

News monitored for: Kotak Private Equity

# THE ECONOMIC TIMES

## Kotak PE Arm to Launch ₹600-cr Realty Fund Soon

**KAILASH BABAR**  
MUMBAI

Kotak Realty Funds Group, the private equity (PE) arm of Kotak Bank, is aiming to raise ₹600 crore through its fourth realty fund to be launched in the next few days. The fund will mobilise money from the domestic market and invest mainly in residential properties across India. It will have a green shoe option of ₹100 crore.

"We will launch our fourth fund soon. Some of our first fund investors, who received the entire principal in addition to over 20% return, have already shown interest in participating in this new fund. We should be able to conclude fund raising within the next few weeks, that is early June," said S Srinivasan, chief executive officer of Kotak Realty Fund.

Kotak Realty has a total \$750 million worth of assets under advisory through three funds, including \$331-million Kotak Alternate Opportunities India Fund and an offshore fund of \$265 million.

Its first fund, Kotak India Real Estate Fund I, launched in February 2006, has deployed its entire corpus of ₹457 crore with notable investments such as Lem-

on Tree Hotels, Pride Hotels, 3C Green Boulevard and Clover Golf community. Earlier this year, it returned the entire principle of this first fund in addition to over 20% returns to investors.

Kotak is raising the new fund after almost three years of launching its last fund — an offshore fund worth \$265 million. A majority of this offshore fund has also been deployed, and Kotak is in talks with some developers to invest the balance money in residential properties, primarily in Delhi and the National Capital Region. It has also managed to return 20% principle of another domestic fund, worth \$331 million, which was launched in August 2007.

The fund has already exited from its earlier investments, including Sobha Developers, Mayfair Housing, Phoenix Mills and NDR Warehousing in Mumbai. In January, the fund sold its 20-acre land parcel at Old Mahabalipuram Road in Chennai to Homex for ₹130 crore. Recently, the fund sold its 720,000 sq ft commercial building in Goregaon suburb of Mumbai to Tata Realty for ₹525 crore. In August 2006, Kotak Realty through its Kotak India Real Estate Fund I had bought this then under-construction property from K Raheja Constructions for ₹230 crore.