



## New-age entrepreneur 'We want to build an IPO-able company: A K Madhavan

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In an era where young entrepreneurs attract venture capitalists purely with an idea, 56-year-old A K Madhavan thought it the other way. He put his life savings two years ago in what he envisioned to become a leading CGI (computer graphics imaging) animated film production house in India. Incidentally, his aspiration syncs with the government's 'Make in India' campaign. Madhavan's Assemblage Entertainment has produced two international animation movies-- Blinky Bill and Norm of the North. The second movie released last week in India after first being released in North America in mid-January this year. The movie is slated to be released across 80 countries in the coming weeks. In conversation with OP Thomas, Madhavan discusses his journey so far and the road ahead.

**Tell us about your venture, why animation after all?**

Animation is the most successful genre of 'filmed' entertainment. In addition to multiple revenue streams including box-office, merchandising, TV, satellite and DVD options, successful animation properties also hold a large library value which can be converted into multiple sequels. After spending 15 years in the industry and sourcing the first ever CGI show from the US markets to India, there's still lots to be done. The animation landscape in India has evolved over the last 15 years and we've moved from being pure service providers to becoming co-producers. We are also entitled to royalty share of the box-office and merchandise revenues. India has always had an edge in terms of technology services and there is a significant growth in skilled creative manpower. Our studio of about 280 artistes, houses some of the best talent in the country.

## **About Assemblage...**

Ours is an entrepreneurial venture co-founded by me along with Upen Desai (43). It's a full cycle CGI animation studio with a team of less than 20 artistes in Mumbai suburbs. Today, Assemblage has established itself as among the leading independent players in animation. We have a number of exciting projects from global producers in the pipeline. Animation industry is an intensely competitive business and has a high entry barrier. We focus on the higher end of the value chain and have proven our ability on quality, time and budget.

## **About your latest movie...**

'Norm of the North' is a full length CGI animated movie distributed by Lionsgate Entertainment in North America. The movie had a wide release across 2,411 screens in January. It also has been released in various European, Middle Eastern and Asian countries and grossed close to US\$ 25 million in box-office sales. We are now looking forward to the release across UK, France, Germany, China and Russia. The movie released in India last Friday has an environmentally-responsible message on the Arctic.

## **On the business milestones**

This is a capital-intensive business, however, we have tactfully funded the operations purely through cash flows and have remained profitable. We plan to expand our business as labour and talent are competitively priced in. India, hence, is at an advantage when it comes to global production costs. Our growth performance has already evoked interest from various international equity and debt investors. We are close to raising capital in the coming months. We want to build an IPO-able company down the line. In its first year in March 2015, Assemblage closed its books with a modest Rs 8 crore topline and this fiscal the target is 200% growth. We aim to double our revenues in the financial year ahead.

## **About future projects**

We are already working on our next feature film and have new projects in the pipeline. Our goal is to further strengthen our production pipeline and continue to run a profitable business for all our stakeholders. We're also currently engaging in verticals outside of entertainment and trying to create CGI tools for the education and skills development sectors.