

# Carlyle-backed VBHC to raise fresh funds

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Jerry Rao's budget housing developer VBHC is looking to raise ₹2.50 billion from investors, including private equity funds, to fund its new projects in Greater Mumbai, Bengaluru and Pune.

"We are in the process of mobilising structured debt and equity for our new projects. We have a couple of proposals from investors and are negotiating the terms," said VBHC CEO Ram Walase.

VBHC is looking to launch four projects of 500,000 square feet each in Mumbai Metropolitan Region (MMR), Bengaluru and Pune. In Bengaluru, the new projects would be in Whitefield and Kengeri, in MMR it would be at God-bunder Road (Thane) and Panvel.

However, he declined to name the investors with whom they are in talks. Carlyle, IFC, Daiwa House of Japan,

## TOP REALTY DEALS THIS YEAR

List of top PE deals in Indian real estate from January 2018 till date

Target	Buyers	Deal Value (\$mn)
Equinox Business Parks	Brookfield Asset Mgmt Inc	<b>376.96</b>
Shriram Properties	ASK Property Investment	<b>155.44</b>
Godrej Properties	GIC	<b>149.7</b>
Aurum Platz, Co-Developer Entities	Ascendas India Trust	<b>137.81</b>
Forum Projects, Esplanade Mall	Blackstone Real Estate Partners	<b>39.37</b>
NV Developers	Godrej Investment Advisers	<b>32.98</b>



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**RAM WALASE**  
CEO, VBHC

Caspian, Tano Capital have invested in the company earlier.

"Response has been good for our projects in Mumbai and Bengaluru, and

these markets have depth. Therefore we would continue to focus on these cities. In near future, we would also like to explore Hyderabad," he said.

Unlike its earlier projects which were in peri-urban areas, VBHC's new projects would be closer to the cities but the product mix would continue to be affordable and eligible for PMAY benefits. The company would explore an IPO in FY 2020 when it will have sizeable portfolio of projects. "Today we have seven projects and with the new launches we will have 12," he said.

While infrastructure development and financing group IL&FS is reportedly in talks with VBHC to develop affordable housing projects across various states, Walase declined to comment on the issue.

Affordable housing has become hot favourite with private equity funds. In December last year, HDFC Capital raised \$1 billion to create a real estate fund that would invest in affordable and mid-income housing projects in the top 15 cities of the country. HDFC Capital has formed joint ventures with Mahindra Lifespaces and Prestige group to develop

affordable housing in the country.

According to estimates, the current shortfall of homes in the affordable and lower-to-mid income categories is around 18 million, so the demand is huge — especially in larger cities. The Union Government came up with several measures to boost affordable housing.

In addition to granting infrastructure status to affordable housing, the government has expanded the Pradhan Mantri Awas Yojana (PMAY) benefits to push its vision of 'Housing for All by 2022.'

The government's decision to offer credit-linked subsidy scheme (CLSS) under the PMAY (Urban) is also helping middle class buyers, experts said.

Recently, the Reserve Bank of India revised the family income limits for economically weaker sections (EWS) and low Income groups (LIG) availing housing loans from ₹200,000 per annum to ₹300,000 per annum and ₹600,000 per annum respectively.