

India Alternatives & IIFL's NBFC arm buy 4% of CIBIL for around \$10M

BY SHRUTI AMBAVAT

This is the third deal by India Alternatives Private Equity Fund.

Private equity firm India Alternatives and its parent IIFL Holdings' (formerly India Infoline) NBFC arm India Infoline Finance Ltd have together picked 4 per cent in India's oldest credit information bureau Credit Information Bureau (India) Ltd (CIBIL), as per a statement.

Further terms of the transaction were not disclosed but sources said it involves stake purchase from one of CIBIL's existing investors SBI. SBI held 10 per cent stake prior to the latest transaction.

Although the deal value remains under wraps, VCCircle learns it is around Rs 60-62 crore (\$10 million). This values CIBIL at around Rs 1,550 crore, 3 per cent more than what Aditya Birla PE valued it when it picked 4 per cent in the company last year.

India Alternatives picked 3 per cent in this deal.

"Credit scoring and self-evaluation in India will eventually become more of a retail product with consumers seeking self-assessment credit reports from bureaus before applying for loans. Rising customer awareness and increased credit transparency will allow customers to take advantage of better CIBIL stands to benefit from the deepening of credit penetration in India," says Shivani Bhasin Sachdeva, MD and CEO, India Alternatives.

This is the third deal by India Alternatives Private Equity Fund and the first since IIFL's unit IIFL Wealth Management acquired a majority stake in the PE firm last August.

India Alternatives currently manages India Alternatives Private Equity Fund or India Alt Fund, which had an initial commitment of Rs 230 crore. It chases mid-stage growth capital deals.

It was founded by Shivani Bhasin Sachdeva, who continues to lead the unit under IIFL as MD and CEO. The PE firm was previously sponsored by Centrum Capital's promoter Chandir Gidwani who had invested his proprietary capital.

India Alt Fund has made two investments starting with its debut transaction in 2010-11 in Mumbai-based company Ideacount Education Pvt. Ltd, which provides media and entertainment training and related services.

Two years ago India Alt Fund had co-invested with India Evolving Fund, a fund managed by Faering Capital, in Bangalore-based Gokaldas Intimatewear Pvt. Ltd, which manufactures underwear garments and offers products under the brand name Enamor.

Meanwhile CIBIL, which already counts a string of investors, gets a new backer.

Last year Punjab National Bank, Central Bank of India, Standard Chartered Bank and Sundaram Finance sold their stake to US-based financial services group TransUnion International Inc, which now owns 55 per cent stake in the firm.

TransUnion managed to increase its stake after the government increased the foreign direct investment limit in credit information companies to 74 per cent from 49 per cent. The firm has been an investor in CIBIL since 2001.



Other shareholders of CIBIL include Bank of Baroda, Bank of India, HSBC, Union Bank of India and Indian Overseas Bank (each with 5 per cent stake); Aditya Birla PE (4 per cent); ICICI Bank and SBI (6 per cent each).

(Edited by Joby Puthuparampil Johnson)

Tags: [India Alternatives Investment Advisors Pvt. Ltd.](#) , [IIFL Holdings Ltd.](#) , [Credit Information Bureau India Ltd.](#)

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India Infoline will help in deal sourcing, fundraising and exit management: India Alternatives' chief Shivani Bhasin Sachdeva

BY SHRUTI AMBAVAT

The founder and CEO of the mid-market PE firm says the deal with India Infoline took a long time to seal, which explains why the fund has invested in just two companies in three years.

Carlyle-backed diversified financial services firm India Infoline's (IIFL) wealth management unit IIFL Wealth Management has picked up a majority stake in mid-market private equity advisory firm India Alternatives Investment Advisors. This expands the existing realty PE platform of IIFL while providing a new source of funds for India Alt Fund. In a chat with VCCircle, India Alternatives' founder and CEO Shivani Bhasin Sachdeva talks about the reasons behind the transaction, investment pipeline and LP churn as part of the deal and more. Edited excerpts:

What triggered the decision to bring in a new partner to the PE firm? How does it help you?

We believe that a new partner such as IIFL Wealth could add tremendous value to the existing platform and all stakeholders. IIFL will help in multiple ways—it advises HNI/UHNI clients on assets over Rs 55,000 crore which will help us in deal sourcing since most companies that we invest in are family owned. Additionally it will assist in fundraising and the fund would also benefit from their exit management capabilities.

What does it mean for your LP portfolio? What happens to the sponsor commitment from Centrum's promoter Chandir Gidwani to the fund?

Chandir Gidwani has completely exited his investments. IIFL has bought his portion in the fund.

Will this change in ownership affect the investment strategy of the fund?

The strategy of our current fund will remain the same—i.e. to invest in mid-growth companies in their expansion phase by committing \$5-10 million. It is also a space where we believe we can have an impact in terms of shaping the company's strategy.

What is the current status of your maiden fund?

The sanctioned corpus of the India Alternatives Private Equity Fund-Mid Growth Scheme is Rs 230 crore. It was raised in September last year.



You had made first close of your maiden fund way back in 2011. Why did it take so long to close?

We wanted to keep our first fund primarily an institutional one; this provides a robust platform for further growth. Institutions take a long time for due diligence and documentation (compared with individuals). This was one of the key reasons for the extended period of the fundraise. However, despite the delay, we are happy that today we are backed by some of the country's leading institutions.

But your investment activity was also pretty slow with just two deals in over three years...

The transaction with India Infoline took 15 months to close. Hence, we were slow on deals. India Alternatives has made two investments from the fund. The first is an investment in Ideacount Education Private Limited and the second is an investment in Gokaldas Intimatewear that produces women's innerwear under brands such as Enamor. We invested a minuscule amount in Ideacount in 2010 and further invested in May 2011 after our first closing.

By when do you expect to deploy the entire amount?

We are looking to invest our entire fund over the next two years. We are stringently focused on making investments in high ROE businesses backed by ethical promoters. We are looking at sectors like consumer and consumables, healthcare and pharmaceuticals.

(Edited by Joby Puthuparampil Johnson)

Tags: [India Infoline](#) , [Shivani Bhasin Sachdeva](#)
