

# The South Asian Art Market Report 2017

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## INTRODUCTION

It's 10 years ago since we published our first art market report on the South Asian art market, predominantly focusing on India, and I am very excited to see a market that is in a new, and I would argue, much healthier cycle.

The South Asian art market boom between 2004 and 2008 was exciting, because it made this regional art market gain proper international attention for the first time, and laid the foundation for much of the contemporary gallery, art fair and auction infrastructure we see today. However, there was also a destructive side to these boom years, felt shortly after the financial crisis in 2009, when the top 3 auction houses recorded a 66% drop in sales of modern and contemporary art and the share of contemporary art dropped from 41% in 2008 to 12% in 2009; the dangers of speculation were manifested.

In a way, the market downturn in 2009 was a blessing in disguise. The market boom between 2006 and 2008 was built on fragile foundations. Without any supporting art infrastructure in the form of museums, non-commercial institutions, and artist-led initiatives supporting the emerging art scene, the art market and its economic value became the dominant context and the main arbiter of quality and cultural value. However, when the market collapsed, a number of new initiatives rose from the ashes, most of them not-for-profit and with a strong focus on the cultural rather than the economic value of art. We have illustrated this evolution on page 18 of this report, and I believe this is one of the most important structural changes that we have seen in the South Asian art market in the last 10 years.

Diversity is essential for a sustainable art ecosystem and a well-functioning market place. The value of art needs multiple contexts to communicate and construct its true value - and many of the exciting and recent initiatives mentioned in this report represent the first building blocks in achieving this.

Yes, the South Asian art market still lacks government support compared to other Asian art markets (China's for instance), but private foundations are gradually filling the vacuum. What the Samdani Art Foundation in Dhaka has managed to achieve with the Dhaka Art Summit is a great example. The South Asian art market needs more champions like this, and with South Asian economies being among the fastest growing in the world, the requisite private wealth would appear available to support it. I am very excited to publish this report after 10 years of monitoring and following this market as, for the first time since 2008, I sense a different type of optimism. Unlike the sheer market euphoria of 2008, this is something more tangible;

South Asian biennials and festivals are getting more international attention; initiatives are being set up to support artists and artistic exchange; and international museums are finally waking up to the importance of South Asian art history. Speculation will no doubt return to the South Asian art market, but this time I believe the market will be better prepared for it.



I want to thank our partners, Constantine Cannon, Gurr Johns, Rawlinson & Hunter and W/R/B Underwriting who have supported this report and made possible its dissemination to anyone with an interest in the South Asian art market.

I also wanted to thank all the contributors who have added their invaluable opinions, time, and knowledge to this report.

We look forward to follow the journey ahead.

Enjoy the read!

A handwritten signature in black ink, appearing to read 'Anders Petterson'.

Anders Petterson  
Founder, ArtTactic

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*Rehearsal Act XI*, Nikhil Chopra, 2015, Charcoal and pastel on paper, 18.75 x 35 in. Courtesy the artist and Chatterjee & Lal.

# KEY FINDINGS

## ART MARKET TRENDS

**The birth of a new art ecosystem in South Asia:** Since the art market downturn in 2009 the South Asian art market has been undergoing a transformation. Growth has occurred in both commercial and non-commercial art initiatives, with the latter of these laying the foundation for a more sustainable art market.

**India remain the commercial gallery hub of the South Asian art market:** Indian galleries dominate the commercial South Asian primary art market. 57% of galleries in South Asia are based in India, followed by Pakistan with 22% of the commercial gallery sector. New Delhi and Mumbai collectively account for 64% of India's galleries.

**India's fast growing cities see potential for new art markets:** Fast growing cities such as Chennai, Kolkata, Bengaluru, Ahmedabad and Hyderabad currently account for 29% of India's Modern and Contemporary galleries. These could provide new hubs for the South Asian art market, sustained by rapidly increasing wealth, a new generation of art buyers and collectors, and more affordable real-estate costs than either Mumbai or New Delhi.

**Commercial representation of South Asian artists in the international art market:** About 18% of Modern and Contemporary galleries in India have a significant international presence. Although a few international galleries such as Thomas Erben Gallery and Aicon Gallery in New York present a strong programme of South Asian art, there is still a lack of presence from regionally-based galleries in international art fairs. However, an increase in South Asian biennials and international museum shows is likely to generate greater interest from collectors in the coming years.

**South Asian Biennial Fever:** Since 2009, the South Asian art market has seen eight new biennials and festivals. These include the Kochi-Muziris Biennale, Dhaka Art Summit, Colombo Art Biennial, Pune Biennial, and the Serendipity Arts Festival, with a further two biennials planned for Lahore and Karachi in 2017.

**From commercial to non-commercial:** Since the South Asian art market's downturn in 2009, which marginalised the contemporary South Asian auction market, we have seen a new growth spurt of non-commercial art market initiatives, creating new platforms for discussing, contextualising and promoting contemporary art.

**Private patronage becomes an important driver in the South Asian art market.** In the absence of public support, private foundations are playing an increasingly active and important role in building an infrastructure for contemporary art and artists. Private museums such as KNMA (Delhi), Swaraj Archive, and foundations such as the Samdani Art Foundation, Inlaks Shivdasani Foundation, and the Gujral Art Foundation are among these important initiatives.

**The Modern art market broadens its focus in 2016.** Major museum exhibitions of Bhupen Khakhar at Tate and Nasreen Mohamedi at Met Breuer have fostered interest in schools other than the Progressive Group, which has dominated the auction market in the last 10 years.

**Contemporary South Asian art will receive more Museum exposure in 2017.** In March 2017, the Stedelijk Museum will show the exhibition Nalini Malani: Transgressions. From October 2017 to January 2018, the Centre Pompidou in Paris will organise a retrospective of Nalini Malani, making her the first Indian artist to have a retrospective at the prestigious venue.

## AUCTION TRENDS

**Overall South Asian art market confidence remains positive as we head into 2017,** despite concerns about the short-term impact of the demonetisation. 81% of the experts surveyed believe that the Modern South Asian art market will have a neutral-to-positive trajectory over the next 12 months, whilst 74% believe the same to be the case for the Contemporary South Asian art market.

**South Asian art auction market up 0.5% in 2016** despite more challenging market conditions for Modern art. Last year's sales result was supported by growth in Classical Indian art.

**Modern South Asian art market sees 25% lower sales in 2016,** partly spooked by the potential economic impact of demonetisation, but also as buyers are looking at alternative collecting segments within the South Asian art market.

**The rise of a new modern segment in the auction market:** Whilst artists from the Progressive Group such as Husain, Raza, and Souza have dominated auction sales in the last 10 years, more recently we have seen several other schools of Modern South Asian art coming to the fore; among these, the Baroda School (Bhupen Khakhar for example) as well as female artists such as Nasreen Mohamedi.

**Largest share of the South Asian contemporary auction market generated by domestic auctions:** Asta Guru took a 47% share of the South Asian contemporary art auction market in 2016, followed by Saffronart with 40%. Asta Guru and Saffronart generated \$4.5 million in sales of Contemporary South Asian art last year.

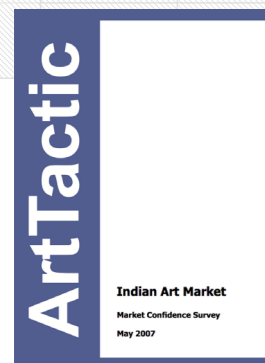
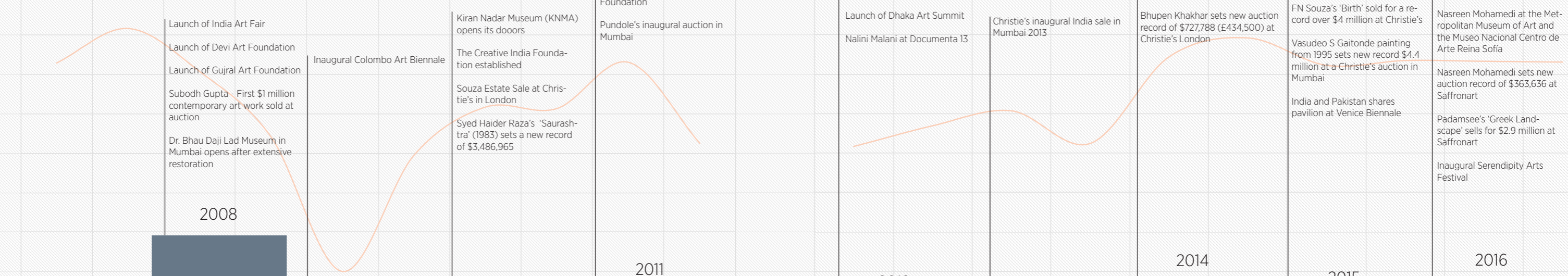
**South Asian contemporary art sold outside South Asia.** Despite the contemporary segment accounting for less than 5% of the South Asian dedicated auction sales in 2016, a few contemporary artists such as Bharti Kher and Subodh Gupta have seen works sold in non-South Asian sales in New York, Paris, London and Hong Kong. In 2016, auction sales of the above artists accounted for \$1.3 million.

**Demand for classical art on the increase in 2016,** despite India's strict Antiquities and Art Treasures Act of 1972, which bans the export of paintings and works of art over 100 years of age, and require domestic collectors to register their private collection of antiquities with the government, recent years have seen an increasing domestic demand for Indian antiquities, with auction sales in this category up more than 59% since 2015. Pundole's success in this sales category is testament to India's gradual shift in collecting behaviour.

# A DECADE IN REVIEW: 2007 - 2016

Over the past decade, ArtTactic has provided a unique perspective on the evolution of the Indian art market through its 6-monthly surveys. We pick out some highlights, events and predictions from the past 10 years.

ArtTactic Indian Art Market Confidence Indicator



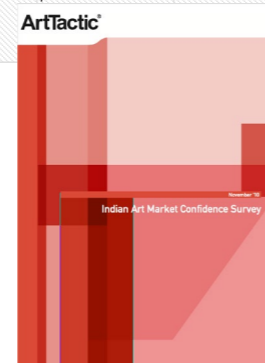
**BOOM:** The inaugural ArtTactic Indian Art Market Confidence Survey in May 2007 showed significant level of optimism in the Indian contemporary art market. However, survey flags up risk related to the heightened level of speculation. There is considerable concern about the market's focus on short-term returns. A trend which is being aggravated by the presence of an increasing number of art funds.



**DENIAL:** The May 2008 survey shows that the global economic situation is having an impact on the overall sentiment in the Indian art market, which fell 13%. Despite this, both the Modern and Contemporary Indian Art Market Confidence Indicators climbed further, showing continued optimism in these markets.



**DOWNTURN:** ArtTactic's Indian Art market Confidence Indicator for May 2009 fell 63% from the last reading in October 2008. The confidence in the top-end of the Indian art market (\$500,000 and above) disappears. New York auctions for Indian Modern and Contemporary art in March 2009 fall 42% below the low pre-sale estimate.



**RECOVERY?** The ArtTactic Indian Art Market Confidence Indicator has staged a strong recovery since May 2009. This has largely been on the back of the recovery in the secondary and auction market for Modern Indian art. However, New York auction sales in September 2010 showed signs of fatigue, as the overall total for Sotheby's, Christie's and Saffronart came in 20% below the low pre-sale estimate.



**FALSE ALARM:** The overall ArtTactic Indian Art Market Confidence Indicator drops 28% as the confidence in the Indian economy drops by 69%. However, despite this, market experts remain positive about the Indian Modern art market, with confidence also creeping back into the contemporary Indian art market.



**TWO MORE YEARS:** The majority of experts believe the Indian art market will take at least two more years to recover. The Indian art market continues to suffer from the excesses during the art market boom between 2006-2008, and the ensuing market collapse, which wiped out 92% of the auction volume of contemporary art.



**RECOVERY - PART II:** Indian art market confidence up for the second consecutive season. The increased market confidence comes on the back of improved results from recent rounds of auctions for Modern and Contemporary Indian art in September 2012 and March 2013. Both auction seasons reversed the negative trend that has dominated the market since June 2010.



**ANOTHER BOOM COMING?** The Indian auction market grew by 2% in 2014 and the overall ArtTactic Indian Art Market Confidence Indicator rose 34% in November 2014. The indicator is now standing at 79, the highest reading since November 2007. In November 2014, 49% of the experts believed the Modern Indian art market will go up in the next 6 months (compared to 63% in May 2014). 40% of the experts believed the Contemporary Indian art market will have a positive trend in the next 6 months (compared to 28% in May 2014).



**NEW HEIGHTS:** Confidence in the Modern Indian art market reaches new heights, despite increasing economic uncertainty. Confidence in the Indian economy has dropped by 24% in the last nine months.

After Christie's having dominated the South Asian Modern and Contemporary art market for some time, it looks like the tables could be turning this year. Saffronart, founded originally as an online platform to auction art and jewellery has significantly increased its market share in 2015, after it hired Hugo Weihe, former international director of Asian Art at Christie's.



**BUCKING THE TREND:** Despite the global art market having a challenging year in 2016, and India facing the impact of demonetisation in the latter part of the year, the South Asian art auction market has demonstrated a remarkable resilience, and managed to end the year 1.4% higher than in 2015. 81% of the experts surveyed believe the market will see a neutral-to-positive development in 2017, although 56% believe demonetisation will have a negative short-term impact on the Indian art market in particular.

# OUTLOOK 2017

## Mortimer Chatterjee, Co-Founder, Chatterjee & Lal

At the outset of 2017, the Indian art market remains a fragile entity. Fundamentally, the collector base for both modern and contemporary Indian art remains incredibly shallow. It is hard to fathom how we have arrived at the cusp of 2017 with only a handful of private museums of consequence. China's private museums, by way of comparison, number over 850.

Without the necessary space to fit large collections, it is reasonable to conclude that many of the current collectors for major works of modern Indian art will soon reach saturation point. My suspicion is that most collectors at the top end who wanted a Tyeb, a Gaitonde, a Raza, have now got one, and they don't seem much interested at the current prices; big ticket works barely met their reserves during the spate of auctions toward the end of 2016.

About five years ago, auction houses started to realize that they would need to add to the numbers of collectible artists, and it was natural to focus on artists who emerged from the 1970s onwards: Nasreen Mohamedi, Gulam Mohammed Sheikh and Bhupen Khakhar being prime examples. The stumbling block in making this project a success has been the deep conservatism amongst the Indian art collecting community. It is a conservatism characterized not so much by the content of

the art being collected, as by a lack of imagination in conceiving what a collection of modern and contemporary Indian art might look like. In other words, few want to be seen as mavericks; rather, there is a mania to conform to the established norms of what constitutes the canonical.

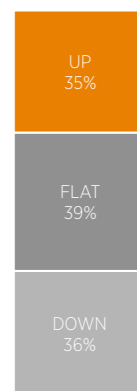


This argument could be extended to the malaise within the contemporary Indian art market. Here, a lack of confidence in the commercial gallery sector (a fallout of the boom period of 2005 - 2008) has meant only a few influencers - for example interior designers, architects and auction house personalities - have set the agenda of who might be in or out of favour amongst the small collecting fraternity that exists. The result has been a limited number of artists being actively sought out, and, unsurprisingly, the kind of work produced by these artists often falls within the narrow aesthetic parameters of a seductive but unimaginative abstraction.

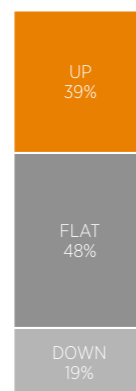
The art scene desperately needs new platforms through which audiences can engage with modern and contemporary Indian art. In the absence of museums, the art scene has looked to alternative venues and events such as the Kochi Muziris Biennale, the India Art Fair in Delhi, and the newly established Serendipity Art Festival in Goa. However, a solid institutional backing to the visual arts is critical to sustain the scene over the medium to long term.

**Q:** Where do you see the direction of the South Asian Market (for Classical Indian Art, Modern & Contemporary Sectors) in 2017?

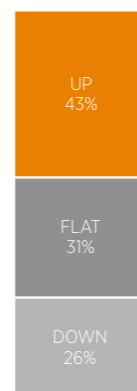
### CLASSICAL INDIAN ART



### MODERN



### CONTEMPORARY



Methodology: The ArtTactic Indian Art Market Survey was established in 2007 as a way of monitoring the changing sentiment in the emerging Indian Modern and Contemporary art market. The survey has been conducted every six months since then and includes collectors, auction houses, galleries, art advisors, and artists. The survey conducted for this report built on the existing survey structure, but elements have been added to reflect its broader scope. A total of 119 respondents answered the survey questionnaire in November and December 2016.

## Wol Balston, Director, Flint

Flint Asia was incorporated just over five years ago and was set up, following the launch of the London office in 2009, to facilitate and promote cultural initiatives across India and South Asia. Having worked with a wide range of artists, galleries, auction houses, cultural institutions, fairs, festivals and other stakeholders in the cultural scene, including non-profits, corporate sponsors and international institutions, we have been in a unique position to not only observe the evolution of the whole cultural ecosystem from a variety of perspectives, but also to help implement and promote many new developments.

Whilst there have been, and no doubt always will be, a number of obstacles temporarily holding progress in check, such as the recent demonetisation situation and the significant air of caution this has induced, I've been able to observe several positive changes over the years.



The public appetite for art is comprehensively on the rise, fuelled in part by the arrival of an increasing number of new public cultural initiatives, whether city-based street art festivals, exhibitions in shopping malls, or more comprehensive structures such as the growing global phenomenon of the art biennale, with Kochi-Muziris, Pune, Colombo, Lahore and Karachi all representing.

The art auction scene has evolved with a marked increase in activity both regionally and internationally. We're also seeing more corporate patronage from organisations who engage with consumers by engaging with art. In the past this might have involved simply paying for brand association, but we are now seeing an increasing trend of corporate sponsors taking a more proactive role creating their own events and programming, designed to more directly access their target audiences.

The audiences themselves are developing. We're seeing more collectors emerging from cities right across South Asia. Aspirational cultural consumers are buying art, not just as a status-affirming asset class, but through a genuine desire to engage with culture.

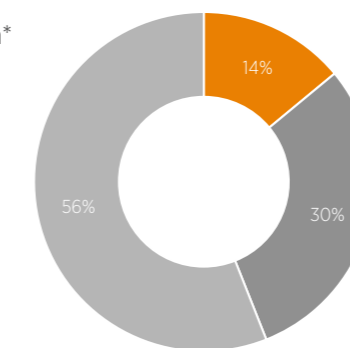
Perhaps most significant (at least from our perspective as an international cultural comms agency) is the degree of overseas engagement. This works both ways, with more South Asian artists than ever before exhibiting at prominent cultural institutions (in 2016 alone Flint promoted Indian and South Asian artists at The Met Breuer, New York; Tate Modern in London; The London Design Biennale, The Venice Architecture Biennale and The Shanghai Biennale), and also more museum delegations and international collectors attending events such as India Art Fair or the Dhaka Art Summit. For the 2017 edition of India Art Fair, industry luminaries and delegations are attending from prestigious cultural institutions including the Metropolitan Museum of Art, the Guggenheim, the Asia Society Museum, the Sharjah Art Foundation, Tate, the Ashmolean, the Guimet and the Palais de Tokyo.

There is much scope for cultural collaboration both within South Asia and internationally, and with a growing appetite for art, developing infrastructures and increasing initiatives and opportunities for cultural engagement, there is much to look forward to.

### Short-term Market Outlook

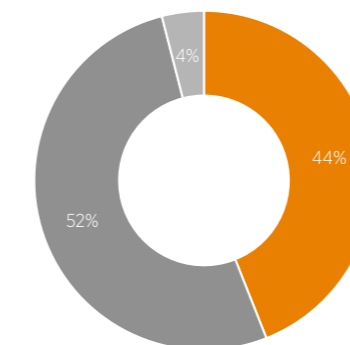
**Q:** What impact do you think the demonetisation\* will have on the South Asian Art Market in 2017?

■ Negative  
■ Neutral  
■ Positive



### Long-term Market Outlook

\*After Prime Minister Narendra Modi declared war on black money on the 8 November 2016, by banning the Rs 500 and Rs 1,000 notes, many were questioning the impact it would have on the South Asian art market. It is clear from our survey, that majority of the respondents believe it will have a short-term negative impact, but that it will be a positive impact of the demonetisation in the long-term.



# OUTLOOK 2017

## Abha Housego, Vice President-International, Saffronart

In the last two years, we have seen a very positive growth and increased confidence in the Indian art market. Modern Indian artworks continue to remain the top sellers among collectors, but with a focus on top quality works from significant periods of the artist's career with excellent provenances, or great publication or exhibition history. Our last auction which featured Akbar Padamsee's Greek Landscape, made in 1960, was previously owned by the artist Krishen Khanna and was the third of four large grey works to enter the market. Estimated at USD 1 – 1.3 million, the 4.3 x 12 foot canvas doubled its upper estimate to sell for USD 2.9 million, setting a new world record for a work of art sold by the artist, and showing the demand for top quality works.

Saffronart's two big live art sales—in Mumbai in February and in New Delhi in September—have become permanent fixtures in the Indian art calendar. They have seen artworks doubling and trebling their upper estimates such as works by Jehangir Sabavala and Gulam Mohammed Sheikh. World record prices have been set for some artists such as Akbar Padamsee and Nasreen Mohamedi. With these live auctions, we have found



an increased interest not just from the major Indian metros, but smaller ones including Bangalore and Pune.

Internationally, there have been retrospectives held by the world's leading museums dedicated to Modern Indian artists such as V S Gaitonde, Nasreen Mohamedi, and Bhupen Khakhar. These have bolstered the presence of Indian artists in the world market and brought international collectors to the Indian art market.

The market for contemporary art is still lagging behind the modernists, but at Saffronart we are working on featuring new and interesting contemporary artists from the south Asia in our sales. With events like the Kochi Biennale in December 2016, and the Lahore Biennale in November 2017, we hope to see more confidence in this sector in time.

One of the most exciting trends is the growing interest for Indian sculpture and miniatures which have not featured prominently in the market. In December 2015, we held our first live auction of Classical Indian Art. It was a white glove sale which saw world record prices for three works of Classical Indian art sold at auction in India: two Basohli ragamala paintings (circa 1700) which sold for USD 145,455, and an exceptional bronze sculpture of Parvati which sold for just under USD 1 million. All three had impeccable provenances. We are now looking forward to the next classical sale in March 2017.

## Yamini Mehta, International Head of Department, Indian, Himalayan, and Southeast Asian Art / Modern and Contemporary South Asian Art, Sotheby's

The South Asian market is going through one of its most exciting phases at the moment. We have witnessed twenty some years of auctions which started with a very diverse group of artists that the marketplace was built around. Remember the early days when works by MF Husain and Anjolie Ela Menon were priced at the same levels? The market has now coalesced around a few top grossing artists, leading one Mumbai gallery owner to wryly comment that years from now will future art historians think of V. S Gaitonde, S.H. Raza and Tyeb Mehta as the graphic designers of our age considering how often they feature on auction catalogue covers? The Modernist Progressives will always have a stronghold on imaginations and be the anchors of auctions to come. But there is a movement now to expand and look beyond those exalted names within the South Asian art pantheon. In our most recent sale in October, I was probably most surprised by the 20 phone lines for artists such as A.A. Almelkar and Mohan Samant. I think new and returning collectors were focussed on looking at the art for its own sake (and it helped that the estimates were under £10,000). Elsewhere there have been strong prices for powerful early works by Delhi-based nonagenarian artist, Satish Gujral making over \$100,000. Perhaps this is a welcome sign of a broadening of the Modern market.

The trends that I see in the next five years will re-define this art market considerably. First of all, the Baroda School is in vogue and very hot. Major exhibitions of Bhupen Khakhar and Nasreen Mohamedi have been followed by Jeram Patel, Mrinalini Mukherjee and Himmat Shah. There has been strong demand for the best of Ghulamohammed Sheikh, K. G. Subramaniam, Sudhir Patwardhan and Gieve Patel. Like Samant, referenced earlier, another NY based artist, Krishna Reddy is getting both

## Peter Nagy, Co-Director, Nature Morte, New Delhi

When I arrived in India in the early 1990s, the serious galleries in Delhi and Bombay could be counted on one hand. Now, it will take two hands and a few fingers. India saw a huge amount of growth and development in the sphere of contemporary art in the first decade of the 21st Century but things took a bit of a slide backwards after 2010. During the boom years (roughly 2003-2009) the market was made up primarily of speculators (both Indian and international) and now we are left with only the serious art lovers (primarily Indian). The European private collectors and galleries, a big part of the boom years, have exited almost completely, with Indian art becoming passé and most recently displaced by African. Today, private museums, non-profit art centers, and artist-run initiatives keep the Indian contemporary art world feeling buoyant, despite the sagging market and its effect on young, adventurous commercial galleries. Still primarily relegated to New Delhi and Mumbai (with one important gallery each in Bangalore and Calcutta), the Indian art market has not spread to secondary and tertiary cities, despite the popularity of the Kochi Biennale and that these cities generally have populations of approximately five million or more.

For 2017, the deciding factor of the Indian economy and its effect on the art market will be the Demonetization Scheme enacted by Prime Minister Modi on the same night that



Donald Trump won the US Election. This will certainly slow down overall growth for a period of time and inhibit spending on all levels, probably most pronounced on the luxury level. For an art market inherently conservative and suspicious of radical experimentation, this will certainly be felt by galleries that are struggling to show more radical art. The high cost of participating in international art fairs cannot help off-set this downward trend for the galleries, neither can the one private museum actively building a collection of contemporary art (that being the Kiran Nadar Museum in Delhi).

On the positive side, the market for Indian Modern Art has been buoyant in the past few years. But, as with most Modern markets, price hikes have been due to a shrinking pool of available works by the artists in demand, so we see the overall market begin to shrink. The serious Indian collector has no choice but to turn to contemporary art and we do see this happening in the major cities. Artists of the "post-liberalization era" (such as Atul Dodiya, Subodh Gupta, Jitish Kallat, and others) settle firmly into mid-career status and with international support and exhibitions under their belts (not to mention constant visibility within India) they begin to be seen as both established artists and safe investments. A younger generation of Indians in their 30s and 40s is starting to move away from the Moderns collected by their parents and embrace the art of their own time, with a smart eye tuned to international trends and appreciating how Indian artists are responding to them.

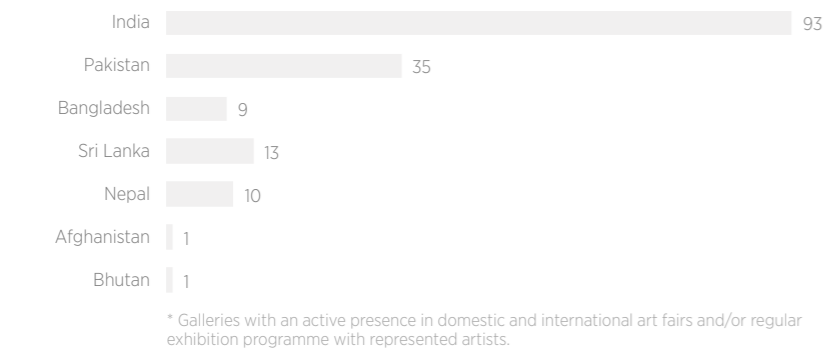
critical and commercial attention. Arpita Singh and Zarina remain popular but I hope that there are other female artists who were once overlooked will come into the limelight. Modernist sculpture is still remarkably undervalued but there is again scope for artists from Shantiniketan whether it is Ramkinkar Baij, Somath Hore or Prodosh Das Gupta and Cintamani Kar. Today, I am fascinated by the sculptures of Piloo Pochkhanawala and Nagji Patel. There are certainly more stories to tell about the artists and their lives from the 60s-80s.



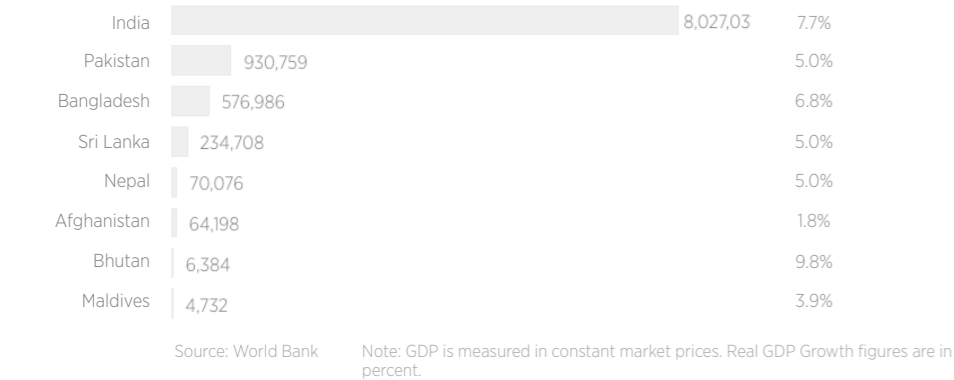
Perhaps the most exciting development might seem counterintuitive at this very moment but mark my words. Now is the time to be looking at contemporary art from South Asia seriously. The future masterpieces and museum works are accessible and available. There are a number of young collectors and tastemakers who are quietly active, interested and engaged and getting access to the best works that are at far less than a late Husain painting, for example. After the quick (2005-2008) rise and fall in this sector of the market, I think that we will see a slower but more organic re-growth. There is bound to be a change in tastes and demographics. The 30-year olds who are, and will be coming into their own collecting, are far more comfortable mixing South Asian and international contemporary art in a manner that fits their aesthetics and their interiors. This is where the most explosive impact will be made in the art world. These Young Guns studied internationally and were exposed to museums and galleries. They don't live with their parents and they don't necessarily want to collect the art they associate with their grandparents. Let's see in 5 years but the palpable excitement and opportunities are there for the bold and the visionary.

# MAPPING THE SOUTH ASIAN MARKET

# Number of Modern & Contemporary South Asian Galleries



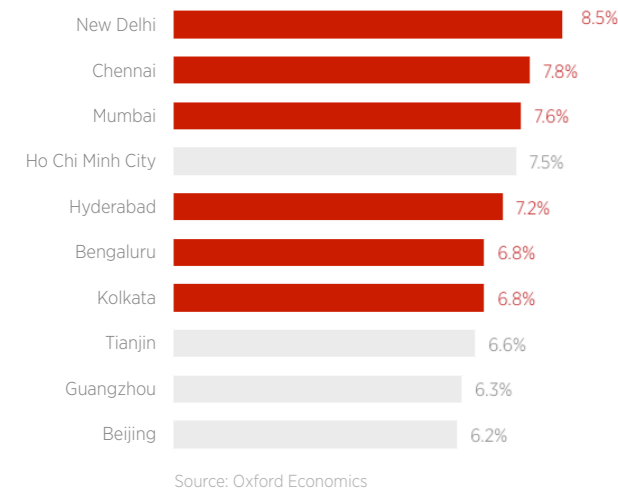
GDP PPP USD Millions      Real GDP Growth 2017 f



# Number of HNWI's (\$1 million +)



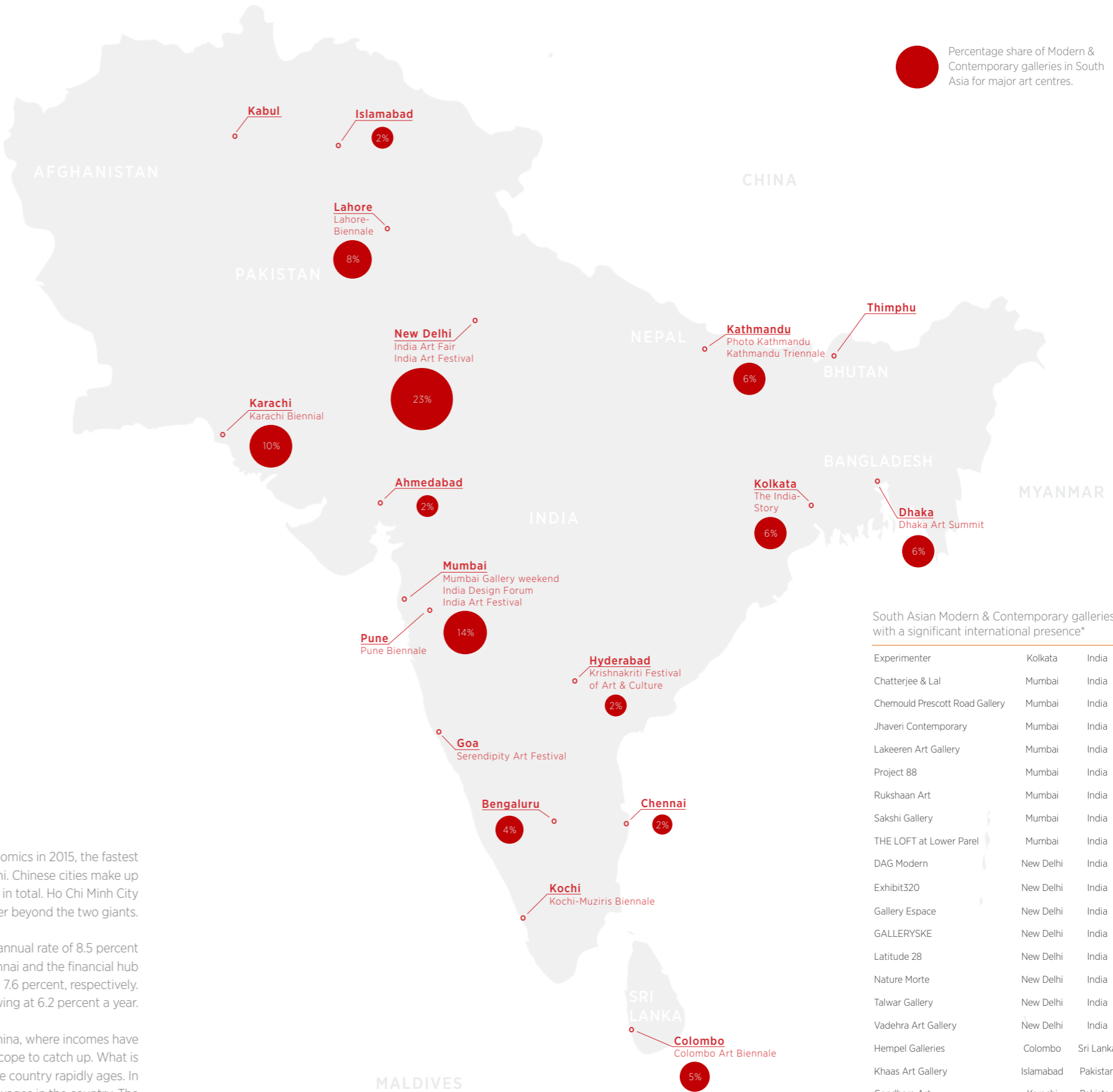
Expected Annualised GDP Growth from 2015-2019



According to a study published by Oxford Economics in 2015, the fastest growing city in Asia over the next five years will be Delhi. Chinese cities make up only three of its top 10 list, with India accounting for six in total. Ho Chi Minh City is the sole outsider beyond the two giants.

Delhi's economy is forecast to grow at an average annual rate of 8.5 percent over the next five years, with the southern city of Chennai and the financial hub of Mumbai seen expanding at a pace of 7.8 percent and 7.6 percent, respectively. Beijing, which is in 10th spot, is seen growing at 6.2 percent a year.

India's per capita GDP remains far below that of China, where incomes have risen rapidly since the 1980s, giving India greater scope to catch up. What is more, China's working age population is falling as the country rapidly ages. In fact, a shrinking labour surplus is pushing up factory wages in the country. The IMF predicts India will have the largest working age population by 2030.



South Asian Modern & Contemporary galleries with a significant international presence\*

Experimenter	Kolkata	India
Chatterjee & Lal	Mumbai	India
Chemould Prescott Road Gallery	Mumbai	India
Jhaveri Contemporary	Mumbai	India
Lakeeren Art Gallery	Mumbai	India
Project 88	Mumbai	India
Rukshaan Art	Mumbai	India
Sakshi Gallery	Mumbai	India
THE LOFT at Lower Parel	Mumbai	India
DAG Modern	New Delhi	India
Exhibit320	New Delhi	India
Gallery Espace	New Delhi	India
GALLERYSKE	New Delhi	India
Latitude 28	New Delhi	India
Nature Morte	New Delhi	India
Talwar Gallery	New Delhi	India
Vadehra Art Gallery	New Delhi	India
Hempel Galleries	Colombo	Sri Lanka
Khaas Art Gallery	Islamabad	Pakistan
Gandhara Art	Karachi	Pakistan

\* Only includes galleries within the South Asian Region

# ART ECO-SYSTEM: KEY TRENDS

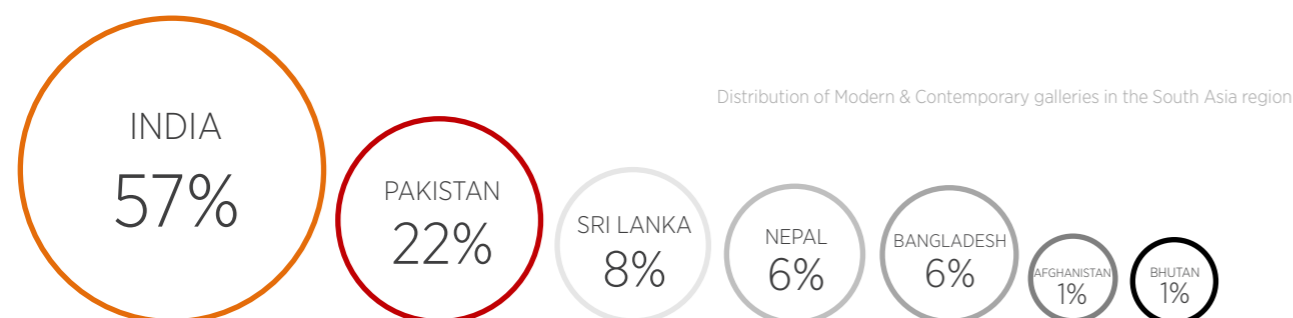
## THE SOUTH ASIAN ART MARKET

In many ways, the South Asian Art Market reflects the regional characteristics as a whole - a region often characterized by socio-economic and demographic disparities. Whilst politics and religion have often acted as divisive forces within the region, the South Asian art scene increasingly acts as a common platform to promote understanding, tolerance, and debate about important issues it faces. The growth of non-commercial events such as the Kochi-Muziris Biennale, Pune Biennale, Dhaka Art Summit, Colombo Biennale as well as the planned biennales in Lahore and Karachi, have been, and will continue to be, important forums for promoting dialogue and understanding.

Since the global art market downturn in 2009, which also brought down the South Asian art market, a lot of changes have taken place. While auction numbers might indicate that South Asian contemporary art has lost its importance, the story couldn't be further from the truth. In 2008, Contemporary South Asian art accounted for 41% of auction sales totals, yet by September 2009 the share had fallen to less than 12%. With the auction market becoming increasingly conservative, and attention turning to the Modern and Classical segment of the market, the South Asian contemporary art market started to radically shift away from the highly speculative auction market. It has turned instead towards a more diverse and sustainable eco-system focused on providing not-for-profit platforms to support artists and to promote a new dialogue between them and their audiences. In the following section we have attempted to provide an overview of these initiatives and how the South Asian eco-system has evolved in the last 10 years.

## GALLERIES

**India will remain the commercial gallery hub for the South Asian art market, although we are likely to see more regional diversity in the coming years.** As the Indian art market was the first to emerge in the late 1990s, the Indian gallery sector has had time to establish itself ahead of the other South Asian art markets. Also, the Indian art market boom between 2005 and 2008 saw a significant investment in gallery infrastructure that largely remains the foundations for the gallery sector today. However, in the last 5 years, the increasing focus on other South Asian art markets (notably Bangladesh, Sri Lanka, Nepal and Pakistan) signals that we are likely to see a more diverse South Asian art market in the coming years. We firmly believe that India will remain the centre of the South Asian art market, largely on the back of its strong economic growth and changing demographics.



**Political tension could prove a challenge for India's role as a market centre in the region.** Whilst many Pakistani artists found themselves adopted by the Indian art market in the past, the heightened political tension between the two countries is likely to have an impact on Pakistani artists that previously had been supported by Indian galleries, and for Indian galleries acting as promoters and supporters of Pakistani artists in the region. However, many of the internationally renowned contemporary Pakistani artists, such as Rashid Rana, Aisha Khalid and Mohammed Imran Qureshi, have found other avenues into the international market by building relationships with galleries in Europe and the US, or through galleries in the Middle-East, such as Dubai.

**New Delhi remains the commercial gallery centre of India, closely followed by Mumbai.** 40% of India's galleries are based in New Delhi, followed by 24% in Mumbai. New Delhi is also the host to India's largest art fair, the India Art Fair, which recently sold a stake of the company to MCH Group - the parent company of Art Basel. The India Art Fair was established in 2008 (previously known as the India Art Summit). The popularity of the fair has grown exponentially since 2008, when the first edition attracted 6,000 visitors. In 2015 it reported more than 80,000 people visiting the fair. Although Delhi has the highest density of galleries, most of the auction activity is still taking place in Mumbai; with Pundole, Saffronart and Christie's holding the majority of their auctions in the city.

**India's fast growing cities are likely to catch up.** Despite the dominance of New Delhi and Delhi as centres for the Indian commercial gallery scene, other fast growing cities such as Chennai, Kolkata, Bengaluru, Ahmedabad and Hyderabad (accounting for about 29% of the gallery scene) - have the potential to build stronger commercial art markets in the future. As these cities are seeing increasing economic prosperity and wealth creation, coupled with lower real-estate costs - these cities could provide a viable alternative to Delhi and Mumbai. We have already seen galleries such as Experimenter (Kolkata) creating a name for itself internationally without belonging to the Mumbai or New Delhi hubs.

**South Asian galleries are increasingly represented in major international art fairs.** Over 10% (17 out of 162 of the South Asian galleries in the region) had a presence in a major international art fair in 2016. Among these galleries were: Chatterjee & Lal (Mumbai), Chemould Prescott Road (Mumbai), DAG Modern (new Delhi), Espace Gallery (New Delhi), Experimenter (Kolkata), GALLERYSKI (New Delhi, Bengaluru), Gandhara Art (Karachi), Hempel Gallery (Colombo), Jhaveri contemporary (Mumbai), Khaas Art Gallery (Islamabad), Lakeeren Art Gallery (Mumbai), Nature Morte (New Delhi), Project 88 (Mumbai), Rukshaan Art (Mumbai), Sakshi Gallery (Mumbai), The Loft at Lower Parel (Mumbai) and Vadehra Art Gallery (New Delhi).

## PROFILES: ART FAIRS & GALLERY INITIATIVES

**India Art Fair** was set up by Neha Kirpal in 2008 and has become the leading platform for South Asian modern and contemporary art and a gateway to the region's diverse artists and galleries. In September 2016, the India Art Fair announced that MCH Group (Basel), a leading group of live-marketing companies, has taken a co-ownership stake in India Art Fair. It is widely expected that MCH would use the stake to get a foothold in the growing South Asian art market. The next edition of the fair will take place between 2-5. February 2017.

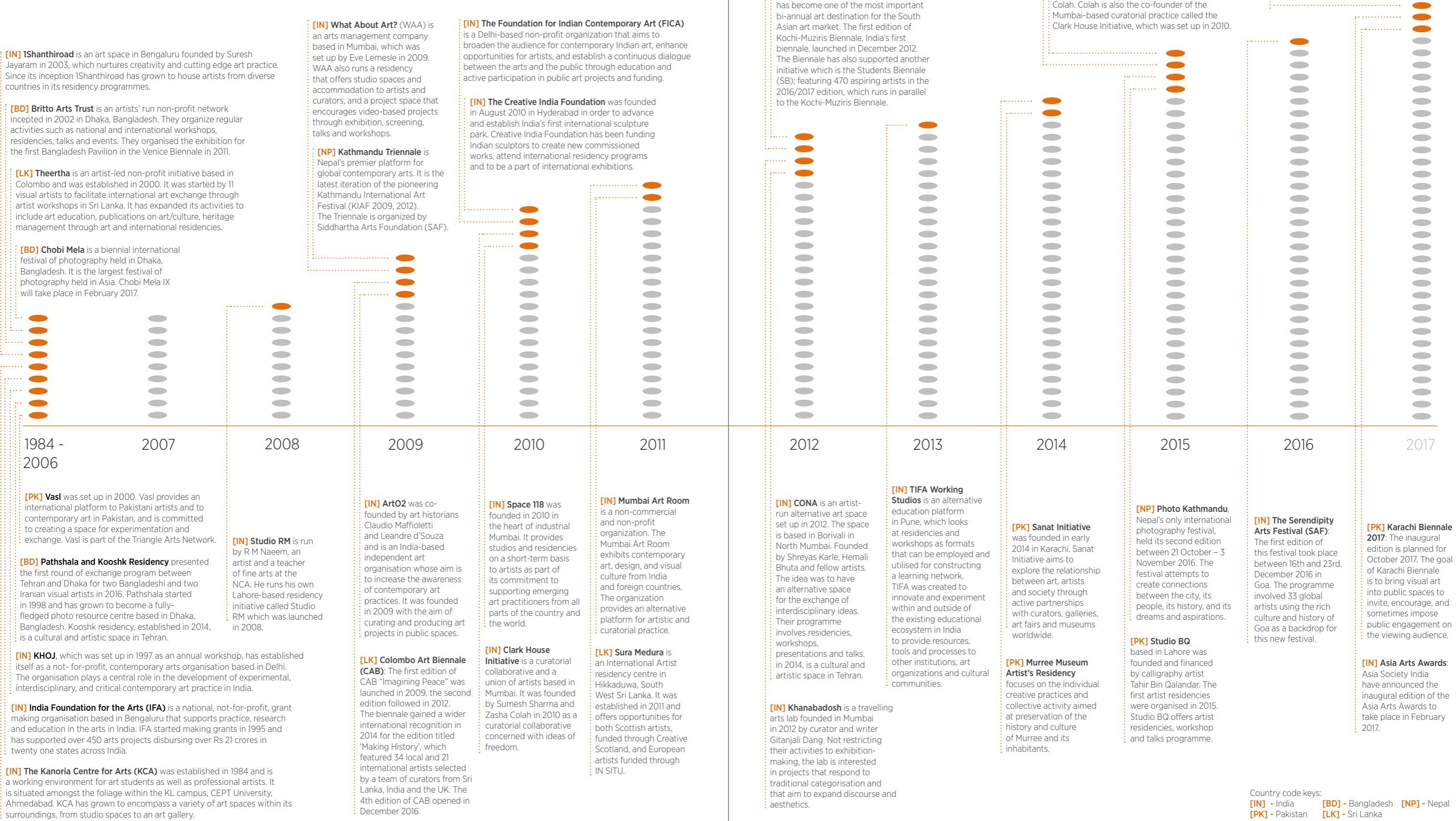
**India Art Festival** is an art fair that presents two annual editions in two different cities - Mumbai and New Delhi. The fair focus on the lower end of the modern and contemporary art segment and presents as an alternative model for dialogue and collaborations between artists, art galleries, art buyers and connoisseurs. The next editions take place 19-22 January in Thayagraj Stadium in New Delhi and 2-5 November 2017 in the Nehru Center in Mumbai.

**Mumbai Gallery Weekend (MGW)** started in 2012. The initiative aims to bring in collectors and art novices alike. The host galleries are Chatterjee & Lal, Chemould Prescott Road, Galerie Mirchandani + Steinruecke, Lakeeren Gallery, Project 88, Sakshi Gallery, Akara Art and Tarq which will have exhibitions, talks and walkthroughs.

**India Design Forum (IDF)** is a pioneering initiative, which began in 2012. The India Design Forum (IDF) was launched with the objective of spotlighting the movements in the sphere of Indian design. IDF was founded by Rajshree and Aishwarya Pathy and focuses on the evolution of design in India, its position in the context of global trends and its engagement with the international design world.

# NON-COMMERCIAL INITIATIVES

New non-for profit initiatives are infusing energy into the contemporary South Asian market. Some of the most important initiatives and platforms are listed here:



# ART ECO-SYSTEM: PROFILES

With lack of public funding for the arts, private patronage has always been an essential and important ingredient in supporting artists and art infrastructure, such as education in India.

## PROFILES: PRIVATE ART PATRONS

**The Samdani Art Foundation** was founded by Nadia Samdani and her husband Rajeeb Samdani in 2011 to support local artists to promote Bangladeshi and South Asian art in the region and around the world. The collector-couple has become a driving force in the South Asian art market. The Foundation is also behind the Dhaka Art Summit under the artistic directorship of Diana Campbell Betancourt. The Dhaka Art Summit has developed into be the world's leading research and exhibitions platform for art from South Asia. The Samdani Art Foundation has also supported international institutions and exhibitions, such as the 2nd Kochi Biennale, as well as international exhibitions at Kunsthalle Basel, and the 56th International Art Exhibition of la Biennale di Venezia. The Foundation has also supported curators from the Tate Modern, Centre Pompidou, Kunsthalle Zurich, Guggenheim, Rubin Museum, Asia Art Archive, and many others to travel to the region for their research and to develop exhibitions geared towards South Asian audiences.

**Kiran Nadar Art Museum (KNMA)** was established at the initiative of the avid art collector Kiran Nadar. The KNMA opened its doors to the public in January 2010, as the first private museum of Art exhibiting Modern and Contemporary works from India and the sub-continent. Located in the heart of New Delhi, KNMA as a non-commercial, not-for-profit organisation. Sponsored by the Shiv Nadar Foundation, KNMA is plugging the social need of promoting art and instilling its deep appreciation amongst individuals. KNMA aspires to become a place for confluence, through its curatorial initiative and exhibitions, school and college workshops, art appreciation discourses, symposiums and public programs.

**Gujral Art Foundation.** Mohit and Feroze Gujral, son and daughter-in-law of famed Indian Modern Artist- Satish Gujral, set up the non-profit trust initiated in 2008. The Gujral Foundation is focused on contemporary cultural engagements with art, design & architecture and performing arts as its primary initiative. The Gujral Foundation organised and sponsored the collateral Event: “My East is your West” at the 56th Venice Biennale in 2015 and is also a Kochi Biennale sponsor and supporter.

**Inlaks Shivdasani Foundation** was created by Mr. Indoo Shivdasani in 1976. The major objective of the Foundation is to identify exceptionally talented young Indian students and support them financially to develop their special skill and talents to the maximum. The Foundation also supports the Indian art scene through special projects such as an annual series of two exhibitions at the Mumbai Art Room; featuring an emerging Indian Artist and an emerging Indian Curator. The Foundation also supported Nida Ghouse and Roslyn D'Mello, two art writers from India, at the Dhaka Art Summit in 2016. Their support for the Curatorial Lab at The School of Arts and Aesthetics at JNU, is also a very important project for the Foundation, and goes towards funding visiting faculty to teach a semester-long course on curating and to lead an exhibition project. The foundation is also behind the Inlaks Fine Arts Awards.

**The Jamshyd & Pheroza Godrej Art Collection.** Dr Pheroza J Godrej has been involved in the Indian art scene for more than forty years and has become internationally known as a connoisseur and an expert art historian. She is presently on the Executive Committee of the National Culture Fund, Ministry of Culture, a trustee of the Indira Gandhi National Centre for the Arts New Delhi, the Honorary Secretary of the Museum Society of Bombay, and the founder of Cymroza Art Gallery (one of the city's longest running galleries). The collection includes important works by Manjit Bawa, Jehangir Sabavala and N.S. Bendre. She also has a number of classical Indian sculptures. ‘Creativity and Hands,’ an artist-in-residence programme they created, has recently been revived by Kamshyd and Pheroza Godrej's son, Navroze Godrej, and the Godrej Innovation Centre and Godrej Archives.

**The Piramal Art Foundation.** The founders are Ajay Piramal and his wife Swati Piramal have one of the largest libraries dedicated to books and documents on Modern & Contemporary Indian art as well as several resource networks for scholars.

**The Alkazi Foundation for the Arts** is a Registered Charitable Trust in New Delhi (India), dedicated to the preservation of the cultural history of India through extensive research on photography. Rahaab Allana (Alkazi's grandson) is the Curator and manager of the Alkazi Foundation for the Arts in New Delhi. The private collection of Mr. E. Alkazi is housed in the Foundation, called Alkazi Collection of Photography, which includes photographic albums, single prints, paper negatives and glass-plate negatives, painted photographs and photo-postcards. The collection is particularly strong in areas such as archaeology, architectural history, the urban development of colonial cities, military studies, Princely India, anthropological studies, portraiture of the people of South Asia, as well as landscape and topographical views. The archive contains over 90,000 photographic prints, documenting history from the perspective of both the rulers and the ruled, painstakingly built over a quarter of a decade by Ebrahim Alkazi.

**The Jindal Centre for the Arts in Mumbai.** Sangita S Jindal, wife of Saijan Jindal, is the Chairman of the JSW Foundation, which drives social development projects within the JSW Group. She also leads Jindal Arts Centre which promotes interdisciplinary arts activity, in India.

**Sanskriti Foundation** was established in 1978, and is a registered Public Charitable Trust based in New Delhi, India. The purpose of Sanskriti Foundation is to cultivate an environment for the preservation and development of artistic and cultural expression. Since 1993 it has hosted over 600 artists, poets, scholars, and writers as well as some 300 craftspersons and cultural activists (from across the world as well as South Asia) to the Sanskriti Kendra, the Foundation's sylvan five-acre campus located on the outskirts of New Delhi.

**Swaraj Art Archive** was established in 2013. Swaraj is an archive created to document, preserve and showcase the art of Mr. Vijay Kumar Aggarwal's family collection. Mr. Aggarwal inherited the passion of collecting from his father, Seth Jai Prakash, who built an impressive collection of Kalighats, Bengal School paintings, and a wide range of British Indian prints during his lifetime. The mission of the archive is to promote the arts by sharing the collection with scholars, academicians and art lovers for the purpose of research through letters, photographs, books and paintings on Indian art.

**Floodlight Foundation** was set up by Surbhi Modi, curator, artist, mentor and creative entrepreneur. It provides artists with an environment where they can fine-tune their practice, receive curatorial support, technical guidance in making their works, and finally get help in promoting their works. Floodlight was set up to promote the patronage and appreciation of the visual arts. One of the foundation's flagship projects are PUBLICA, a month long public art festival in New Delhi that started in 2013.

## PROFILES: CORPORATE AWARDS

### Forbes India Art Awards:

The first edition of the Forbes India Art Awards launched on 31st January 2014, unveiling winners across 14 categories from the world of Indian art. The Forbes India Art Awards (FIAA) was a first is a first of its kind initiative in the Indian art world. There was no follow up from the first edition, but a new art awards initiative was launched by India Today in 2016. However, Forbes have included an artist category for their annual report called ‘Forbes 30 Under 30’.

### India Today Art Awards:

Launched in January 2016 to celebrate the best of Indian art. The award included categories such as Artist of the year, Emerging artist of the year, Corporate commitment to art, Collector of the year, Curator of the year, Art writer of the year, Gallery of the year, Solo Exhibition of the year and Doyens of Indian art. The jury panel included Lekha Poddar, Kiran Nadar, Aroon Purie, Rekha Purie, Malvinder Singh, Harshavardhan Neotia, Dara Mehta, Aman Nath, Amin Jaffer and Rohit Chawla.

## PROFILES: CORPORATE COLLECTIONS\*

**The Tata Institute of Fundamental Research Collection (TIFR)** is one of the oldest in India. In 1952 TIFR's first director, Homi Bhabha, decided to begin acquiring works. TIFR first began collecting to decorate a new institute building, and acquired numerous advisors, including Rudi Von Leyden, to do so. Recently the TIFR became a new member of the Google Cultural Institute, and is beginning to feature its works in international exhibitions. TIFR is emerging as one of the leaders of modern and contemporary art in India.

**The Taj Collection.** The creation of the Taj Art Gallery in the 1950s gave the hotel the ability to acquire first-rate art. The Taj's acquisitions are credited to Rodabeh Sawhny (the sister of JRD Tata) and Elizabeth Kerkar (wife of then general manager, Ajit Kerkar). Their massive collection includes artists like S H Raza, V S Gaitonde, Jehangir Sabavala. Ram Kumar, Jamini Roy, K H Ara, Tyeb Mehta, N S Bendre, K K Hebbar, Vivan Sundaram, Gulam Mohammed Sheikh, B Prabha, Jehangir Sabavala and Laxman Shreshtha. Sabavala actually created several works while staying at the hotel.

**The Piramal Group.** Chaired by Ajay Piramal, the Piramal Group has evolved from a textile company to a healthcare, IT, real estate, and financial services conglomerate. The collection has focused on modern Indian art, but they also collect Mughal and Rajput miniatures, classical sculpture, and some major figures from 20th century European painting like Paul Klee, Joan Miro and Pablo Picasso.

**Deutsche Bank** art collection is known as the largest of its kind in the entire world. They possess mostly works on paper; the total number of individual artworks worldwide is reported to be in the order of 60,000, by around 5,000 artists. Highlights of the India collection include artworks by Bhupen Khakhar, Vivan Sundaram, Rekha Rodwittya, Prabhakar Barwe, Gieve Patel, Atul Dodiya, Nalini Malani and Jitish Kallat.

**Citibank** has a long-standing relationship with India, beginning in 1902. The current CEO, Pramit Jhaveri, along with his wife, have been the key drivers in Citi's painting-focused acquisition of Indian art. Their earliest works are from the 1970s, and their latest works are from the beginning of the 2000s. Citi India and the Chhatrapati Shivaji Maharaj Vastu Sangrahalaya (CSMVS) (formerly the Prince of Wales Museum of Western India) announced the launch of the exhibition and the book, 'Conserving the Collection - The caring path of 5000 years of our Art' in September 2016, as part of ConservArte(Citi-CSMVS Art Conservation Project, curated by Anupam Sah and the Art Conservation Centre).

**Associated Capsules Group (ACG)** is a pharmaceuticals group owned by the Singh family and has one of the most formidable collections of Indian Modern and Contemporary art in the world. The group possesses over 400 individual paintings and sculptures. The collection, focused on works from 1960-1990, includes works by M F Husain, Rameshwar Broota, Jehangir Sabavala, Ram Kumar, Krishen Khanna, Anjolie Ela Menon, Bikash Battarcharjee, S H Raza, N S Bendre, Shiavax Chavda, Arpana Caur, B Prabha, Murli Lahoti, Jatin Das and Shanti Dave.

**RPG Enterprises**, chaired by Harsh Goenka, is a major conglomerate with arms in power distribution, information technology, infrastructure, tyres, plantations and pharmaceuticals. Their collection is likely the largest of its kind, with works of modern and contemporary Indian painting and sculpture. In the late 1980s, Parmeshwar Godrej was charged with decorating Goenka's apartment, and she cultivated his love of art. He is especially fond of neo-Bengal art. He has hosted shows at the National Gallery of Modern Art and the Jehangir gallery. Harsh has also hosted artist camps with the gallerist Vikram Sethi. The collection includes works by S H Raza, Ram Kumar, Jehangir Sabavala, M F Husain, and Atul Dodiya.

\* The Profile section on Corporate Collections is based on a series of articles written by Mortimer Chatterjee and published by Mumbai Mirror in 2015-2016.

**GVK.** When Terminal 2 of the Chhatrapati Shivaji International Airport in Mumbai, operated by GVK, was opened in early 2014, the art collection was presented as one of its most compelling features. An acquisitions programme began around 2011 and resulted in a collection numbering over 5000 art works. These works were gradually collected together in Mumbai where art conservation consultant Anupam Sah and team were in charge of assessing items for necessary conservation work. The collection is primarily object-based and spans a vast spread of the subcontinent's art history.

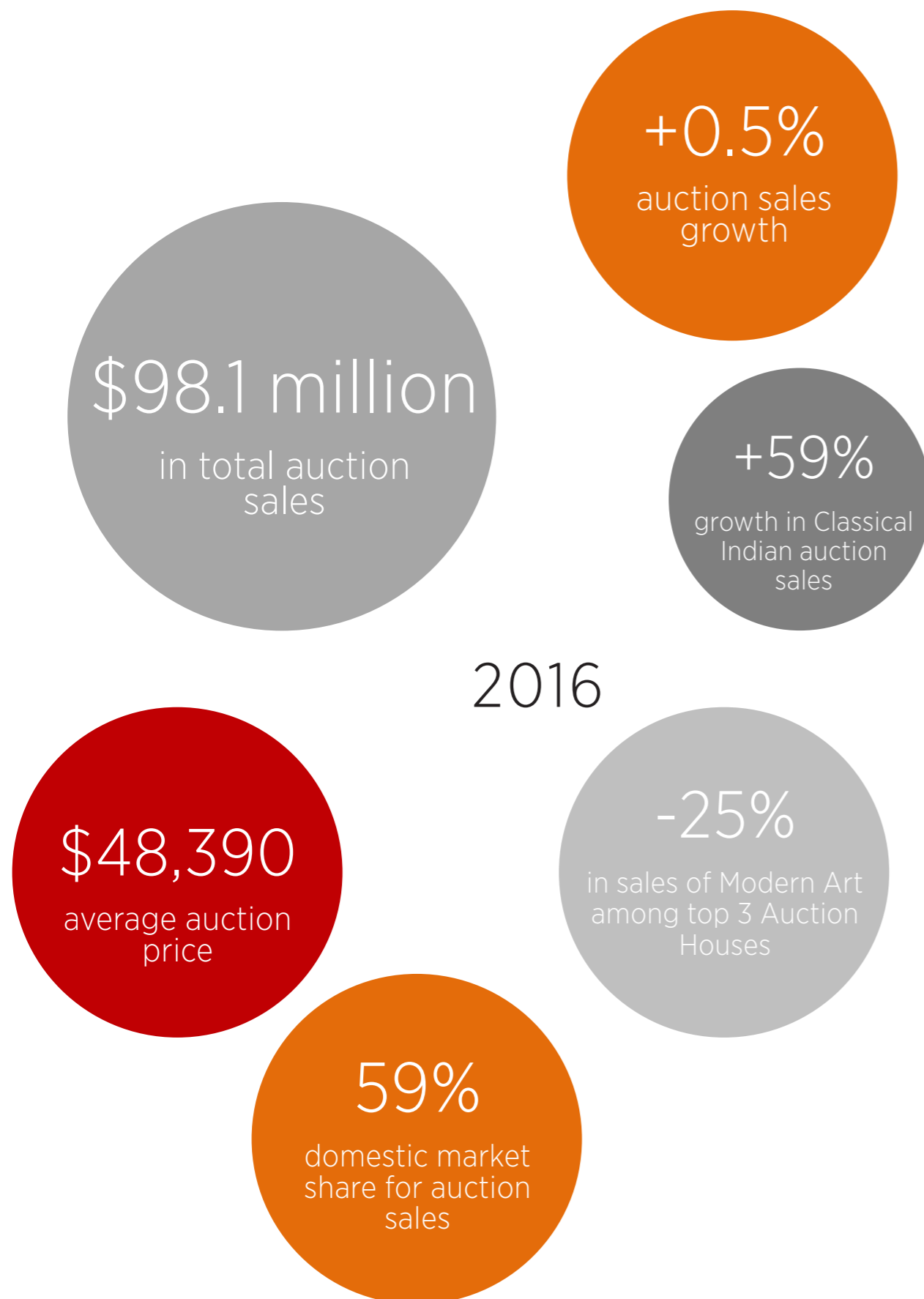
## PROFILES: PUBLIC ART MUSEUMS

**National Gallery of Modern Art (NGMA)** is the premier art gallery under the Ministry of Culture, Government of India.[1] The main museum at Jaipur House in New Delhi was established on March 29, 1954 by the Government of India, with subsequent branches at Mumbai and Bengaluru. Its collection of more than 14,000 works includes works by artists such as Thomas Daniell, Raja Ravi Verma, Abanindranath Tagore, Rabindranath Tagore, Gaganendranath Tagore, Nandalal Bose, Jamini Roy and Amrita Sher-Gil.

**Dr. Bhau Daji Lad Museum:** The Dr. Bhau Daji Lad Mumbai City Museum opened to the public at its present site in Byculla in 1872 as the erstwhile Victoria & Albert Museum, Bombay. It is Mumbai's oldest museum and the third oldest in the country. An extensive exhibitions programme includes a strong focus on contemporary art. A series of curated exhibitions titled 'Engaging Traditions', invites artists to respond to the Museum's collection, history and archives.

**Chhatrapati Shivaji Maharaj Vastu Sangrahalaya (CSMVS)** formerly known as the Prince of Wales Museum of Western India, is one of the premier art and history museum in India. Situated on the southern tip of Mumbai on the 'Crescent Site'. CSMVS is a dynamic institution, buzzing with cultural activities, rotating exhibits, outreach and educational programmes. It is actively engaged in collaboration with international museums and cultural organisations.

# AUCTION MARKET



## Overall sales up 0.5% in 2016, despite market uncertainty in the second half of 2016

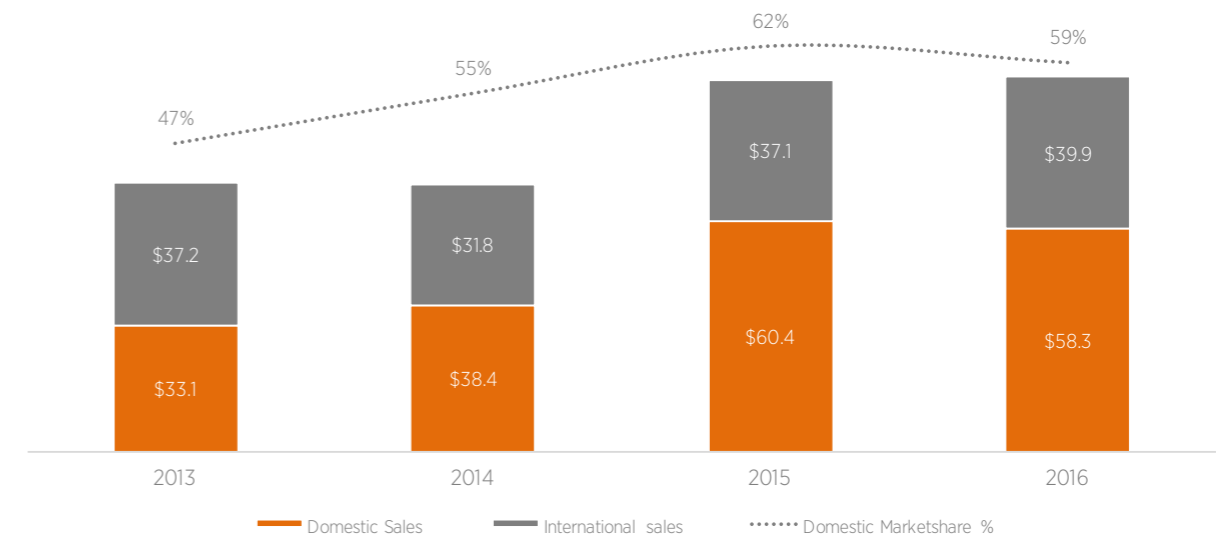
Total auction sales for South Asian art increased by 0.5% in 2016 to \$98.1 million, a robust result in an otherwise weakening global auction market. After strong growth between 2014 and 2015, the last 12 months saw the growth rate levelling out.

Part of the slow down can be attributed to last year's announcement of the demonetisation of the 500 and 1,000 rupee notes. 60% of the market participants interviewed by ArtTactic believe a negative short-term impact will be felt by the South Asian art market, which could spill into 2017. However, the majority of experts believe the long-term impact of the demonetisation could also be a positive one (44% of the respondents), with only 11% seeing a long-term negative impact on the South Asian art market.

Despite the risks presented by demonetisation, the majority of experts surveyed still felt positive about the Indian and the South Asian economic outlook in the next 12 months, which should provide a solid foundation and support structure for further growth in the Indian art market during 2017 and beyond.

Domestic auction sales (sales taking place within India) accounted for the majority of sales value. Since 2013 the domestic auction market has increased its share of auction sales from 46% to 59% in 2016, signalling a stronger domestic market as well as a shift from New York and London towards Mumbai and Delhi.

South Asian Domestic Sales vs. International\* Sales (Millions USD)

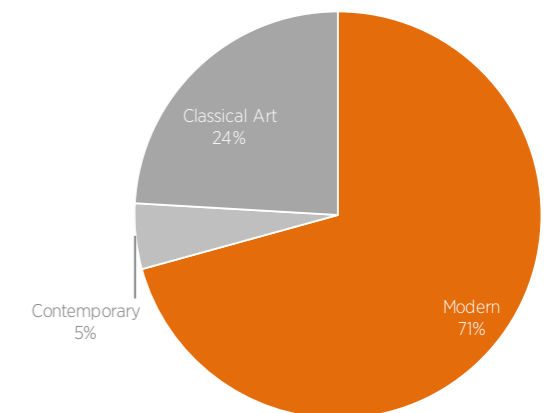


\* Total South Asian auction sales does not include Nepalese antiquities.

## Modern art dominates, but other South Asian collecting segment gain traction

South Asian Modern art accounted for 71% of total sales in 2016, despite the Top 3 auction houses (Christie's, Sotheby's, and Saffronart) seeing a 25% decline in Modern art auction sales in 2016. However, the Classical Indian art sector, which accounted for 24% in 2016, experienced a 59% increase in sales in 2016, signalling that collectors and art buyers are widening their horizon when it comes to different collecting segments. The Indian Miniature market has also seen growth in the last 3 years, with an 84% increase in auction sales between 2014 and 2016 (see page 30 for expert comment and more information on this market).

South Asian Auction sales in 2016  
Modern, Contemporary & Classical Art

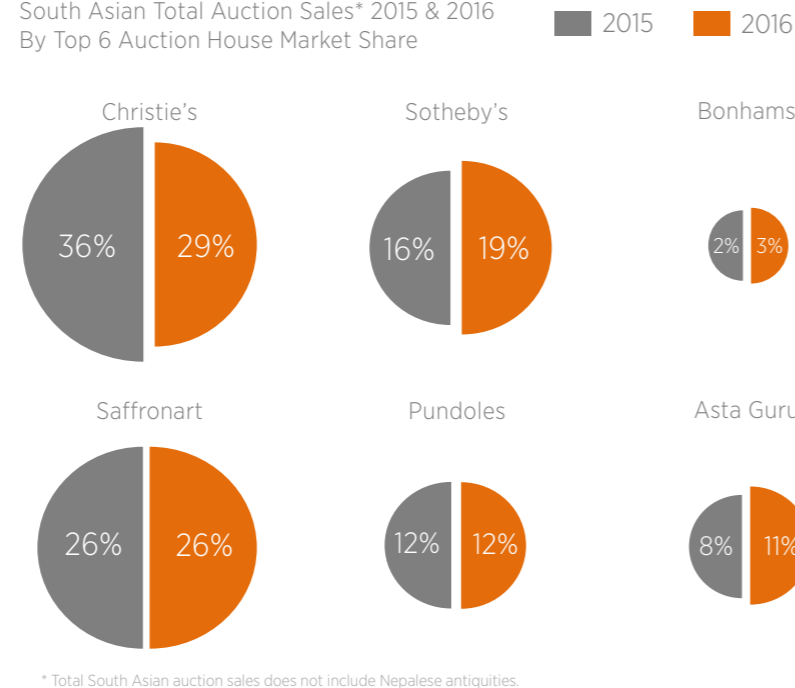


# AUCTION MARKET SHARE

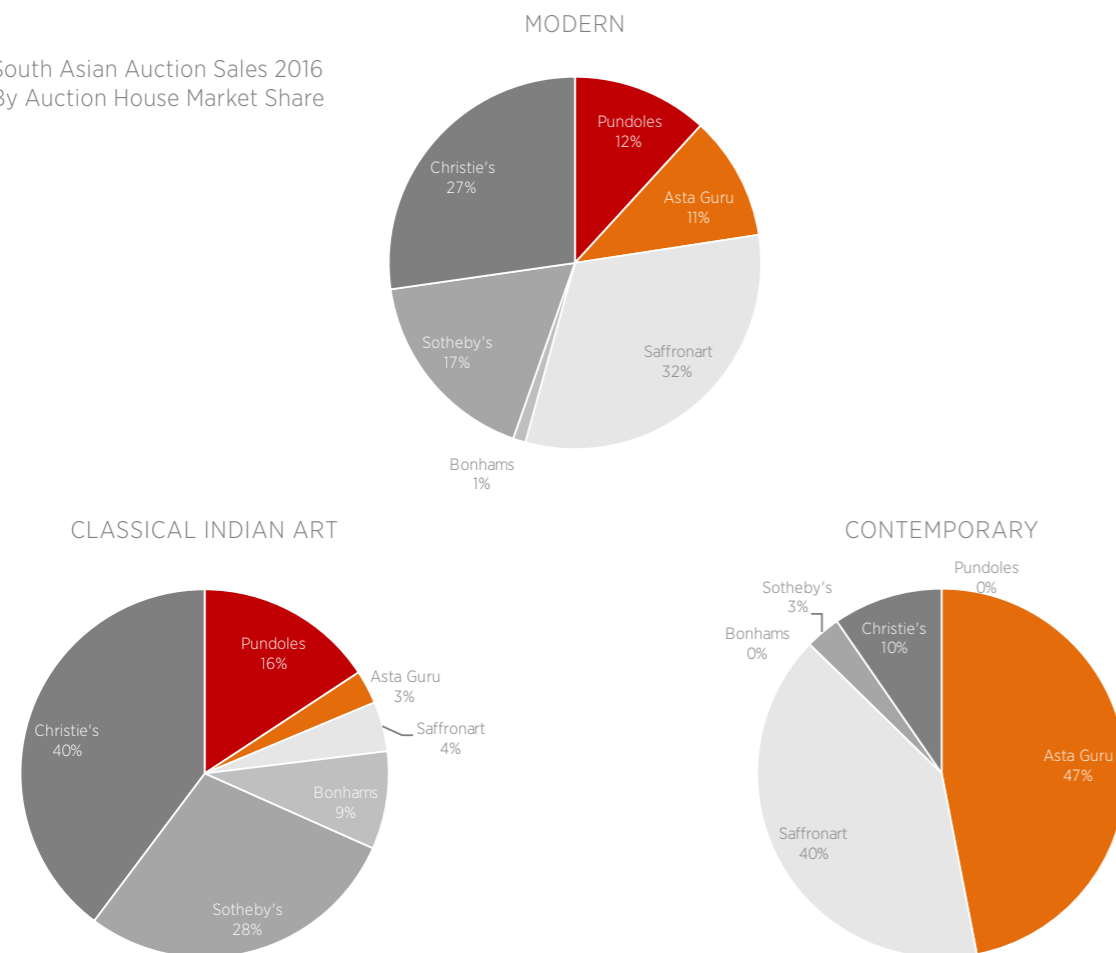
## Domestic auction sales account for 59% of the market

While Christie's dominant position in the South Asian art market has been gradually eroded since 2013, the domestic auction houses (Saffronart, Pundole's, and Asta Guru) have increased their market share at Christie's expense. Saffronart has become particularly strong in the Modern segment, Pundole's has built an important niche in the Classical Indian art segment, and Asta Guru has become a market leader in the smaller contemporary segment. The domestic auction market has already encouraged new entrants such as DAG Modern, which has organised three auctions so far in Delhi; the most recent of these - 20th Century Indian Art - raised \$1.93 million on 6 December 2016.

South Asian Total Auction Sales\* 2015 & 2016  
By Top 6 Auction House Market Share



South Asian Auction Sales 2016  
By Auction House Market Share



# INDIAN MODERN + CONTEMPORARY TOP 3 AUCTION HOUSES

## Modern and contemporary South Asian art feels the impact of economic uncertainty in the second half of 2016, as annual sales come in 24% lower than 2015.

After the Modern and Contemporary South Asian art market saw a 14.7% rise in auction sales in 2015, to its highest level since 2008, the second half of 2016 proved to be a more challenging year for the market.

Christie's Modern and Contemporary South Asian auctions in London (September) came in 57% below the equivalent September 2015 result. The Mumbai sale in December also fell 30% below the 2015 sales total. Together these two Christie's auctions generated \$9.26 million less than 2015. Sotheby's also saw lower sales of Modern & Contemporary South Asian art in 2016, with Sotheby's spring and autumn sales down 29% from 2015. However, Saffronart went against the grain and managed to increase its 2016 sales by 3%. Its evening sale in February raised \$7.36 million (+60% from February 2015) and the September sale raised \$10.39 million (-18% from September 2015).

Aggregate Modern and Contemporary sales from Sotheby's, Christie's, and Saffronart came in 24% lower in 2016 compared to the previous year's result.

**Contemporary South Asian art lagging at auction.** Auction sales of contemporary art continues to only represent 5% of the total Modern & Contemporary sales at Saffronart, Christie's, and Sotheby's, the same share as in 2015 but down from 8% in 2014. However, this could be about to change; both Saffronart and Asta Guru, have had success with contemporary South Asian art last year and the auction houses represented 40% and 47% of total contemporary auction sales in 2016. With an increasing amount of exhibition and primary art market activity for South Asian contemporary art, we believe the market will gradually direct its attention towards this segment of the market.

South Asian Modern & Contemporary Art Auction Sales  
Christie's, Sotheby's & Saffronart (Millions USD)



\* Excluding Buyer's Premium

# CONFIDENCE IN THE SOUTH ASIAN MODERN & CONTEMPORARY ART MARKET

## Positive economic outlook is likely to keep the South Asian art market on a growth path in 2017.

The overall ArtTactic Indian Art Market Confidence Indicator levelled out in January 2017, coming in at the same level as 12 months ago. The Confidence Indicator is now standing at 73, which still implies that the majority of market experts continue to have a positive outlook for the South Asian art market in the coming 12 months.

Two elements in the recent survey have had a positive impact on the overall results. Firstly, confidence in the Indian economy has increased by 10% in the last 12 months, which suggests that experts are increasingly positive about the economic outlook for the coming year. Secondly, the confidence in the Contemporary Indian art market has seen a marginal increase since December 2015, at 65 (up from 64). This is the fifth consecutive time that the Contemporary Confidence Indicator has remained above the 50 level, which implies that the majority of experts remain positive to the 12-month outlook for the South Asian Contemporary art market. Although the auction market remains subdued, the increasing amount of primary art market activity described earlier in the report is clearly having a positive impact on the sentiment in this market.

## The confidence in the South Asian Modern art market comes in slightly lower than 12 months ago.

The confidence in the Modern Indian art market has experienced a negative trend in the last 12 months, with the Confidence Indicator for the Modern Indian art market decreasing 11% from January 2016. The decline corresponds with the decrease in auction sales of Modern South Asian art. However, despite a weaker reading, the current confidence level of 74 still signals that the majority of market participants surveyed remain positive as regards the Modern market in the coming 12 months (any reading above 50 signals more positive than negative market sentiment).

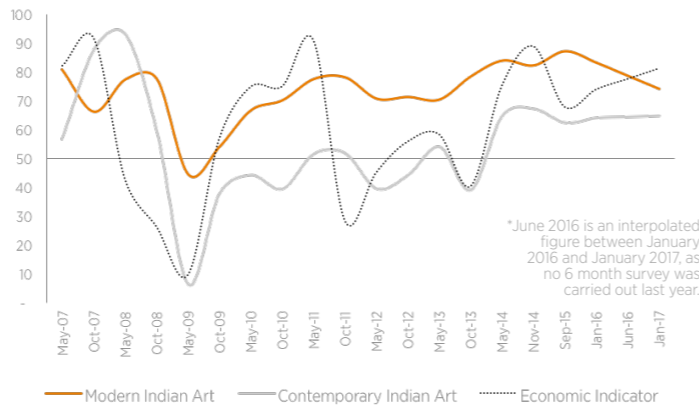
The past year did not herald major price records in the South Asian art market, however, Akbar Padamsee's 'Greek Landscape' sold for a record \$2.9 million at Saffronart in September 2016. Equally, there was good news for the Modern South Asian art market, mostly non-auction related, with major museum exhibitions of Bhupen Khakhar at Tate Modern and Nasreen Mohammedi at the Met Breuer.

## Survey signals a positive-to-neutral market performance in the South Asian Modern & Contemporary art market in 2017

According to the latest survey, 42% of the experts believe the Modern Indian art market will go up in the next 12 months (compared to 57% in January 2016), 54% of the respondents believe it will remain flat (compared to 43% in January 2016). Only 4% of the respondents believe the market will fall.

For the Contemporary Indian art market, 30% of the experts believe the market will have a positive trend in the next 12 months (compared to 50% in January 2016). Another 54% of the experts believe the market will remain flat (compared to 50% in January 2016). 13% of the experts believe the South Asian contemporary art market will fall in the next 12 months.

Again, there is good news for the established generation of South Asian contemporary artists, such as Nalini Malani, who is having major museum shows in 2017 at the Stedelijk Museum Amsterdam. In October 2017, the Centre Pompidou in Paris will organise a retrospective of the Indian artist Nalini Malani, making her the first Indian artist to have a retrospective at the prestigious venue. We believe these major international exhibitions will raise further interest in South Asian contemporary art.



South Asian Modern Artist – ArtTactic Confidence Ranking January 2017		
1	Tyeb Mehta	85.7
2	Bhupen Khakhar	83.6
3	Nasreen Mohamedi	82.6
4	F.N.Souza	77.8
5	S.H.Raza	76.5
6	Ram Kumar	75.0
7	Akbar Padamsee	74.5
8	M.F.Husain	73.3
9	KG Subramanyan	71.4
10	Vasudeo S. Gaitonde	71.4

# TOP PRICES

## Top Prices in South Asian dedicated auctions sales.

Despite the South Asian market plateauing in 2016, a number of new auction records were established. A painting by Akbar Padamsee set a new record of \$2.9 million for 'Greek Landscape' at Saffronart in September 2016. Also a new record was set in the Pre-Modern segment, when Raja Ravi Varma sold 'Radha in the Moonlight' for \$2.95 million at Pundole's in November. ArtTactic's Art Market Confidence Indicator shows strong confidence at the top end of the South Asian Modern market, with 68% of experts feeling positive to this price segment. This could signal further records in 2017 for rare, top quality works of art.

## Top 5 Auction Results 2016 Modern Art

	Artist	Title	Auction House & Location	Price (USD)
1	Akbar Padamsee	Greek Landscape	Saffron Art, New Delhi	\$ 2 907 576
2	Vasudeo S. Gaitonde	Untitled	Sotheby's, New York	\$ 2 770 000
3	Tyeb Mehta	Untitled (Portrait Of A Young Woman In Rus-	Pundole's, Mumbai	\$ 2 106 300
4	Vasudeo S. Gaitonde	Untitled	Christie's, London	\$ 2 014 635
5	Francis Newton Souza	The Deposition	Sotheby's, London	\$ 1 915 873

## Top 5 Auction Results 2016 Antiquities

	Artwork	Auction House & Location	Price (USD)
1	A Monumental Gray Schist Figure Of A Bodhisattva	Christie's, New York	\$ 1 205 000
2	A Sandstone Relief Of Durga Mahishasura-mardini	Christie's, New York	\$ 725 000
3	A Polished Black Stone Figure Depicting A Jina Western India, Rajasthan,....	Sotheby's, New York	\$ 670 000
4	A Bronze Figure Of Ganesha	Christie's, New York	\$ 389 000
5	A Fine Sedimentary Stone Stele Depicting Scenes From The Life Of Buddh...	Sotheby's, New York	\$ 346 000

## Top 5 Auction Results 2016 Contemporary Art

	Artist	Title	Auction House & Location	Price (USD)
1	Anish Kapoor	Untitled	Saffron Art, Mumbai	\$ 705 882
2	Ravinder Reddy	Untitled	Asta Guru, Mumbai	\$ 311 130
3	Bharti Kher	Mother of Anything Possible, Anytime	Christie's, New York	\$ 209 000
4	Subodh Gupta	Untitled	Saffron Art, Online	\$ 168 000
5	Subodh Gupta	Untitled	Asta Guru, Mumbai	\$ 151 921

## Top 5 Auction Results 2016 Miniatures

	Artwork	Auction House & Location	Price (USD)
1	Radha Consoled By Krishna In A Forest At Night, An Illustration From The "Lambagraon" Gita	Sotheby's, London	\$ 353 000
2	An Album Page With Royal Portraits	Christie's, London	\$ 352 665
3	An Illustration To The Ramayana	Christie's, London	\$ 306 438
4	Narada Warns Kamsa, An Illustration To The Bhagavata Purana, Attributed To The Early Mas-	Sotheby's, London	\$ 269 000
5	A Mughal Prince, Probably Shah Shuja'	Christie's, London	\$ 206 568

## Top 5 Auction Results 2016 Pre-Modern Art

	Artist	Title	Auction House & Location	Price (USD)
1	Raja Ravi Varma	Radha In The Moonlight	Pundole's, Mumbai	\$ 2 953 000
2	Raja Ravi Varma	Arjun And Subhadra	Asta Guru, Mumbai	\$ 679 159
3	Raja Ravi Varma	Untitled (Portrait Of A Young Woman In Rus-	Sotheby's, New York	\$ 586 000
4	Unknown	Kitab Al-Hasha'ish	Christie's, London	\$ 300 370
5	Gaganendranath Tagore	Ruben's Sketch Book	Saffron Art, New Delhi	\$ 272 727

# THE DOMESTIC MARKET FOR CLASSICAL INDIAN PAINTINGS

by Rob Dean

When the regional arts of Asia are compared in market terms, comparisons are usually made between a buoyant and strengthening Chinese antiquity market, driven by an ever expanding group of super-rich domestically based Chinese collectors, and a largely dormant Indian antiquity market, driven by a seemingly apathetic domestic Indian population. But if one looks at the recent data for Indian antiquity, and in particular Indian paintings, then the figures seem to suggest that the situation is slowly changing.

In December 2014, Pundole's offered a single owner sale in Mumbai dedicated to the Art of the Himalayas, consisting entirely of antiquities from the collection of Roshan Sabavala, which achieved a total of nearly \$2 million dollars. The top lot, a 13th century Nepalese bronze sculpture depicting Hevajra, sold for approximately \$410,000. In April the following year, Pundole's held an auction of Indian classical paintings, from the estate of the late Ernevaz K. Dubash. The auction achieved more than a million dollars, with the top Mughal painting selling for over \$250,000, a record price for any Indian Miniature in the domestic market. In December 2015, Saffron Art followed suit with an auction dedicated to Indian antiquity, where a 15th century south Indian bronze of Parvati, sold for approximately \$980,000, further suggesting that the sentiment for the domestic Indian antiquity market is finally recovering. But the figures are an oversimplification of a much more complicated scenario.

If we look back 80 years, the market for Indian miniature paintings was thriving with important Indian and international collectors. But by the mid 1970s several factors had adversely affected the domestic market for classical Indian art, which helped to create two distinct markets, a domestic market and an international market, where domestic prices were a fraction of those achieved overseas. But this was not always the case.

Although Indian painting on manuscripts appear from a very early period in the history of the subcontinent, it was the Mughal court, and in particular the Emperor Akbar, who encouraged artists in the Imperial studios, to adopt the Persian technique of miniature painting and to combine the technique with vigorous local traditions. The phrase Indian Miniature (however misplaced or meaningless in art historical terms) is a blanket term now used in the market, to refer to multiple painting traditions that continued to flourish in various guises and styles, in imperial and regional ateliers throughout India, until the mid 19th century. These patrons commissioned the production of illuminated manuscripts, illustrating both religious texts and historical or mythical stories. With the arrival of the Mughals, albums were also created from various sources that were a kind of scrapbook made up from the patron's favourite paintings and calligraphic panels. This represents in some sense the first stage of painting connoisseurship and fine art collecting in India. Importantly, with a few notable exceptions, the patrons were originally from the Indian nobility and the aspiring upper classes of Indian society.

The notable exceptions, however, include a range of British and Europeans, who whilst working in India began to acquire Indian art. As art scholar Dr Pratapaditya Pal writes in his recent book, *In Pursuit of the Past: Collecting Old Art in Modern India* circa 1875-1950, "Europeans had been collecting the country's archaeological heritage from at least the 17th century", and many of these collections now form the core Indian collections in museums abroad. For instance, the India Office Library contains more than 3000 Indian miniatures, the majority of which come from the collection of one man, Richard Johnson, who was in the East India Company's service from 1770-90. Likewise over four hundred Indian paintings now in the collection of the Victoria and Albert Museum, were once part of the collection of Colonel T. G. Gayer-Anderson and his twin brother Major R. G. Gayer Anderson.

As European influence in India increased, Europeans who were working in India became patrons themselves, encouraging artists to produce paintings in a style that later became known as the Company School. In Calcutta the city's most enthusiastic patrons were Lord Impey, chief justice of the High Court from 1777 to 1783, and the Marquess Wellesley, who served as

governor-general from 1798 to 1805, both amassing vast collections of paintings. The list of important European collectors from this period is substantial. Famous albums created in the Mughal tradition by European collectors include the Minto and Wantage albums, both named after the collectors themselves, and this list also includes Antoine Polier (1741-1795), William Fraser (1784-1835) and many more. A key point to note is that from a comparatively early period there has been a history of non-Indians acquiring and collecting Indian paintings. More importantly, many of these private collections were then donated to institutions, where they are now accessible to the public and scholars alike.



An Illustration to the Shangri Ramayana, The Abduction of Sita, India, Bahu or Mandi, c. 1710. Courtesy Rob Dean Art.

In this sense it is often suggested that with the exception of the original princely patrons, Indian collectors came to collecting Indian classical art comparatively late in the game. In the late 19th century European art was in vogue in India, and this is what many wealthy Indians collected. What changed, according to Dr. Pal, was the 1905 partition of Bengal, and the wave of nationalism it triggered in the Indian elite. As a result, Indians went native in their collecting zeal. Amongst the earliest Indian collectors of antiquity were the Tagore brothers, Gaganendranath and Abanindranath, of Calcutta. They amassed a collection that included Mughal pictures and drawings, ivory figures and jewellery. The Tatas of Bombay likewise acquired a large number of paintings and decorative objects, and are frequently acknowledged to be the earliest collectors of the works of Nainsukh.

Equally it should be remembered that much of what we know of the history of classical Indian painting in the miniature technique is due to the scholarship and passion of South Asian scholars cum collectors. Colonel R K Tandan, the Sarabhais, Karl Khandalavala, Ananda Coomaraswamy, Rai Krishna Das and Ajit Ghose, to name but a few, have all played their part in not only preserving Indian antiquity, but also in producing scholarly works on Indian art traditions. The recent publication regarding the paintings in the collection of the Hyderabad based collector Jagdish Mittal, is further evidence that the collecting passion continues in India. However, at 90, it could be argued that Mr Mittal is one of the last of this famous band of scholarly collectors.

But then why was it, that considering there were so many Indian collectors and scholars in the field of Indian painting in the first half of the 20th century, that the collecting tradition suddenly dwindled so rapidly in the second half of the century? Potentially, several factors are equally responsible. Firstly with the arrival of Independence came a new breed of young Indian artists like F N Souza, M F Husain, S H Raza, V S Gaitonde, Tyeb Mehta and many others, who ushered in a new style of modernist painting that reflected the hopes of a newly Independent Nation. Domestic collectors thus had a new vibrant style of painting to admire and acquire which was potentially more accessible to the new collectors of the period than Indian miniature painting.

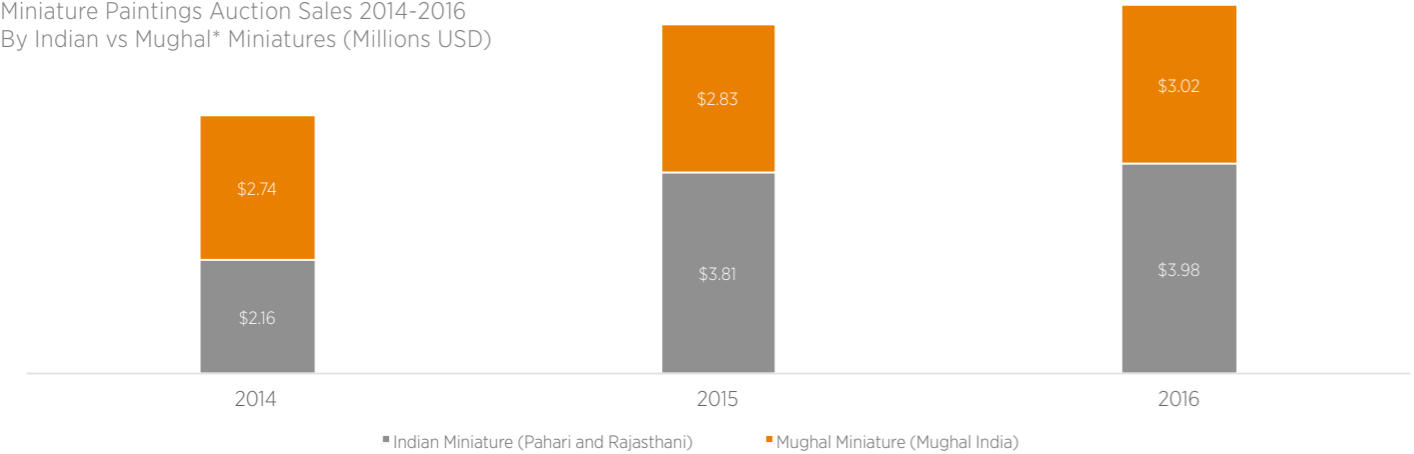
Equally important to the changing attitude towards collecting Indian antiquity within India, was the introduction in 1972, of the Antiquities and Art Treasures Act. The act banned the export of paintings and other works of art over 100 years of age, and furthermore required domestically based collectors to register their private collections of antiquity with the government. Fearing the compulsory acquisition by the government, many collectors stopped acquiring antiquity altogether. Rather than controlling the flow of antiquity from the country the government act drove the antiquity market underground, creating an illicit market of antiquity dealing, and antiquity smuggling that has never fully abated.

Despite all of these concerns and hindrances, Indian paintings produced in the miniature technique have been gaining favour

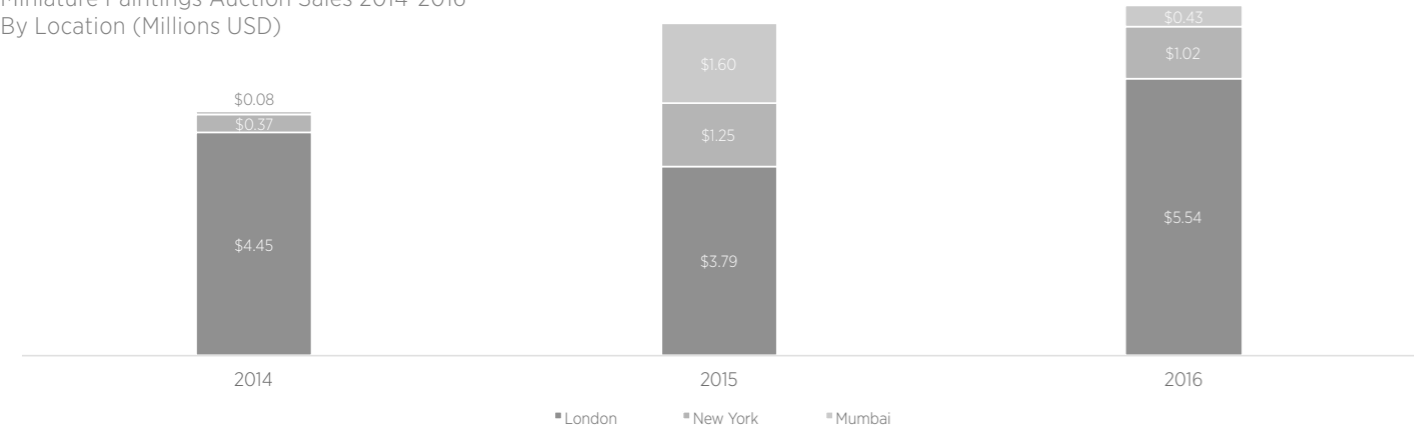
once more with Indian collectors, and increasingly these Indian based collectors are quietly outbidding the veteran collectors from the US and Europe. For instance, in 2011 at Sotheby's during the record-breaking auction of the Stuart Cary Welch collection of Islamic and Indian paintings, numerous Indian collectors could be seen frantically bidding in the auction room. For the most part they were outbid by European, Middle Eastern and American clients, but a new willingness to bid aggressively was apparent. Earlier this year Sotheby's held another single owner auction of Indian paintings, this time from the Khoshrovani-Diba Collection, but now in several cases the top record breaking lots were purchased by Indian clients, who despite an import duty of 15.5 %, were willing to buy antiquity and re-import the works to India. These lots are then immediately registered with the Indian Government making them once again non exportable and limiting their later resale to a domestic market.

In conclusion, although the Indian market clearly still lags behind the Chinese market, the potential for exponential growth is perhaps even greater. However, if the government truly wants to encourage collectors to repatriate more Indian antiquity in the future, and if the market is to ever reach its full potential, then the law needs to change. Respected scholars have insisted that the Indian government should repeal the Antiquities Act, or at the very least cancel the import duty for antiques, and repeal the compulsory registration of newly acquired antiques. If this were to happen, then many market pointers suggest that the domestic market for Indian classical paintings would soon outstrip the prices achieved in the international market. As with the Chinese market, India's heritage would then come flooding back to the land of its origin driven by a buoyant market, and the Indian government would achieve more for the protection of its own heritage than it has achieved for over forty years with the Antiquities Act. One can only hope that finally sense may prevail.

Miniature Paintings Auction Sales 2014-2016  
By Indian vs Mughal\* Miniatures (Millions USD)



Miniature Paintings Auction Sales 2014-2016  
By Location (Millions USD)



\* Includes Mughal Miniatures from Islamic sales at Christie's and Sotheby's.



An Illustration to a Barahmasa Series, Radha and Krishna, Kangra, c. 1810. Courtesy Rob Dean Art.

## Focus: Artist Estate

# THE ARTIST ESTATE

### The Artist Estate

by Amrita Jhaveri

Once a matter of concern for artist's families and lawyers, the artist's estate is becoming an increasingly attractive proposition for galleries worldwide. As the art world pivots away from younger, untested works of art to a sustained search for overlooked and under-represented artists, artist's estates have become a fertile hunting ground. With the recent deaths of many modern South Asian artists – Raza in 2016, Husain and Sabavala in 2011, Tyeb Mehta in 2009.- coupled with a rising market and the scourge of fakes, has brought the need for professional management and legacy planning sharply into focus.



Artist's heirs are beginning to recognise that what remains in the studio after the artist's demise demands careful cataloguing before it is released onto the market. Besides complete and incomplete artwork, an artist's estate includes valuable research material in the form of letters, notebooks and other ephemera to used brushes and cans of paint. The reputation of an artist does not die with him/her. There is the business of how to continue building on a reputation and how to keep their works in circulation; how to approach the questions of image copyright in today's fast changing media landscape, legal and ethical questions surrounding authentication and the challenge of preparing a catalogue raisonne.

It is no co-incidence that how artists lived their lives has much to do with what transpires upon their deaths . Both Tyeb Mehta and Jehangir Sabavala maintained meticulous records of their works, including, in the case of Sabavala, names of buyers. The widows of both men are still alive and very knowledgeable about their husband's works. An archive of high-resolution images and intimate knowledge of every painting has allowed the Mehta family to authenticate works through the Tyeb Mehta Foundation. At the height of the market, numerous works began appearing on the market purportedly painted by Mehta and wary buyers could appeal to the foundation for a sound judgement on the matter. The posthumous market for his work is stable but with high prices, most works disappear behind the close doors of the very rich. Outside of the auction rooms, his works are rarely visible in commercial galleries, non – profit spaces or museums

Upon Sabavala's death in 2011, his widow and daughter instituted an annual memorial lecture. In 2015, they donated the last of his six canvases, including an unfinished work created between 2009 - 10 to the Chhatrapati Shivaji Maharaj Vastu Sanghralaya. The museum hosted an exhibition "Unpacking the Studio: Celebrating the Jehangir Sabavala Bequest", at the Jehangir Nicholson Gallery. The paintings were displayed alongside his photographs, sketchbooks, drawings, books and works of art he owned. It was sensitively curated by Sabavala's essayist and biographer, the poet and cultural theorist Ranjit Hoskote. The Sabavalas also bequeathed a substantial but undisclosed, sum to the museum to pay for the upkeep of the paintings. These works have found a home on the second floor of the museum, in a permanent gallery, next to the Sir Ratan Tata Gallery.

In contrast to Sabavala and Mehta, M.F. Husain and Francis Newton Souza led very colourful lives with wives and mistresses. Souza is survived by five children from his three wives, six grandchildren and his partner at the time of his death. The Francis Newton Souza Estate consists of a collection of artwork that spanned six decades, from 1939-2001. It includes paintings, works on paper, diaries, an unfinished book that outlines the artist's philosophy on art and life, an annotated library embracing an array of topics, personal and business correspondence, and a large number of photographs. Based in New York, and owned by his children from different marriages, the estate is not an

organized, collective unit.

To satisfy the various needs of individual beneficiaries, the estate held an auction devoted to Souza through Christie's in London. This was followed some years later by another sale Francis Newton and Maria Souza: a life partnership in art, from the Shelley Souza collection. Souza like Husain was prolific and there are now plenty of works scattered in collections around the world that make it particularly challenging to put together a retrospective exhibition or for any sustained study of his art. Since Tate Britain held a display in 2005 institutional engagement with his legacy has been limited.

The same holds true for M.F. Husain who led a peripatetic life and left paintings with patrons, friends and galleries across the world. It is estimated that he painted over 20,000 works during his lifetime with a rich career of exhibitions and events. In a tragic twist of fate, India's best known and most widely exhibited artist became practically invisible since his self imposed exile in 2006. Facing multiple charges of offending religious sentiments and with exhibitions of his works routinely disrupted by unruly elements his works disappeared from public view.

An exhibition in London was closed down as works were damaged whilst an auction in Bombay devoted to his works had to be moved at the very last minute due to threats. Since his death, the furore seems to have died down which has encouraged individual supporters to mount exhibitions from their private collections. However, this has done little to expand scholarship around his work and authentication remains a very live issue. His children have established a trust but what the trust aims to accomplish is still unclear.

S. H. Raza established a foundation during his lifetime, in his efforts to support both the visual and performing arts. Beginning with a small group of three trustees, this private non- profit initially gave two cash awards, one in visual art and one in poetry. This expanded to cover classical music and dance. From awards to publications, panel discussions, exhibitions and events the foundation has been very active in promoting art and culture but perhaps less successful in addressing issues surrounding the authenticity of paintings by the artist himself.

Subsequent generations of artists seem to much more aware of their responsibilities towards their works or those of their families. Bhupen Khakhar willed his greatest patron the textile magnate Praful Shah as executor and temporary custodian of his work until such time that his young nephews who would be the beneficiaries could be entrusted with them. The family have collaborated with NGMA, Delhi and Tate Modern, London on a retrospective exhibitions of Khakhar's work. Notable among this generation is the Vivan Sundaram who has single-handedly kept the work of his aunt Amrita Sher-Gil in the public consciousness through his own artistic practice and by compiling and publishing a double volume study on all her works, her letters and her life. His generosity has resulted in large blockbuster exhibitions such as the solo show at Haus der Kunst and smaller, more speculative exhibitions such as In Dialogue : Amrita Sher-Gil and Lionel Wendt held at Jhaveri Contemporary, Mumbai .

As a director of Jhaveri Contemporary, I have worked closely with the Estate of Anwar Jalal Shemza, an artist from Pakistan who came to Britain in 1956. Shemza died in 1985 and although his work is somewhat known in the UK, having been included in seminal exhibitions such as The Other Story (Hayward Gallery, 1989) and Migrations (Tate Britain, 2012 ). It was less well known in the subcontinent till such time that Green Cardamom, London began working with the Shemza family. The gallery initiated documentation of Shemza's works, sold select works to institutions and mounted two research led exhibitions on different aspects of his practice in 2009 and 2010.

In 2014, Jhaveri Contemporary introduced a series of Square Compositions by Shemza at Art Dubai Modern where Indian, Pakistani and Bangladeshi collectors mingle with relative ease. Paintings by Shemza exhibited at the fair

were acquired by the Guggenheim Abu Dhabi and the Samdani Art Foundation. Around the same time, Tate Britain expressed an interest in mounting a room display devoted to Shemza. It was decided to use the opportunity to publish a first monograph on the artist. The gallery raised funds, identified a publisher, an editor and contributors. The monograph was launched at the 2016 Dhaka Art Summit where works by Shemza were on display in an exhibition titled Rewind and also at the Lahore Literary Festival. An introductory talk was organized in Delhi for the closing of This Night Bitten Dawn at Devi Art Foundation. The book quickly became a bestseller.

The Shemza Estate like most estates from South Asia is a small estate with under 200 works still remaining with the family. Contrast this with the Picasso Estate with 45,000 works or the Rothko estate with 800. The priority for the beneficiaries of the Shemza Estate has been institutional exhibitions and acquisitions over commercial exhibitions and sales to private collectors. With several works also gifted to various family members, the pool of works available for sale to private collectors is limited. The family and the gallery together have agreed to monitor works that appear on the secondary market and consider acquiring them to increase the number of available works for art fairs and other commercial platforms.

The Shemza family have been meticulous in maintaining records – exhibition invitations, pamphlets, photographs, letters and even his slippers which he used in some of his paintings. Shemza's early novels in urdu, have been carefully preserved, despite the fact that none of the family read or write the language. It is hoped that Shemza's literary works can be unlocked through translation. In the meantime, his paintings continue to make an appearance in group exhibitions such as Postwar : Art Between the Pacific and the Atlantic, 1945- 1964=5 at the Haus der Kunst which examines the vibrant and turbulent postwar period as a global phenomenon. One of the many advantages of working with the Shemza family is that it is a family of artists with an understanding of all the moving parts that constitute the art world. This has not always been the case with artists and often the heirs of artists a have limited understanding of how this complex world operates.

Legacy management or securing an afterlife should be a significant concern for living artists. Too many have paid no attention to this aspect and their estates have fallen victim to indifferent trustees or ugly and expensive infighting between the inheritors. In South Asia, ad hoc planning had led to fires sales or sheer neglect. Even gifts to museums are not bereft of problems. The National museums are run by bureaucrats with little interest in art and significant gifts have been known to languish in deep storage.

A field that has expanded rapidly in the past 5 years in the West, the larger art world in South Asia is coming to terms with the importance of building reputations and managing legacies. In a bold move, Sotheby's have just announced that they will now be in the estate business - “offering the kind of detailed financial and estate planning needed to help artists transition from a studio setup to a legacy foundation.” I wonder how long before this will become a new stream of income for the local auction houses in South Asia.

## The First Artist Catalogue Raisonné for an Indian Artist

By Anne Macklin

In 2014, with the support and funding of the Raza Foundation and the Vadehra Art Gallery, the project of compiling a catalogue raisonné on SH Raza was begun. A catalogue raisonné is a compendium of all known works of an artist's oeuvre and plays an important role in establishing the genuineness and provenance of their artworks. It was to be the first-ever catalogue raisonné to be compiled of any Indian artist.

Over the first year, some two thousand works were added to a database in various stages of completion. From the outset, with a career spanning over seventy years, it was clear that the task of listing all of Raza's works was going to be a rewarding but long one. Some artists' catalogue raisonnés have indeed been known to take decades to complete. However, with Raza's health worsening, the decision was made to publish an initial volume that could be used to promote the project and enable us to present something to Raza in his lifetime. This initial volume needed to have a undeniable strength of conviction and accuracy in order to lay the foundations for future publications. The answer came in the form of a set of inventory lists that Raza maintained between the years of 1958 and 1971, access to which was kindly granted by the archives of the Raza Foundation, Galerie Lara Vincy, and Galerie Dresdnere courtesy of Heffel Auction House. Raza documented the stock number, title, year, medium and size of over 800 of his paintings during this time. Of this number, over the twelve months, we were able to source images and provenance of around 270 of them which we presented in the first volume published in late spring of this year.

We were overjoyed that Raza was able to view the first volume of his catalogue raisonné and express his pleasure in the book before he sadly passed this July. The project is a work in progress which will, over the coming years, be continuously modified and expanded as more information comes to light. The end goal is to publish a full catalogue raisonné over several volumes documenting Raza's works from his early student days right through to the present day. We are therefore looking for the help of collectors, institutions, galleries and auction houses to build on what we have and contact us to add, confirm or rectify any information we have at [info@razacatalogueraisonne.com](mailto:info@razacatalogueraisonne.com). In addition, to purchase a copy of the first volume please contact [art@vadehraart.com](mailto:art@vadehraart.com)



P604, *Contre Jour*, S.H. Raza, 1965, Oil on canvas, 54.6 x 45.7 cm. Courtesy Vadehra Art Gallery.

# LEGAL

## Protecting the artist's legacy

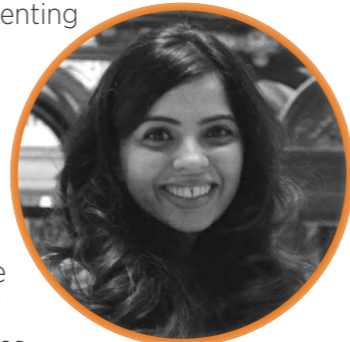
By Azmina Jasani and Pierre Valentin, Constantine Cannon LLP

There can be little debate that the South Asian art market has grown exponentially. The ever-increasing international acclaim of the India Art Fair; the Kochi Biennale; the Dhaka Art Summit; the annual auctions held by Christie's in Mumbai; the accomplishments of local auction houses such as Saffronart and Pundole's; and the popularity of private museums and foundations in South Asia collectively point to a thriving market. Despite these clear markers of success, the South Asian art market – like many other art markets around the world – is permeated with forged artworks, presenting a serious threat to its long-term sustainability and credibility.

For example, forged art worth approximately USD\$ 2 million, or Rs 80-100 crore, changes hands in India each year, according to the India Times.<sup>1</sup> Modern masters such as M. F. Husain, F. N. Souza and S. H. Raza have all been targeted by forgers.<sup>2</sup> The market for the three Tagores (Abannindranath, Rabindranath and Gagagendranath), Jamini Roy and Nandalal Bose, all from the Bengal school, has seriously depreciated due to the frequency with which their works are forged.<sup>3</sup> Many accuse certain art galleries of perpetuating the circulation of forged works, while the same galleries claim to themselves be victims in this unfortunate cycle of fraud. Others point the finger at some art schools for abusing and misusing their students' talent to pad their own pockets. Collectors of South Asian art thus bear the burden of carrying out the appropriate levels of due diligence before purchasing an artwork, including studying the artist's oeuvre, reviewing the artwork's provenance, obtaining certificates of authenticity, and even engaging independent experts to opine. But what if the artist does not have a catalogue raisonné, or the collector must bribe the late artist's family in order to obtain a certificate of authenticity?

Although by no means a perfect solution, the best way for an artist to take control of his legacy and prevent depreciation of his market is to lay the groundwork for a well-run artist estate. An estate is formed upon the artist's death, but there are many examples of artists who have established legal structures during their lifetime, with a view to perpetuating their legacy posthumously. British artist Henry Moore (1898 - 1986) set up the Henry Moore Foundation in 1977, creating a structure whereby he became an employee of the Foundation and drew a salary for his own work.<sup>4</sup> Thanks to his well-run foundation, not only was Moore able to avoid a large income tax bill, but also succeeded in ridding his market of forgeries, an issue that had clouded the legacy of many artists before him.<sup>5</sup>

S. H. Raza (1922 - 2016) is another example of an artist taking charge of his legacy. In 2009, Raza attended the opening of an exhibition at an art gallery in Delhi, advertised as a collection of his early works. He was, however, perturbed to discover that of all the works on display, only a few were genuine.<sup>6</sup> Frustrated and upset, he began to oblige collectors' requests for authenticity certificates.<sup>7</sup> In another article in this Report, Anne Macklin recounts how after his death, the Raza Foundation (which he formed while alive), with the help of the Vadehra Art Gallery, issued the first volume of his catalogue raisonné.<sup>8</sup>



By planning early, keeping detailed records, establishing an archive, publishing a catalogue raisonné and leaving a well-considered will, a living artist can ensure that his legacy is protected. It is simply imprudent for a successful artist to leave a body of work behind to his heirs or to a gallery without a proper structure in place and hope for the best.

The next obvious question is, exactly how does one go about establishing and managing an artist estate? As an initial matter, it is important to hire professionals who can advise the artist, or if posthumously, his family or trusted advisors, on how to set up and manage the estate in the longer term. Professional advisors without any personal or emotional stake in the estate but with relevant experience in managing other artists' estates can add real value, particularly when compared to the artist's family members who are financially and emotionally invested in the estate.

As professional advisors, we usually begin by helping our clients develop and settle upon a strategy in relation to the estate. Specifically, we consider a number of key questions, including but not limited to:

- What would the artist have wanted?
- What are some of the short and long term goals for the estate?
- What is the proposed lifetime of the estate?
- How will the estate be funded?
- How will the estate be managed? With the help of the family or an independent advisory board, or both? Should the estate be managed through a legal structure (e.g. a foundation)? If there is a structure, should it be for-profit, not-for-profit, or both?
- How will the estate manage relations with the art market, with museums, and with academia?
- Is there an artist's studio? Should it be preserved?
- How about the artist's archives? Archives typically include publications, letters, diaries, notes, preparatory drawings, unfinished works, work tools, and materials. They are often essential to the longer term understanding and appreciation of the artist's work.
- How will the artist's intellectual property rights be managed? These rights can be a valuable source of revenue.
- Is publishing a catalogue raisonné a good idea? Is an authentication committee or board advisable?

It is also important to account for, document, and review all of the estate's artworks. The artworks might be in different locations like the artist's studio, an heir's home, with galleries, in storage, on loan to museums etc. It is crucial to gather them in one place and assess their quality and condition.

Then, all works created by the artists (including those that are not part of the estate) must be carefully catalogued. The following information must be confirmed for each artwork: title; description; year of creation; materials used to create the artwork; dimensions; inventory number; photographs, including pictures of any signatures or stamps found on the artwork; requirements for conserving, storing and exhibiting the artwork; current owner's details; condition of the work and all documentation in relation to the artwork; correspondence about the artwork, including commissions, sales, donations or loans etc.; and details about its exhibition history, literature, and other such pertinent information. Using this information, the estate may choose to publish catalogue-raisonnés, thereby creating a public record of the artist's works and reducing the likelihood of forgeries, or instead form an authentication committee responsible for opining on the authenticity of individual artworks.

It may be desirable for tax reasons to establish a legal structure to administer the estate. There may be management advantages in doing so too. The risks of leaving heirs to privately administer the estate are many, as a privately managed estate is likely to be broken up or operated in the responsible individuals' self-interest rather than

1. Suman Layak, *How counterfeits compete with the great masters in India's fledgling art market*, The Economic Times, dated 30 November 2014, available at <http://economictimes.indiatimes.com/magazines/panache/how-counterfeits-compete-with-the-great-masters-in-indias-fledgling-art-market/articleshow/45318348.cms>.

2. *Id.*

3. *Id.*

4. Harriet Fitch Little, *How an Artist's Legacy Became Big Business*, The Financial Time, dated 26 August 2016, available at <https://www.ft.com/content/d77d5e74-69e5-11e6-ae5b-a7cc5dd5a28c>

5. *Id.*

6. Vandana Karla, *Two Coats Of Paint: Welcome to the dark world of art fakes*, The Indian Express, dated 6 July 2014, available at <http://indianexpress.com/article/lifestyle/two-coats-of-paint-welcome-to-the-dark-world-of-art-fakes/>.

7. See, Raza Catalogue Raisonné, available at <http://razacatalogueraisonne.com/overview/>.

8. *Id.*

in the long-term interest of the artist's legacy. It is not uncommon in South Asia for heirs to privately manage a late parent's estate, but there have been many accusations of mismanagement levelled at them, specifically for issuing certificates of authenticity in exchange for money even where the works are clearly forged, thereby harming the artist's market and his long-term legacy. The value of an independent advisory board appointed to supervise and oversee an estate's functions – composed of the artist's heirs; experts; professional advisors; close companions and friends of the artist; and galleries with a history of handling the artist's works – cannot be overstated.

Planning and managing an artist's estate requires careful thought, and a range of skills. The artist's vision for his own legacy must be the starting point. This is one of the main reasons why every artist should address their own legacy in their lifetime. Doing so will minimize the risk of disputes amongst the heirs after death, and the mismanagement of the estate by heirs without the required skills to make the artist's legacy a success in the longer term. Collectors will be reassured if they know that the artist has planned for the future, mindful that their investment now is more likely to generate returns later if the artist's legacy is carefully managed.

# INSURANCE

## Fine Art Insurance & Artist Estates

By Robert Korzinek, W/R/B Underwriting

Not all insurers are equal. Use your insurer or broker to offer advice. Challenge them if you want to find alternative ways of thinking about risk. And choose your insurer carefully. The cheapest or seemingly most flexible may not be those best suited to properly settle your claim and protect your interests.



## Valuation

The valuation of an estate upon the artist's death is often complex. There is the commercial consideration as to how those artworks which remain within the control of the estate should be valued for the purposes of probate, for the purchase of insurance to protect the value those assets represent for the beneficiaries of the estate and for engaging with the 'broader plan' which generally involves protecting and building upon the artist's lifetime legacy, the sale of remaining works and, yes, the development of their potential commercial value over time.

Fair market value, though a term often used by insurers, is in itself often a chimera, formed as best it can be by an amalgamation of the views of key market practitioners. In arriving at the appropriate insurance valuation for the artworks comprising the estate, the trustees or executors of the estate should be careful to consider not just projections as to long term potential sale value, but also the value of the whole in present market conditions and such discussions should be had in consultation with estate planning practitioners. Speculative 'market value' is a movable feast, but there is usually a 'right' answer for the individual estate that balances the competing aims of adequate insurance to protect the rights of the beneficiaries whilst being mindful of the commercial aspirations of tomorrow and the tax implications today.

Nor should insurance value remain fixed in time. As the estate, the artist's legacy, their sales performance and market conditions all change over time, the trustees should regularly re-visit the values used for insurance.

## Authentication

An estate or the gallery controlling the estate can often be the ultimate arbiter of authenticity. This can be a blessing and a curse. Many artists behave in very different ways in their studios towards unfinished or unsatisfactory works and towards the use of fellow artists, students or technicians in the production of their own works. Unsigned works purportedly given as gifts can very often emerge from attics and appear at auctioneers' valuation counters after the death of an artist.

Of course, a key responsibility of an estate is to protect and nurture the legacy of that artist. Works of dubious authenticity or attribution can do serious harm to that legacy. Caution must be exercised. When the market appreciates the legacy of an artist and this results in escalating values, so the temptation increases for litigation against authentication boards that do not deliver positive verdicts. Often such litigation is vexatious but nevertheless extremely costly. Some authentication boards, including those for the works of Jackson Pollock, Andy Warhol and Jean-Michel Basquiat, have closed under this pressure.

Whilst guidance should be sought from the estate's commercial, academic and legal advisors, many estates also choose to protect themselves with professional indemnity insurance that can protect them both for legal fees and damages following an accusation of negligent behaviour.

## Condition

Many artists in their lifetime rarely think about the durability of the materials that go into their artworks, and this can be especially true as the range of synthetic materials available to artists multiplies and artists' thirst for new materials and combinations of materials to project their ideas increases.

In their lifetime, problems occur. An informal feedback loop is often created, often quite by accident, whereby as the condition of a work adjusts and mutates to the passage of time and the conditions of its collector's home and climate, so a conversation exists between collector, gallerist, artist, conservator, framer for the resolution of material changes to an artist's output.

If an artwork should be damaged, what then? For the estate charged with the brand management of an artist's legacy (both material and reputational) there can be competing considerations.

One rationale would be to say, well, the artist is no longer around to judge their intent. How can we know if he or she, still being with us, would want this or that damage to be restored and displayed or sold once again under their name? In this post VARA enactment age of artists' moral rights being enshrined not just in gallery and collector ethics, but in law, that may be the simplest solution. Of course, constricting supply may also feed into the commercial aims of the estate.

That said, it can cause more than just market jitters if an artist's work becomes too closely associated with a legalistic gatekeeper. Artworks, like all physical objects (or at least those I can think of) are mutable to some degree and whether or not an insurance policy has had a part in that change should not necessarily be relevant. After all, how many old masters would be left if our forebears had rooted out for destruction (whether physical, or the sometimes equally painful and costly destruction of deattribution) any work that had been touched up, re-lined, varnished, mounted and any number of variations to their physical form and appearance over the years. It is no secret that Damien Hirst is pragmatically open to replacing the odd shark: doing so surely protects his original intent, his artistic legacy and, as a bonus, confidence in his 'market'.

As an insurer, I firmly believe artists estates should be ready and willing to engage with these discussions with collectors, conservators and, yes, insurers in order to achieve that good decisions are made (for there are rarely any that could be so straightforward as to be the 'right' decision). Yes, it may sometimes reduce the cost of a claim, and sometimes it may increase it, but it certainly stands a far better chance of weeding out crude manipulations that do nothing for the aesthetic intent of a work and help to maintain confidence in an artist's market by limiting the shades of doubt around condition based attribution.

# VALUATION

## The Importance of Independent Advice

Surath Singh, Gurr Johns India

Professional art advisory has seen significant global growth in recent years as more and more people enter the art market. The rate of growth has differed greatly depending on region and the maturity of a country's art market. Whereas in Europe and the US art advisory is a long-established profession (Gurr Johns celebrated their centenary in 2014), there has recently been a fresh demand from countries where the art market is in its younger years.



The collecting tradition has existed for centuries in the West but it is a much more modern phenomenon in India. The Industrial Revolution and the rise of the wealthy middle class prompted an explosion of demand in the West in the late 18th and 19th century, as more people than ever assembled art collections and fueled the growth of the art market. As markets grew and tastes evolved, independent art advisory became an established industry. The need for independent advice has been accelerated in the past decade as globalisation has seen the art market step up to a new level with annual global turnover more than doubling to approximately \$60 billion.

Prior to independence, art patronage in India was largely confined to the Royal courts with only a small contribution from families with business interests. Immediately following independence India adopted a Socialist type model that didn't create enough wealth to kick-start art patronage and collecting on a major scale. It is only after India opened up its economy in the early 1990s and engaged fully with global trade that a multitude of new business opportunities arose, leading to significant wealth creation. As a result, India is a new kid on the block when it comes to the art market. The country has significant wealth coupled with a great demand, an exceptionally long and illustrious cultural heritage and a long-held appreciation for art and antiques, but the art market is relatively young. This leaves a vacuum for independent, expert guidance in an otherwise opaque market.

Globalisation has created both wealth in India and the ability to access a multitude of art platforms; art galleries, museums, art fairs, art dealers and online initiatives have become available very quickly on both a domestic and an international scale. The options are plentiful for today's collector – there is probably more access today to more art than ever before.

However so much choice and information from so many sources creates a dilemma. How does one make the right decision when acquiring art for one's collection? How does one source the best example, at the best price? How can one be sure that the provenance and history of the artwork are impeccable? If considering a bid at auction, how does one navigate the process to gain the best possible value from an acquisition? Similarly when planning to sell an artwork, when is the best time to sell? Is it best to sell through auction or with a private deal? Which auction house will be able to achieve the greatest return? And will a sale in India, London, New York or Hong Kong find the right audience for the work in question?

These are some of the complex questions which drive the demand for unbiased advice to ensure the best choice and the greatest return; advice that is truly independent, and offers support and guidance in an opaque market. With the growth of the art market over the last decades, the values of artworks have increased, sometimes by multiples, meaning many transactional decisions can now have serious financial consequences. Independent Art Advisors assist collectors by sifting through the gigabytes of information about the art market, combining years and expertise, and ensuring that they can make informed decisions that best serve the interests of their clients.

So what kind of services do advisory firms provide that in turn can make them so indispensable for art collectors the world over?

**Independent Art Advisor (IAA)** - An IAA acts as a Collector's Fiduciary and provides the advice that serves a client's best interests. An IAA is often understood in the same breath as a private art dealer. However, an IAA is independent, and tends to offer a range of broad service areas. An IAA provides advice that is completely independent of auction houses, art galleries or private art dealers.

An IAA relationship with an art collector relies on four important pillars:

- Trust
- Protection
- Expertise
- Discretion

While we often hear stories of people making great returns on works of art, we rarely hear of the many people who lose out. It is often the case that what separates them is the right advice; timely and professional advice may have helped them make a great return, or protected them from financial loss.

It's imperative for an IAA to protect their client from any kind of transactional loss that may arise due to bad provenance or due to a conflict of interest in an art work. The art market is opaque and information can be fragmented; it's the role of the IAA to source the most relevant details about an artwork, support their advice with proper research, and execute a final decision with all probable rationale.

In the matured markets of the West, some IAAs have been established for many years thus providing long term continuity. Since art collecting is a long term activity, often transcending generations, art collectors are increasingly looking for the firms which are backed by a long heritage and which have an impeccable record and knowledge base with which to serve the interests of their clients.

Over the years the role of some IAAs has extended beyond advisory, and into a more exhaustive Art Management Service. This evolution has brought a tremendous amount of convenience and comfort to collectors. Instead of dealing with multiple agencies or individuals, they can now have the comfort of dealing with just one company for all their art related requirements; from valuations and appraisals to transport and restoration.

Some of these extended services include:

1. **Valuation & Appraisal:** The values of art and antiques can change very quickly, and it is important for a collector to know the value of their possessions. This is most important for the purposes of insurance, family division, calculating capital taxes and determining fair market value.
2. **Research, Cataloguing and Insight:** Research and knowledge are the most important strengths of any IAA firm. This can include short and long term market trends, in-depth research on particular artists, and intelligence on the potential demand and supply of desirable works of art.
3. **Privacy:** Art collectors often have a strong desire for discretion and privacy. A reputable IAA can help maintain their privacy by acting on their behalf when bidding at auction or acquiring a work of art, and when consigning works of art for sale.

4. **Collection Management:** Often an art collector might have multiple residences. This has created a need for specialised management of their collection, including secure shipping and transportation, restoration, reframing and loan management. Only a multinational Art Advisory firm can usually provide these services. From the valuation and appraisal of collectibles at multiple locations to taking care of timely insurance and also regular stock taking of the collection, IAAs can be a one-stop shop for the management of an art collection.

In summary, an IAA provides an art collector with knowledge, guidance and independent advice in order to manage their art collection and deliver for them the greatest possible value.

Established in London in 1914, Gurr Johns is now the leading independent advisory firm specialising in the acquisition, sale and valuation of fine and decorative art and jewellery. With an international team of experts, a focus on discretion, and offices in London, New York, Miami, Chicago and West Hollywood, we assist private and institutional clients in navigating the global art market to achieve best value.

After more than a century of advising art collectors around the world, we are pleased to be extending our services to discerning collectors in India.

# REPORTING

## Reporting Frameworks for Art Works

By Toby Crooks, Craig Davies & Mark Shaw, Rawlinson & Hunter

Picture the scene....a passionate collector has spent a lifetime painstakingly acquiring an unparalleled collection of Indian art works. He takes pride in showing the works to his family and friends. Everybody marvels at his recollection of where and when he bought the works and how much comparable pieces have sold for at auction. He speaks authoritatively of the provenance of the works and as in business life appears to be totally in command of the subject matter, expertly marshalling the facts and delighting in his passion

And then.....he dies

The family, although bereft, draw some solace from an expectation that the administration of the estate will be straightforward, and whilst there is appreciation that the legal and tax formalities will need to be attended to and that this takes time, all the heirs look forward to receiving their allotted shares without undue delay.

And so it is in relation to the financial assets and properties where the deceased in his usual orderly fashion was assiduous in his record keeping, making it an easy task for those charged with the administration of his estate to verify existence of the assets and for the appropriate taxes to be paid and declared.

Moreover, the heirs are content with the way in which the financial assets and properties are dealt with. As part of his estate planning the deceased had taken care to explain to his heirs which assets they were likely to receive in the event of his death. Consequently, when the division of assets occurs everybody receives what they were expecting and no friction between family members results.

By contrast, there has been no strategic estate planning in respect to the art works and appropriate records were not maintained.

Unfortunately this is an all too common scenario, stemming from a failure to recognise that in an estate context art works are just another asset class forming part of the estate, which ultimately has to be reported on to the appropriate authorities and the beneficiaries.

In this case the failure to maintain appropriate records during the lifetime of the deceased resulted in the following difficulties, all of which could have been avoided had an appropriate reporting framework been implemented:

- The full extent of the collection was unclear as no consolidated catalogue of the collection had been maintained, it was all in the deceased's head, but nowhere on paper!
- The administrators were able to identify some of the art works by contacting the insurers, but there were multiple policies and not all of the art works were insured.



- The art works were spread over a number of properties and to the extent that that works could be identified from the insurance records they had moved locations, potentially invalidating the cover.
- The administrators were left with no option but to incur significant expense instructing appropriately qualified experts to catalogue the collection and to arrange valuations in order to comply with the legal and tax formalities arising from the administration of the estate.
- Unfortunately, no records of valuers and art advisers previously consulted had been maintained, so instructing experts who were familiar with the collection and its provenance was not an option, making the exercise significantly more time consuming and costly than would otherwise have been the case.
- Following the valuation it transpired, to the surprise of the heirs, that the art works made up a significant proportion of the total value of the estate and by contrast with the financial assets where the deceased had an open dialogue with his family about who would receive what in the event of his death, he had not discussed how his collection would be dealt with.

In the event the wishes of the deceased stipulated that particular pieces were to pass to specific family members. However, in the absence of an appropriate reporting framework in his lifetime these decisions were made without any regard to the financial value of the pieces or whether there should be an 'evening-up'.

Consequently, heirs who had anticipated they would benefit most from the estate were disappointed and minor family members who were left valuable art works benefitted disproportionately.

Whether this was the deceased's intention was disputed and the administration of the estate became contentious, the resulting litigation delaying the distribution of the estate by years. Family relationships soured and did not recover.

This case study serves to demonstrate how a lack of focus on implementing an appropriate reporting framework for art work during the collector's lifetime can jeopardise administration of the estate and sadly, sometimes, family relations as well.

With an effective framework recording a collection can be effortless rather than a burden. The records should be a reflection of the collection itself, flexible to capture the individuality of each work, yet recognise that each has a lifecycle and the commonalities therein.

In our experience working with private clients, efficient administration, clear records, and informed decisions go hand in hand. Regardless of the asset classes involved, by first considering the data capture process, valuation method and information ultimately needed by each user, a successful framework can be designed. Whether financial instruments or real estate, by recording each asset's purchase cost, income generated, ongoing expenses, current market value and so on, a picture can be built of each asset, and then consolidated to give a view of their entire net worth.

Information at the centre of an effective art reporting framework would typically include:

- Artist & work title
- Purchase date
- Guide price/estimate
- Saleroom
- Purchase price
- Insurance values
- Restoration expenditure by date (with archive of invoices)
- Restoration quotes
- Location
- Estimated market value by date
- Narrative on history and provenance of the work
- Estate instructions

Whilst only one asset class within an estate, the emotional investment attached to an art collection can be a barrier to impartiality and contribute to clouded thoughts in the mind of the collectors. Autonomy and independence of record keeping creates a tool to help the collector remain objective and also ensure that those working with the collector on their wider affairs (lawyers, accountants, investment advisors, succession planners, etc) have a ready source of objective, complete data on the art collection.

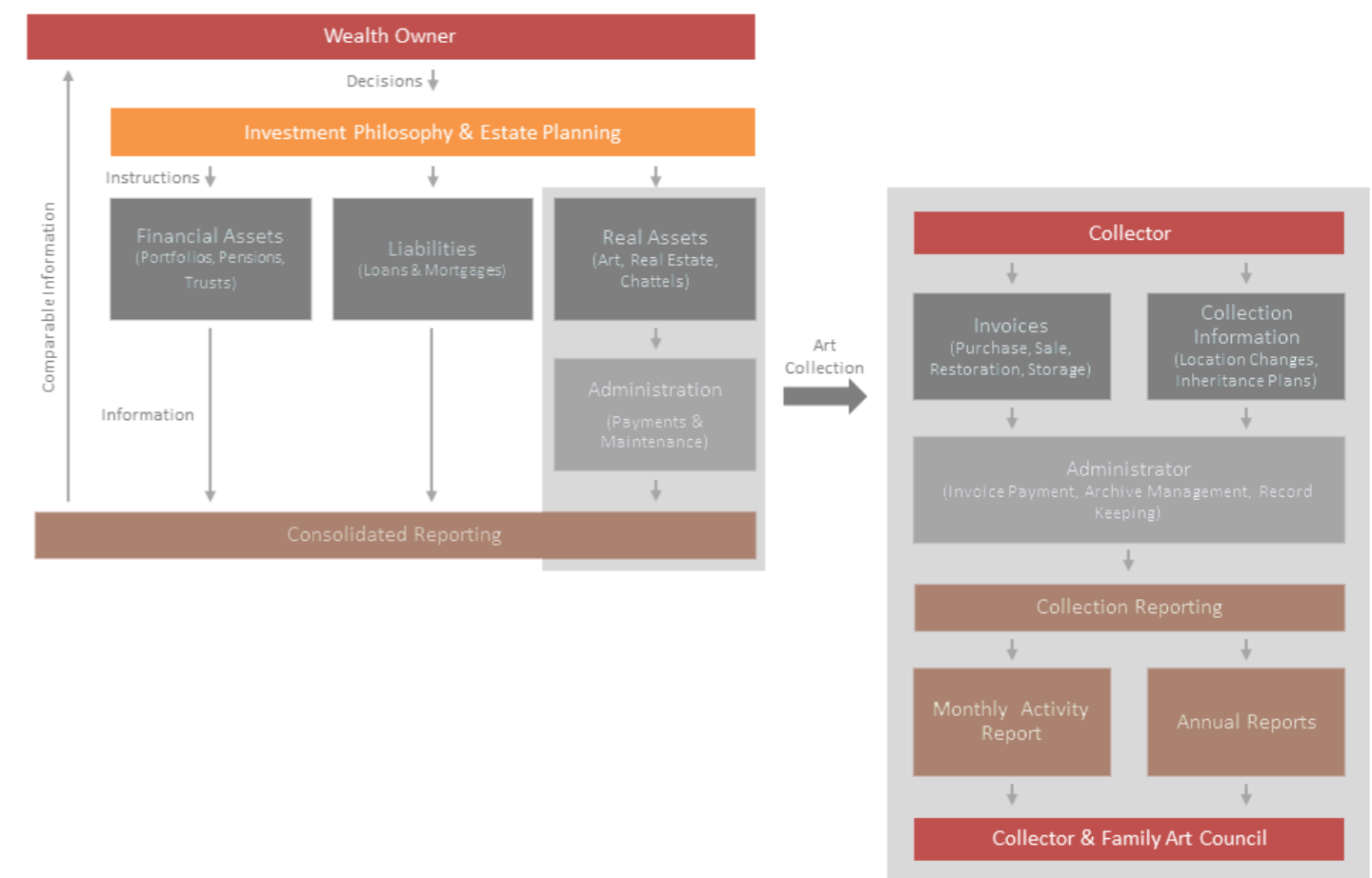
The discipline and diligence with which this exercise is approached will affect the usefulness or otherwise of the framework. Applying the same standards across the collection will hopefully create an impartial and complete overview but regular and independent valuations are core to this endeavour. By valuing an entire collection at the same time, the market value of each work will be comparable and not affected by demand factors in the economy. A reasonable view should be taken on the frequency of valuations, and the valuation source should be agreed, whether the insurance valuation, auction house guide price, or a third party advisor estimate. The breadth of the collection in terms of number of works, era and media collected, etc. will affect which source is most appropriate. Valuation guidelines can be documented centrally in a governance policy associated with the collection.

Whether the records are designed and maintained by the collector or delegated to an advisor, accountant, or family office staff member, controls should be put in place to ensure their accuracy. For example, if maintained by the family office, these controls might include regular report distribution to the accountant for reconciliation of expenditure, and to the insurance provider to ensure policy compliance. Furthermore, during the reporting framework design, it is wise to consult with the collector's legal and tax advisors to ensure the records are suitably complete and reasonably future proof, in order to avoid unnecessary cost in the event of a change to family circumstance, such as divorce or death.

Clearly defined roles and responsibilities from the outset are vital to the success of this administration. For example the family office record keeper or independent administrator might ensure records are updated by a quarterly deadline and distribute a report to the collector for their sign off each quarter. A family art council, comprised of the individuals and advisors closest to the collection, could then meet annually to ensure affairs are in order and up to date.

In ultimately achieving comparable information for all works in the collection, the collector can be empowered to make truly informed decisions and plan effectively for the future.

The diagram below demonstrates how the framework described in this article can form part of a wider consolidated reporting system. Rawlinson & Hunter has operated a sophisticated wealth reporting platform for over ten years, focused on providing transparent, independent and accurate information across all asset classes. In our experience, delivering reports on a timely basis is the final key to success, making analysis not only reasonable but relevant. On that note, there has never been a better time to bring your affairs into order than the present.



# PARTNERS

## CONSTANTINE CANNON

Pierre Valentin  
Partner  
  
pvalentin@constantinecannon.co.uk  
+44 (0)20 3668 5600

Azmina Jasani  
Senior Associate

ajasani@constantinecannon.co.uk  
+44(0)20 3668 5620

Constantine Cannon LLP  
1 Paternoster Square  
London EC4M 7DX  
United Kingdom

www.constantinecannon.co.uk

Constantine Cannon LLP in London is a specialist legal practice. We are affiliated with Constantine Cannon in the United States, the leading antitrust and commercial litigation law firm with offices in New York, Washington, D.C. and San Francisco. We formed our Art and Cultural Property Law Group to make a total commitment to the art world. We pride ourselves in our knowledge of the art market, our legal expertise, our effectiveness and our entrepreneurial spirit, which we share with many of our clients. We assist our clients with all their legal issues relating to fine art and other collecting categories. We understand the business of creating, buying, selling, financing and looking after works of art and operate internationally.

## GURR JOHNS

Surath Singh  
Business Head - India  
  
ssingh@gurrjohns.com  
+91 9711045555

Gurr Johns India Pvt Ltd  
ATC Tower, "A" Wing,  
2nd Floor, Plot # 14A,  
Sector- 18, Phase IV,  
Gurgaon - 122015  
India

www.gurrjohns.com

Established in 1914, Gurr Johns is the leading independent advisory firm working with private and institutional clients on the acquisition, sale, maintenance and valuation of fine and decorative art, collectables and jewellery. Our team of specialists, who are leaders in their respective fields, have considerable experience in all areas of the market and at every financial level.

Our international team of brokers exercise all the necessary due diligence and advise on quality, condition, rarity and value when advising on purchases to ensure that fair prices are paid and quality objects are sourced. For clients wishing to sell items we have a large network of private buyers and institutions together with a first rate understanding of the market that enables us to place objects in order to maximise the best possible result.

Gurr Johns has also been conducting specialist valuations for over a century, covering all categories of fine and decorative art and jewellery as well as general contents. Our experienced valuers produce detailed inventories with photographs of each item, detailed descriptions, and values.

Gurr Johns has offices in London, New York, Los Angeles, Palm Beach, Chicago and India.

## RAWLINSON & HUNTER

Toby Crooks  
Partner

toby.crooks@rawlinson-hunter.com  
+44 (0) 20 7842 2000

Rawlinson & Hunter  
Eighth Floor  
6 New Street Square  
New Fetter Lane  
London EC4A 3AQ  
United Kingdom

www.rawlinson-hunter.com

Rawlinson & Hunter are an international grouping of professional firms that provides advice to high net worth individuals, families and their businesses. We offer a holistic range of tax, accounting, administrative and advisory services designed to cover every private client issue.

Our Wealth Reporting Service provides families and their advisers with independent, consolidated and comprehensive asset reporting and related multi-jurisdictional tax advice. We have developed our own systems and procedures for monitoring the composition and performance of a family's investments and other assets enabling us to present the family or its advisers with comprehensive, timely, real-time reporting consolidating the family's entire asset base. We regularly provide detailed tax and accounting services to individuals and trusts holding art collections, advising on the transactions they undertake and tax issues they face with the sale, purchase or movement of artwork.

Our international network of offices probably has a greater concentration of international private client expertise than any other firm and our reputation has brought us family and corporate clients in every continent, almost entirely by personal recommendation.

## W/R/B UNDERWRITING

Robert Korzinek  
Head of Asset Protection

RKorzinek@wrbunderwriting.com  
+44 (0)20 7088 1900

W/R/B Underwriting  
2nd Floor, 40 Lime Street  
London EC3M 7AW  
United Kingdom

www.wrbunderwriting.com

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COMMUNICATION PARTNER: FLINT PR

Wol Balston  
Director  
  
wol.balston@flint-pr.com  
+91 96 43516347

Flint PR  
Jungi House, 5-l/B, 4th Floor  
Shahpur Jat, August Kranti Marg  
New Delhi 110049  
India

www.flint-pr.com

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ArtTactic

Anders Petterson  
Founder and Managing Director

anders@arttactic.com  
+44 (0) 1234 567 890

ArtTactic Ltd  
1st Floor  
6-8 Bonhill Street  
London EC2A 4BX  
United Kingdom

www.arttactic.com

ArtTactic is a progressive art market analysis firm that offers dynamic and bespoke market intelligence, research and analytics on the fast-paced and ever-changing global art market. The company is a global market leader in producing research and intelligence reports and covers a wide range of global art markets and art industries.

ArtTactic, which was founded in 2001 by Anders Petterson, is the first art market research company to use crowd-sourcing as one of its main tools for collecting qualitative and quantitative data on the art market. From the outset, the goal was to build a global art market intelligence network of thousands of knowledgeable, experienced and talented individuals.

Since 2010 ArtTactic has worked with Deloitte to develop the Art & Finance industry, now a global Deloitte initiative. ArtTactic has been co-authoring the annual [Art & Finance Report](#), with the 4th edition published in April 2016.

ArtTactic is also the research partner and author of the [Hiscox Online Art Trade Report](#), also in its 4th edition. As a result of the work in the art & technology space, ArtTactic has also provided research and market intelligence to both art tech start-ups and investors in this market.

ArtTactic has also worked on a number of private commissioned research projects linked to regional art markets in the Middle East and Asia.

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