

Dewan Housing Likely to Acquire Milestone Capital

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MUMBAI

The Kapil Wadhawan - promoted Dewan Housing Finance may acquire Milestone Capital after emerging as the lone bidder for the private equity firm with a price of over . 185 crore, three persons directly involved in the transaction told ET.

Dewan is now conducting due-diligence and is likely to seal the transaction by the end of May, said one person. Bidders like Ashmore had dropped out of the race for Milestone — whose founder Ved Prakash Arya died in a freak accident last year — after finding the price too high. The family of the late founder Arya was hoping to realise over . 250 crore through the sale. Expectations have now been scaled down as most bidders have left the race.

Dewan Housing's interest stems from the fact that Milestone has a significant exposure to real estate investments and its private equity firm Arthveda Fund Management had recently launched a real estate fund of . 200 crore. A spokesperson for Dewan Housing Finance said: "As a company policy we do not comment on such matters." In February, the company had said that it has moved out of the race for Milestone. Milestone, set up six years ago, invests in companies and in real estate projects. It has a joint venture with IL & FS for a couple of real estate funds. Milestone also has a joint venture with Religare Enterprises that focuses on education and healthcare space.

IL & FS and Religare are likely to take a final decision on further investments only after receiving official intimation from Milestone on the change of ownership, said an official close to these funds. Standard Chartered Bank is advising Milestone on the deal. Last year, when the fund was planning an initial public offer it was looking at a valuation of . 500 crore. The issue was pulled after it failed to secure approvals from market regulator Securities and Exchange Board of India.