

IL&FS raises \$ 225m for Tara III

Mumbai-based IL&FS Investment Managers (IIML) has closed its latest growth equity fund at \$ 225 million. Tara India Fund III originally targeted \$ 400 million, but had been cut in size by nearly half, given the economic downturn.

It will provide growth capital to domestic companies across a wide range of sectors. Core target areas are spread across manufacturing, information technology, media, logistics and infrastructure services.

IIML chief executive Archana Hingorani said the fund is "in investment mode and has committed about 45% of its capital". According to the firm's website, Fund III has so far invested \$ 64 million in five deals.

Hingorani noted that India "needs capital across various sectors to enable it to maintain its growth trajectory. Except for a short period, when the increased foreign inflows caused the perception of an 'excess capital' economy, India continues to be capital deficient".

IIML is a subsidiary of Infrastructure Leasing & Financial Services, one of India's largest infrastructure development and finance companies. Hingorani said that IIML's deal sourcing "follows a largely proprietary pattern given our parentage and group activities. This also enables us to negotiate better with comparatively less competitive pressures".

IIML has two other growth capital funds under management: the \$ 25 million South Asian Regional Apex Fund and the \$ 153 million Leverage India Fund, a joint vehicle between IIML and Punjab National Bank – the country's second largest state-owned commercial lender
