

SatyaVani in talks with European REITs for \$150-m PE

Peerzada Abrar
BANGALORE

HYDERABAD-based real estate firm SatyaVani Projects and Consultants is in talks with European real estate investment trusts (REIT) to raise \$150 million in private equity, which will form the bulk of the \$190 million it plans to spend on planned projects in Hyderabad, Bangalore and Vishakhapatnam.

SatyaVani Projects director P Surya Prakash said the besides private equity, it is looking at raising cash through a combination of internal accruals and private placement.

A five-million-sq ft medical tourism project in Hyderabad will be the biggest, costing \$120 million and consisting of two hospitals, a health resort and service apartments. He declined to name the potential investors.

In Bangalore, the company plans to establish an eco resort and a housing project within three years at an investment of \$50 million. The eco resort will come up on 160 acres in Hoskote, 12 km from the new Bangalore international airport. "The place is close to the new airport, is out

of the city and is cost-effective. We will be targeting corporates as customers," Mr Prakash said.

The housing project near Sarjapur Road will see the development of 60 homes with a total area of 1.5 lakh sq ft, aimed mainly at techies. The company will spend \$20 million in Vizag, home to a number of pharmaceutical companies, to develop apartments.

The planned projects will imple-

mented by special-purpose vehicles in which stake is being offered to the potential investors. SatyaVani will own a 70% stake in the Bangalore and Vizag projects and 50% in the medical tourism venture in Hyderabad. The company expects to end this fiscal with \$25 million in revenues and is aiming for a turnover of \$400 million by 2012.

"Our growth rate is 300%. We expect to achieve a revenue of \$400 million, out of

which \$150 million will be from our previous projects while \$250 million will come from our new projects," Mr Prakash said. He described all projects as "eco-friendly" and said residents are provided an incentive of Rs 18,000 per year for using energy-efficient appliances.

abrar.shz@timesgroup.com



OPTIONS

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