

INVESTMENT VENTURE

Indiabulls to launch private equity fund

Ambar Maheshwari to head alternative investment fund, which will kick off with a ₹500 crore realty fund

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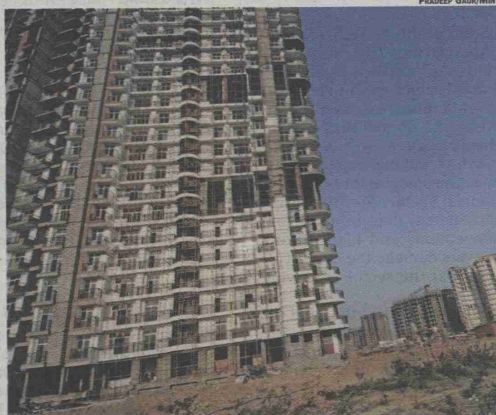
Indiabulls Group is ready to launch a private equity (PE) fund through the alternative investment fund (AIF) route and will kick off the venture with a real estate fund, said people familiar with the development.

The high-risk, high-return AIFs invest in a wide range of sectors, including real estate, infrastructure and credit derivatives, among others. They are not allowed to accept investments below ₹1 crore, making them wealthy investors' clubs.

Indiabulls has hired Ambar Maheshwari as chief executive of the AIF-PE business. Maheshwari, who was managing director, corporate finance, at property advisory Jones Lang LaSalle India (JLL), will join next week.

Indiabulls Asset Management Co. Ltd., a subsidiary of **Indiabulls Housing Finance Ltd (IBHFL)**, will manage the AIF business.

The AIF will kick off with a ₹500 crore fund, to be raised



Property portfolio: The fund will invest primarily in residential projects through debt-type instruments.

mainly from wealthy domestic individuals.

The fund will have the option of raising an additional ₹500 crore, and will invest primarily in residential projects through debt-type instruments.

The company has applied for an AIF licence to market regulator Securities and Exchange Board of India (Sebi) and is waiting for approval, said Akshay Gupta, group executive head and chief executive of Indiabulls Asset Management Co.

Once the regulatory approv-

al comes in, the company will send the product (or fund) for Sebi's approval and begin roadshows for fund-raising.

"Besides being a natural progression for the company, we have enough knowledge and the skills set to do this and ensure reasonable returns for investors," said Gagan Banga, vice-chairman and managing director of Indiabulls Housing Finance. "The housing finance company is one of the largest and most profitable and the brand name itself should be able to raise capital."

However, with the proce-

dures involved, it will take some time before the business is fully rolled out, he added.

Maheshwari declined to comment.

Indiabulls' new venture comes after a major management restructuring earlier this year.

In July, the group said its promoters "mutually agreed" to restructure the business units of the group by segregating responsibilities of the top management to give each business focused attention.

Chairman and co-founder Sameer Gehlaut continues to control the housing finance, real estate, securities and wholesale trading business segments, headed by its flagship companies, namely IBHFL, **Indiabulls Real Estate Ltd (IBREL)**, **Indiabulls Securities Ltd** and **Indiabulls Wholesale Services Ltd**.

Rajiv Rattan and Saurabh Mittal, directors of these companies, relinquished their control and resigned from the posts held in IBHFL and IBREL.

In June, Indiabulls Real Estate, which is a prominent property developer, ventured into the London real estate market, buying an upmarket building in the city's Mayfair area next to Hyde Park for ₹1,550 crore. The company said it wants to build a portfolio of projects in London.

"Apart from housing finance, real estate is the group's forte and its understanding of the sector is deep. However, real estate private equity is a different ball game and they have to start from scratch; so one has to wait and see how it shapes up," said a property consultant, who didn't want to be named.

Maheshwari has worked with JLL for over three years and was with **DTZ International Property Advisors Pvt. Ltd** as head of investment advisory prior to that.

At Indiabulls, Maheshwari will lead a team of people who are currently being hired. "The calibre of the team that is being put together under Ambar is very good and the timing to start this new business could not be more right," said Gupta.

The worst possible cycle in the real estate sector is over and there are signs of recovery, he said.

"Real estate funds are looking at specific or niche segments today, such as apartment funds, etc., to raise capital for and to deploy in. Both fund-raising and deployment are quite active," said Ravi Ahuja, executive director at property advisory Cushman and Wakefield India.

The sweet spot today is to raise up to a ₹500 crore corpus, beyond which it may get a little tough, cautioned Ahuja.