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IL&FS Investment to raise up to \$800 mn, completes Saffron buy

BSE-listed private equity firm, IL&FS Investment Managers (IIML), will be raising up to \$800-million for two new funds in the next 9-18-months, a top company official has said.

"We have got very little capital left with us (from the funds raised earlier) and hence, from next week onwards we will hit the market for raising two new funds of \$300-400-million each," the company's Chief Executive and Executive Director Archana Hingorani told reporters here. The first fund--TARA IV--will be invested in non-real estate and non-infrastructure companies while the second will be a yield-based real estate fund which will deliver regular returns, she said.

The company will be primarily approaching institutions for raising the corpus and expects to seal the fund-raising in the next 9-18-months.

"Usually, we can raise the fund within a year but now as we are still coming out of the slowdown, I think we will take 18-months," Hingorani said.

Presently, the company has a capital of \$600-million at its disposal, but that is mandated to be invested in real estate and infrastructure companies and projects due to which it is going for a new fund-raising, she explained.

Meanwhile, IIML today completed its acquisition of Saffron Asset Advisors, which helps it increase its total assets under management by over \$400-million to \$3.2-billion.

It had been working on the deal for over a year and had first announced it in July. IIML's subsidiary IL&FS Investment Advisors -- with which Saffron Asset Advisors' businesses have been merged -- will now manage the Euronext-listed Euro 220-million Yatra Capital and also Saffron India Real Estate Fund, the company said.

Under the deal, Saffron's shareholders will be getting 8.75 per cent of the \$400-420-million in AUM plus other incentives, Saffron's Managing Director, Ajoy Veer Kapoor, told PTI.

"We get a great set of human resource assets and get to access a new set of investors," Hingorani said,

speaking about the advantages of the merger.

The company's shares closed at Rs 46.55, down by 1.27 per cent on the Bombay Stock Exchange.

