

Dewan Housing Finance unit plans Rs 1,000-cr infra fund

Arthveda Fund Management, the venture capital arm of Dewan Housing Finance Corporation, plans to float an infrastructure fund with an initial corpus of Rs 1,000 crore by 2013-14.

"We are planning to float an infrastructure fund, with a possible corpus of Rs 1,000 crore in 2013-14. At present, this is in a conceptual stage," Arthveda chief executive Bikram Sen said on the sidelines of launching the company's second realty fund Arthveda Star Fund here.

The VC arm of DHFL is planning to raise around Rs 200 crore for this second real estate fund, which will invest in mid-income housing projects.

"We have commitment of around Rs 88 crore for this second fund from high networth individuals (HNIs) and will talk to institutions like LIC and GIC soon for rest of the capital," Sen said, adding the fund is expected to be closed by January end.

The new fund, which will invest in small towns, will have a ticket size of Rs 5-20 crore, he added.

Arthveda floated its first fund Dream Fund-1 in 2006-07 and raised Rs 101 crore. The fund had made six exits with internal rate of return (IRR) ranging from 20-45 per cent and still around Rs 93 crore invested in seven projects.

Present investment of the fund house has a projected value of Rs 175 crore as per the company.

Referring to exit from these investments, Sen said the fund house would not exit at this point of time due to valuation issues in the wake up market volatility.

The company is also likely to float funds in real estate, private equity space, debt and trading markets, among others, in future barring the present two funds, Sen said without divulging further details.