

## Mint

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### **Ambit eyeing mid-sized deals**

Private equity (PE) fund Ambit Pragma Ventures Pvt. Ltd, sponsored by Ashok Wadhwa's financial services firm Ambit Holdings Pvt. Ltd, will conclude fund-raising for its \$100 million (Rs393 crore) maiden fund by early 2008. The fund will have an anchor investment of Rs20 crore from Ambit Holdings.

Rajeev Agrawal, who will lead the fund and its team of five, said it would focus on deal sizes of \$10-12 million across five sectors: entertainment and leisure, health care and wellness, logistics, infrastructure services and branded food.

This deal size puts Ambit Pragma in the lower end of the mid-sized deals category—a segment which several PE funds have entered in the last 18 months. Yet, few funds focus on entertainment and leisure or branded foods sectors. Agrawal said he expects to take advantage of the convergence underway in the former sector and the organization of retail in the latter sector. Investment in smaller companies and in these two sectors, particularly entertainment and leisure, is perceived as having higher risk to investors, he said. He would not divulge the returns he is promising during fund-raising, but said they seek to beat the typical 30%.

The Ambit Pragma fund, which will have a life of eight years, will focus on minority stake deals, but look for opportunities to take controlling stakes at this deal size. And it will stay invested for four-five years. Agrawal said the fund started fund-raising three months ago and he expects to be focused on deals by the end of the year.

The first quarter of 2008 is also the expected time frame for Ambit Holdings' other new business lines to be fully functional. This involves equity capital markets and cross-border mergers and acquisition advisory services, and an asset management business which involves a joint venture with Japan's Nikko Asset Management Co Ltd. For the cross-border piece, it is in talks with two large European banks for an exclusive strategic tie-up. The broking business has been running for the last 15 months, headed by Nilesh Shah who has doubled its size to 60 people since he joined in May.