



Kotak Realty Fund Raises One Of India's largest Private Alternate Investment Funds

- Over Rs 1600 Crore Aggregate Corpus Raised from Domestic Investors -

Mumbai, July 18, 2007: Kotak India Alternate Opportunities Fund, a fund that focuses on Real Estate and Allied Opportunities today announced the close of its second domestic realty fund. The fund has successfully raised an aggregate corpus of over Rs 1600 crores (\$400 million). The fund and its corpus have been raised entirely from amongst domestic investors, making it one of India's largest Private Alternate Investment Fund. The fund will be managed by Kotak Mahindra Investments Ltd.

With this, the Kotak India Alternate Opportunities Fund has a gross investment capacity of Rs 4000 crores (\$1 Billion – including leverage) raised in a single closure in 6 weeks of marketing. The fund has the flexibility to invest in both FDI and Non-FDI compliant investment opportunities.

Speaking on the occasion, **S Srinivasan, CEO Kotak Realty Fund** said, *"The new fund provides us with the opportunity of partnering with leading developers and entrepreneurs, thus creating quality assets for the consuming population of India while generating attractive returns for our investors. We continue to be very positive about the sector in India."*

V Hari Krishna, CIO Kotak Realty Fund added, *"The realty sector in India is undergoing a dose of healthy correction, after the initial euphoria of over 18 months. The next few months will separate the men from the boys. While correction is not an across the board phenomenon, there are still areas of short supply and financing constraints which will provide the fund with attractive investment opportunities."*

The fund has an investment objective to invest in diverse Indian real estate asset classes across commercial, residential, retail, logistics, warehousing and hospitality properties.

Kotak Realty manages another fund with a corpus of Rs 457 crore which has been fully committed. The preceding realty fund has already optimized opportunities in the above-mentioned asset classes through astute investing in IT Parks, residential development and hotels (through an investment in Lemon Tree Hotels). The preceding fund has also made enterprise level investments in Shobha Developers, a real estate development company prior to its IPO.



In addition to the above, Kotak is advising an offshore fund which is expected to have its first close shortly.

ABOUT KOTAK REALTY FUND

Kotak Realty Fund, established in May 2005, is one of India's first private equity funds with a focus on real estate and real estate intensive businesses. The fund is closed ended and has a life of seven years.

Kotak Realty Fund is managed by its investment team located in Mumbai, India and supported by an organization in which thought leadership, contrarian play, due diligence, communication and collaborative partnerships take precedence. The Fund has a core team of professionals dedicated to sourcing, analyzing, executing and managing the investments. This unique team brings together professionals combining real estate corporate finance advisory, investment banking, venture capital, infrastructure development and finance, and REITS valuation experience.

The Kotak Mahindra Group has through the years been able to find sources of capital for complex situations and engineer complex financing transactions. The Group has leveraged its understanding of the debt and equity markets and been able to utilize its innovative structuring capabilities in each of its transactions in line with the requirements of its clients, to create the best possible financing terms from a variety of sources in India and abroad.