

IL&FS debt fund to raise ₹1,000 cr

BS REPORTER

Mumbai, 7 January

IL&FS Infrastructure Debt Fund (IL&FS IDF) is floating a third round to raise up to ₹1,000 crore from insurers and pension funds.

Infra Debt Fund, unit of Infrastructure Leasing & Financial Services (IL&FS) group, has already received commitment for ₹550 crore in the second round, taking total commitment to ₹1,380 crore since its inception in 2013.

This includes its current assets under management of ₹830 crore.

The money raised in the third round would be primarily invested in higher rated infrastructure debt securities, company said in a statement tonight.

Ravi Parthasarathy, chairman, IL&FS Group, said domestic infrastructure sector urgently needs a new investor class to complement domestic banks in meeting the sector's ever increasing funding requirement.

The pooled investment vehicle like IDF can play an important role of intermediating funds from insurance and pension funds into the infrastructure sector and diversify their holding beyond gilt edged securities for yield pick-up, he added.

Ramesh Bawa, managing director, IL&FS Financial Services Ltd (IFIN), and chairman-IL&FS Infra Asset Management Limited (IAML), said IDF will launch schemes in line with both investor appetite and opportunities available in the infrastructure sector.

After the regulations for Infrastructure Debt Fund were announced by the government in 2011, IFIN announced its intent to launch an infra debt fund under mutual fund structure.

The Life Insurance Corporation of India is a partner in the venture.