. The first three positions are held by Japan, Russia and China, according to a report by the Currency Board of Hong Kong.

China remains the biggest holder of state currency reserves with over \$940 billion, said the report. Japan is in second place with \$871.9 billion currency reserves. Russia third with \$265.6 billion, Taiwan is fourth with \$260.4 billion, while South Korea is fifth with \$225.7 billion.

India's forex reserves are at \$164 billion, followed by Singapore, Hong Kong, Germany and France.

Satyam named Microsoft gold-certified partner

Satyam Computer Services has achieved gold-certified partner status in the Microsoft Partner Program with competencies in advanced infrastructure solutions and data management solutions.

The Microsoft Partner Program was launched in October 2003 and represents Microsoft's on-going commitment to the success of partners worldwide. "The program offers a single, integrated partnering framework that recognises partner expertise, rewards the total impact partners make in the technology market place, and delivers more value to help their businesses be successful," a release added.

"We are pleased to have the gold-certified partner status in the Microsoft Partner Program. It demonstrates our world-class infrastructure and data management capabilities as well as our skill in implementing Microsoft technologies."