

VC Circle

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Ambit Pragma Eyes \$150M For Second Fund; IFC May Invest \$20M (PRIVATE EQUITY)

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Mumbai-based private equity firm Ambit Pragma Ventures is looking to raise \$150 million for its second fund, which will look to invest in small and medium enterprises (SMEs) and focus on companies addressing markets in tier II and tier III cities across India. International Finance Corporation (IFC), the World Bank's arm, is also looking to invest up to \$20 million in Ambit Pragma Fund II.

The fund is being sponsored by Ambit Pragma's management team and Ashok Wadhwa, founder of the Ambit Group. Ambit Pragma Fund II will look at scalable, affordable models in sectors like healthcare & wellness, logistics, infrastructure services, branded consumer packaged goods and leisure & entertainment services. Ambit Pragma, which has been set up by Rajeev Agrawal and Ambit Holdings, had raised \$65 million for its debut fund, making a final close in December 2009. The World Bank arm was also an investor in the first fund that also raised \$10 million. Singapore-based fund of funds manager IDFC Capital. The first fund had limited partners from the USA, Europe and Asia, with Indian investors putting less than 10 per cent of the corpus. The first fund was sponsored by Ambit Holdings, which had invested \$4 million. Ambit Pragma typically invests \$5 million-\$10 million in companies which have revenues of over \$5 million. Incidentally, IFC has backed a number of SME-focused funds of private equity firms like Avigo Capital Partners and Zephyr Peacock in India. According to its website, Ambit Pragma has invested in three companies: Pune-based Spear Logistics, an asset-light, contract logistics company; Prasanna Purple, a bus-operating company based in Pune and Mumbai-based Beams Hospitals, a chain of minimal access surgery centres.