

## Reliance AIF to Raise ₹1,000 cr for Realty Investments

Reliance Capital Asset Management's arm to use funds to invest in residential projects in top five property markets

Kailash.Babar@timesgroup.com

**Mumbai:** Reliance AIF, part of Reliance Capital Asset Management Company, is planning to raise ₹1,000 crore from the domestic and overseas market to invest in real estate projects across the country, said a top company official.

The fund, including a greenshoe option of ₹500 crore, will invest primarily in residential projects in top five property markets, including Mumbai, Delhi-NCR, Bengaluru, Pune and Chennai.

**The fund under the Alternative Investment Funds (AIF) category II will be investing in mid-income and affordable housing projects through structured debt.** With fixed tenure of 60 months, it will be targeting 22-23% returns through these investments.

"It's a challenging market from a

### Realty Check

#### FUNDS WILL BE RAISED FROM:

- Institutions
- Family offices
- High net worth individuals

#### FUNDS WILL BE INVESTED IN:

- Mumbai
- Delhi-NCR
- Bengaluru
- Pune
- Chennai

**22-23%**  
Estimated returns

#### PREVIOUS INVESTMENTS:

**44** Transactions    **22** Complete exits

**₹1,600 crore**  
Returned to investors



GRAPHIC: SIDDHARTH, ILLUSTRATION: ANIMISHA

deployment perspective as a lot of developers are looking to secure funding. The challenge is to select a developer and project that would deliver as expected. Through our earlier two funds, we have been investing in projects with approvals in place to mitigate risks and achieve exits with good returns," Shahzad Madon, head, Alternate

Assets at Reliance Capital Asset Management, told ET.

This is the third fund to be raised by Reliance AIF under Yield Maximiser Series after raising ₹1,000 crore through two earlier funds. The fund is looking to raise money from institutions, family offices and HNIs.

"We have already started the

fund raising efforts and have received commitments from institutions, family offices and HNIs. Many of these investors had also invested in our earlier funds and are investing again, given our performance so far. We aim to conclude this fund raising by December end," said Madon.

Reliance AIF has concluded 44

transactions in the past four years, including 22 complete exits, and has returned ₹1,600 crore to investors. "We have developed a skill set for raising funds and deploying them at an appropriate time in right projects," he said.

The Reliance Capital's AIF arm has already invested over ₹900 crore out of a total corpus of ₹1,000 crore raised through its earlier two funds at a targeted Internal Rate of Return of 21-23%. The fund has made 16 investments and two exits through these two funds in the past 18 months.

Demand for financing from real estate developers has been on the rise in the backdrop of sluggish sales. The current scenario has offered an opportunity for private equity players and non-banking financial companies to invest in realty projects and bargain for better returns.