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## 📍 Real estate group Vatika in talks to raise growth capital

By Swet Sarika | © 09 March, 2020

Vatika Business Centre, which provides office spaces to individuals, small and medium enterprises, startups and corporates, has kicked off talks to raise capital for expansion, a person in the know told VCCircle.

Part of realty firm Vatika Group, Vatika Business Centre is currently present in eight Indian cities with 20 centres across New Delhi, Gurugram, Noida, Mumbai, Bengaluru, Chennai, Hyderabad and Pune. It has a portfolio of 600,000 square feet (sq ft) across over 6,000 seats.

The company aims to add 0.1 million sq ft every year to its portfolio across geographies, the person said asking not to be named. "The firm is geared up for aggressive expansion in the coming quarters in India and global markets. It is working on opening centres at international locations such as Dubai, Bangladesh, Singapore and Sri Lanka. The proceeds from the fundraise would be primarily used to expand our presence," he added.

The person did not divulge details on the fundraise plans but said that the process is at an early stage and will take some time before it fructifies. "There is nothing concrete on the table right now but the firm is actively working on the fundraise. The company is also in the process of figuring out how much to dilute and for what valuation. The firm is open to engaging with both domestic and offshore investors," he said.

Set up in 2004, Vatika Business Centre provides fully furnished office spaces, day offices, co-working spaces, serviced offices, fully equipped meeting rooms and the flexibility of the virtual office format.

It also offers customised business infrastructure to all kinds of business, ranging from startups and small and medium enterprises to large multinational corporations.

Vatika sets up business centres in Vatika-owned commercial properties as well as in spaces leased from other developers. The company had adopted the co-working model long before it became a buzzword in India's real estate ecosystem.

In the last few years, a bunch of companies, both domestic and global, have set up co-working centres across the country. These companies have been heavily funded by global and local investors.

Last year, Bangkok-headquartered real estate developer MQDC opened its maiden co-working space in South Delhi in a bid to capture the growing startup market in the country.

Recently, Vatika Group raised Rs 610 crore (\$85 million at current exchange rates) through debt for real estate and hotel arms from Goldman Sachs. It had said that it would use Rs 245 crore to expedite the construction of the first phase of a commercial project located on NH-8, which will be developed in three phases comprising 2.2 million sq ft. A part of the corpus will also be used to refinance the exposure of Piramal Enterprises to the project.

The latest fundraise had marked the third tie-up between Goldman Sachs and Vatika Group. Back in 2014, Goldman Sachs had invested Rs 255 crore (\$40 million) through an equity deal in Vatika Hotels. It also invested Rs 100 crore in Vatika Business Park back in 2007.