

Indiareit Fund picks up 75% in project with Amsri group

Will put in over Rs 70 cr in the realty project

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Real estate-focused venture capital fund Indiareit Fund Advisors has picked up 75 per cent stake in a Special Purpose Vehicle called 'AMSRI Grand' together with Hyderabad-based Amsri Group to develop a mixed-use realty project at Bachpally, about nine kilometre from the existing airport.

"We have signed the deal recently. We will have the majority 75 per cent stake in the SPV, while the remaining will be with the Amsri Group," the Ajay Piramalspearheaded Indiareit Fund Advisors' Managing Director and CEO, Mr Ramesh Jogani, told PTI here.

Indiareit will put in over Rs 70 crore in the project which will be built on an area of 9.5 acres.

"Almost 80 per cent of the built-up area will be used for residential purposes, while the rest will cater to commercial purposes," Mr Jogani

said, adding that the total built-up area of the project would be around 1.5 million square feet.

VALUATION

During the last 10 years of operation, the Amsri group has developed projects spread over several lakh square feet and has over 2.2 million square feet under various stages of development. "We expect the valuation of the project to be anywhere between Rs 600 crore and Rs 630 crore at the prevailing residential rates of the region," Mr Jogani said.

Large ticket transactions, presence of leading national developers like DLF and Raheja's, and international developers like LJM, Malaysia and Indu Projects have made the area a veritable future destination, he said.

Mr Jogani said Indiareit would stay put in the project for three to four years and hope to bag a return of Rs 150

crore. "We will invest in the project both from our domestic and international funds," Mr Jogani said.

RAISING FUNDS

Indiareit, in which 3i is a major investor, manages Rs 1,900 crore funds and has effectively deployed 65 per cent of the total corpus, as on date. The company is in the process of raising another \$750 million offshore fund in January next year. With this additional corpus, Indiareit would be a leading player in the country's venture fund space and it would be the only fund to come up with a fourth fund within two years of operation.

AMSRI'S PLANS

Our Hyderabad Bureau reports

The Amsri group Chairman, Mr Patnam Amruth Goud, told *Business Line* that the SPV plans to develop 18 lakh sft of mixed use with a mall and multiplex as well.

The Group started by Amruth Goud and U Srinivas in 1993, plans to start the project within five months and complete it in 30 months. AMSRI Group is among the first realty companies in the State to get FDI of over Rs 200 crore from a New York based family-held entity a couple of years ago. It is in the process of developing an IT park and a 5-star hotel in the HiTech city.

Giving a glimpse of the group's growth plans, Mr Amruth Goud said two major residential projects — in Whitefield area of Bangalore (7 lakh sft), Narsingi on the outskirts of Hyderabad (20 lakh sft) and in Gachibowli (11 lakh sft), with mixed use were under development.

The Group, with a target reaching Rs 5,000 crore in the next three years, is bringing in the Japanese concept of landscaping and forest restaurants along with a range of features in its projects, he added.