



PE INVESTMENT

UK's Henderson Equity picks up 26% stake in IPE Global

By Divya Guha
divya.g@livemint.com

NEW DELHI

UK-based private equity (PE) fund, Henderson Equity Partners, has invested \$10 million (₹45 crore) in Delhi-based development sector consultancy, Infrastructure Professionals Enterprise Global Pvt. Ltd (IPE Global). It has picked up a 26% stake with the investment from its second Asia Pacific fund.

IPE Global, set up 12 years ago by London School of Economics alumni, assists development and aid agencies, public sector clients and not-for-profit organizations in implementing socio-economic projects across the developing world in South Asia, parts of Africa and West Asia. While nearly 80% of the business comes from India, the company is looking at setting up two offices in Africa.

Managing director Ashwajit Singh said IPE Global had grown 45% over the last five years and currently employed 300 people. It had revenue of ₹90 crore in the fiscal year 2010-11.

"While it seems like an unusual sector for a PE investment, we like to catch on to new sectors and trends early," said Rahul Bhargava, Henderson's Singapore-based princi-

IPE Global had grown 45% over the last five years and reported a revenue of ₹90 crore in FY11

pal.

"The investment has a strong fit with our investment thesis: it is the leader in its niche and is an asset-light business with strong operating leverage. The company has a strong order book which means it is in a good position to manage its overheads, as well as manage manpower costs," said Bhargava, who helped set up Henderson's franchise in India 10 years ago. "Moreover, the business is not cyclical—orders have increased through the global economic downturn."

IPE Global typically runs long-dated contracts for assisting organizations that do not have the capability to handle detailed policy level research into capacity-building, implementation, technical assistance and monitoring social development projects.

"We have a multi-disciplinary team across infrastructure sectors and have the

capacity to offer the full gamut of expertise for policy implementation in developing countries," said Singh. "Our business is recession-proof. All sectors were affected, but international aid's budget lines have not been affected."

The consultant is largely dependent upon business from development agencies such as the World Bank, the Asian Development Bank, several United Nations' agencies, the Department for International Development and USAID, which have not decreased their aid budgets throughout the period of the global downturn.

Henderson Equity Partners invested \$80 million from its first Asia Pacific fund, and has deployed nearly 80% from its second. Bhargava said it will be going to market for raising a third fund by the end of this year.

IPE Global is the fund's seventh investment in India and the portfolio includes companies such as HT Media Ltd in 2004, which the fund has partially exited, and Jubilant Life Sciences Ltd (formerly Jubilant Organosys Ltd) that it has completely exited.

The promoters of HT Media, which publishes Mint, and the promoters of Jubilant Life Sciences are closely related. The companies have no promoter cross-holdings.