

Amplus Capital, part of the US\$2bn Lalbhai Group, announces first closure of its second realty fund

- The recently launched Amplus Realty Fund - II focuses on early-stage equity investments in mid-sized residential real estate projects with a ticket size of Rs. 20-40 crores per transaction.
- The fund is actively looking to partner with premium developers to invest in vibrant micro-markets of six major cities — Bengaluru, Pune, Chennai, Mumbai, Ahmedabad, and Delhi-NCR with a target of 23-25% IRR and execution period of 36-42 months.
- Substantial majority of Amplus Realty Fund – I investors have participated in the second fund with increased commitments.

July 26, 2016: Amplus Realty Fund – II, the second real estate focused fund of the Lalbhai Group led Amplus Capital, announced the successful first closure with total commitment of Rs. 200 crores of the total targeted corpus of Rs. 300 crores. The entire fund raising is expected to be wrapped up in a short period.

The fund was launched recently and is among the few funds focused on early-stage equity investments in mid-sized residential real estate projects with execution period of 36-42 months. The fund will invest for majority stake within a ticket size of Rs. 20-40 crore per transaction in major metros.

Anuranjan Mohnot, Managing Director, Amplus Capital Advisors Pvt. Ltd said, “Many established developers are traditionally averse to high-cost debt. Further, they are looking for patient equity funding for their new projects. However, they are finding it difficult because there are just a few of funds in this space and since most of the funds are focusing on debt/mezzanine funds. Although contrarian, the current strategy has been rewarding to the first fund investors wherein the fund has completely exited in one project (48% IRR and 2.4x multiple) and has made four partial exits out of total eight investments. Raised in 2013, the first fund has returned an amount equivalent to 50% of the capital commitment within three years of the fund’s life and is expected to return the entire capital by the end of this calendar year, with returns in the next 18-24 months. The fund is expected to deliver 25% IRR at the fund level”.

Commenting on the fund raising, **Mr. Jayesh Shah, Co-Founder of Amplus** said “We are happy to receive extremely positive response from our investors and are glad to have more than 65% of investors of Amplus Realty Fund – I participating in the new fund with increased commitments. We expect the participation level to increase by the final closing of Fund II. This has been a consequence of establishing a strong track record in our first fund with profitable and visible exits. We look forward to scale up this platform gradually”.

Amplus Realty Fund – I, a Rs. 135 crores fund raised in 2013, has invested across eight projects in Bangalore, Chennai, Pune, and Ahmedabad, with prominent names in the real estate space including Shriram Properties, XS Real Properties, and Assetz Homes.

Although the overall real estate market continues to be sluggish and cash starved, Amplus’ investment philosophy of investing in early-stage mid-sized residential projects with quick turnaround period has benefitted developers as well as investors. The developer gets access to early-stage equity without the periodic interest burden and investors are able to participate in projects that offer superior returns underpinned by speedy monetization and rigorous monitoring by Amplus.

About Amplus Capital Advisors (Amplus)

Amplus is a private equity advisory company, part of the US\$2bn Lalbhai Group. Arvind Ltd, the flagship company of Lalbhai Group has emerged a world leader in denim manufacturing under the leadership of its Chairman and Managing Director Mr. Sanjay Lalbhai. Amplus is co-promoted by Mr. Jayesh Shah, Director and CFO of Arvind Ltd along with Mr. Rohit Choksi, founder of a leading Chartered accountancy firm, GK Choksi & Company.

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