

India Real Estate Infra Fund Looking For \$100 mn Mop-up End June

June 2, 2008

MUMBAI: Mauritius-based India Real Estate Infrastructure Fund's first round of fund raising exercise will come to an end by June by which it plans to mop up one hundred million dollar.

Launched in January, the fund targets a mop-up of two hundred fifty million dollar from across the world for private placements in [Indian real estate](#) companies. Balance one hundred million dollar will be raised in the following closures.

"We plan to invest the money in unlisted Indian real estate companies under the FDI guidelines. We prefer to have weightage of up to 50 % in every company so that we can have a 'say' in the management. It will help us to drive the policies in the right direction," said Arun Goel, CEO of DHFL Venture Capital India Pvt. Ltd, which has been mandated to create an investment portfolio on behalf of the fund.

The fund will invest in real estate companies pursuing projects in [residential](#), commercial and hospitality domains which also encompass SEZ, IT parks, hotel.

DHFL Venture has appointed [Mumbai](#) based Yen Management Consultants Pvt. Ltd as financial advisor.

The fund will consider factors like the number of development projects in hand, FDI compliance, local presence and growth plans and execution in choosing the company.

Explaining the investment rationale, Goel said, "an increasing population and flourishing services sector have resulted in a number of green field projects to build residential and office buildings. Further, rising cost of hotel accommodations across major cities in India has led to high demand for ones with reasonable rates."

Besides EU based countries, the fund is getting good response from Japan, the UK, UAE, said Goel, who expects the fund to give 25 % internal rate of return.

"We are getting tremendous response from investors across the board but some of them are currently buying time. They are taking stock of the situation in India. However, they will soon get involved in a 2-3 months time," revealed Sunil Shirole, managing director and CEO, Yen Management Consultants.

"We strongly believe in the fundamentals of the Indian economy and its prospects. So we have no doubt about the success of the fund," added Goel, who did not rule out the possibility of a mutual fund by DHFL in two years.

URL for this article:

<http://info.propertywala.com/real-estate-news/india-real-estate-infra-fund-looking-for-100-mn-mop-up-end-june/>