

Fund in Pact with Hamon Group

► From Page 1

"This is just the beginning," said Ramesh Bawa, managing director and chief executive of IL&FS Financial Services. "We eventually intend to scale up the assets under management to \$5 billion through the launch of various other schemes, targeting fundraising from domestic and offshore long-term investors."

IL&FS Infra Asset Management is a JV between IL&FS Financial Services and India's largest insurer, Life Insurance Corporation of India.

Five banks – Bank of India, Canara Bank, Indian Bank, Allahabad Bank and Oriental Bank of Commerce – and the two joint venture partners have contributed to the initial fund. These funds will have maturities between 5 and 10 years.

IL&FS Infra Asset Management plans to raise another ₹1,250 crore from government-owned insurance companies by March 2014. It has also entered into an agreement with HK-based Hamon Group of Investments to raise funds from HK and China. "The Hamon Group has agreed to invest \$25

million and has given us a commitment to raise \$200 million for the fund," Bawa said.

Early this year, IL&FS Financial Services had entered into an arrangement with eight state-run banks – Allahabad Bank, Bank of India, Canara Bank, Central Bank, Indian Bank, IOB, OBC and UCO Bank – to acquire a part of their infrastructure loans. IL&FS had initially planned to build a corpus of around \$2 billion in 2012 for the IDF, but poor investor appetite led it to cut the initial size to just \$125 million, or about ₹750 crore.

Money Magnet

Targeted

\$5b corpus for ILFS' Infra debt fund by 2014-end

Five banks, ILFS and LIC contribute ₹750 cr in first tranche

ILFS ties up with Hamon group to raise \$200m from Hong Kong & China

IDF will be used to purchase loans from banks and other lenders

