

IL&FS arm raises \$578 mn for realty fund

Plans to raise up to \$750 million mainly from global institutions over next three months

Sumit Sharma / Bloomberg
Mumbai

Private equity firm IL&FS Investment Managers Ltd, an arm of Infrastructure Leasing & Financial Services Ltd. (IL&FS), said it received \$578 million (Rs2,277 crore) of commitments for investing in real estate projects as demand surges in the world's fastest-growing economy after China.

The Mumbai-based company, which had the first closure on its real estate fund on Wednesday, plans to raise up to \$750 million mainly from global institutions over the next three months, said Shahzaad Dalal, vice-chairman, in a phone interview.

IL&FS will invest mainly in projects for housing, offices, hotels and complexes for information technology companies, with a small amount in stocks of unlisted real estate companies, Dalal said. Investors in the fund include institutions, pension funds, endowments and foundations, he said.

IL&FS joins JPMorgan Chase & Co., Housing Development & Finance Corp., ICICI Venture Funds Management and Sun-Apollo India Real Estate Fund Llc. in raising funds to invest in Indian property. The fund, with a maturity of between eight and 10 years, aims to offer annualized returns of about 25%, Dalal said.
