

## IL&FS Trust seeks FIPB nod for funds from Mauritius

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IL&FS Trust Company Ltd (ILFSTCL) — on behalf of Tara India Fund III Trust — has sought the Foreign Investment Promotion Board's nod to accept contributions up to \$75 million from a Mauritius company, which has been constituted to pool investments from various overseas investors.

Tara India Fund III Trust, for which ILFSTCL is the trustee, proposes to raise money from domestic and foreign investors for making private equity investments in Indian companies, either in fresh or existing securities.

It intends to target Indian mid-market companies and actively pursue investments up to \$50 million (preferably as the sole or lead investor and to co-invest in larger deals) in companies with market capitalisation between \$50 and \$500 million.

For pooling foreign investments, a collective investment company Tara India Holdings B Ltd has been created in Mauritius.

This offshore fund would pool investments from investors from various countries.

"The Trust will issue Class B units to the offshore entity, which will be its sole foreign investor.

"Other classes of units would be issued to domestic investors of the Trust. The contribution amount from the units issued to the investors to the Trust would be utilised towards purchasing investments in portfolio companies," sources said.

IL&FS Investment Managers has been appointed as the investment manager to the Trust to manage the assets. IL&FS officials, however, could not be contacted for comments.

ILFSTCL said that the proposed investment by the offshore fund into the Tara India Fund III Trust would result in substantial inflow of foreign direct investment into the country.

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