



ArthVeda Fund Management to exit four portfolios this year, close fund in 2015, exec says



Story

ArthVeda Fund Management (AVFM), a Mumbai, India-based real estate-focused fund management and private equity firm, is working on exiting four of its portfolio investments this financial year, Head of International Fund Raising Subroto Chakraborty said.

The exits will be from the ArthVeda Dream Fund, which has six unrealized investments. AVFM, which is part of the listed **Dewan Housing Finance Limited** (DHFL), launched the fund in 2008 and it will close in 2015, he said.

Among the larger holdings that the fund still has are residential projects Secunderabad-based **GK's Pride**, Bangalore-based **Malhar** and **Skylark Realty** and Pune-based **Wagholi East Ridge**. The total investments are about INR 700m (USD 11m), out of a total fund size of INR 2bn (USD 32m). Other investments include Chennai-based **Marutham** and Mumbai-based **Golden Beach Hotels**.

The fund, which had made 13 investments, has made seven exits since 2012 at an internal rate of return of between 20% and 45%, he said. Some large portfolio exits were in Hyderabad-based commercial real estate project **JST Silicon Towers** and Cochin-based residential project **Blue Star**.

The company has a legal relationship with Nishit Desai Associates. The exits so far have been primarily driven by promoter buy-backs, though the fund would consider secondary sales as well, Chakraborty said.

AVFM is in the process of raising its second real estate fund, the STAR Fund that is looking to close at INR 2bn with a green shoe option of an additional INR 1bn, which is a total of INR 3bn (USD 48m). STAR has a mandate to invest a majority of its funds in middle income residential projects in Tier II and Tier III cities, much like the Dream Fund.

by Ruth Saldanha