

PE firm ADV Partners eyes minority stake in Amber Enterprises

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Private equity (PE) firm ADV Partners Ltd is in advanced talks to buy a significant minority stake in Amber Enterprises Pvt. Ltd, a contract manufacturer of consumer durables such as air-conditioners and washing machines in India, said two people familiar with the development.

Hong Kong-based ADV Partners will acquire a 34% stake from existing investor Fairwinds Private Equity (formerly known as Reliance Equity Advisors) and a 10% stake from the promoters of Amber for about Rs350 crore, one of the two people said, requesting anonymity.

The equity valuation of Amber is about Rs800 crore and the company has a debt of about Rs400 crore, said the second person, also declining to be named.

In January, Goldman Sachs Group Inc. was in talks to invest in Amber, but the talks did not make headway.

Established in early 2013 by a group of three ex-Mount Kellett Capital Management executives—Suresh Prabhala, Brad Landes and Jianyi Zhu—ADV invests from its \$550 million maiden fund, ADV Opportunities Fund-I.

In India, ADV Partners has investments in Chennai-based Dr Agarwal's Healthcare Ltd and sports media management company Technology Frontiers India Pvt. Ltd.

Edelweiss Capital is advising Amber on the sale process, according to the first person cited above.

A spokesperson for Fairwind PE declined to comment.

An email sent to Jasbir Singh, managing director of Amber Enterprises, and spokespersons for ADV and Edelweiss on Monday remained unanswered.

Incorporated in 1992 by Kartar Singh, Amber Enterprises manufactures air conditioners, microwaves, components for refrigerators and other consumer durables for companies such as LG Electronics India Pvt. Ltd, Panasonic Corp., Philips India Ltd, Whirlpool of India Ltd, Videocon Industries Ltd, Godrej Industries Ltd, Blue Star Ltd and Voltas Ltd.

Fairwinds invested about Rs110 crore in two tranches in 2012 and 2013 to acquire a 34% stake in Amber.

Fairwinds was launched in 2013 by Ramesh Venkat, a former chief executive officer of Reliance Equity Advisors, the private equity arm floated by Anil Ambani's Reliance Group.

The fund was renamed following a management buyout.

At present, Fairwinds Asset Managers Ltd manages Reliance Alternative Investments Fund Private Equity Scheme I, a \$200-million fund raised in 2009-10.

Fairwinds is in the process of exiting its previous investments.

It is set to start discussions to sell its stake in footwear retailer Khadim India Ltd and has valued the brand at Rs1,000crore.

The PE firm has hired Mumbai-based JM Financial Institutional Securities Ltd to find potential buyers for its stake, Mint reported in September.

Fairwinds also plans to exit Bengaluru-based Shankara Building Materials Ltd through a proposed initial public offering of around Rs350 crore, Mint had reported in August.