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FINANCE LTD

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INFRASTRUCTURE

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REAL ESTATE

NOVEMBER 2007

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REAL ESTATE

[ING Investment Management launches a Global Real Estate Fund](#)

ING Investment Management India has launched a global real estate fund to invest in REITs and real estate operating companies globally. The open-ended feeder fund will primarily invest in Cayman Islands and is registered as ING Global Real Estate Securities Fund. ING Clarion Real Estate Securities are the sub-advisor to the fund. The fund is expected to have a large allocation to Asia-Pacific followed by North America and Europe. The fund would seek investments in companies that derive at least 50 per cent of their total revenues or earnings from owning, operating, and developing and/or managing real estate

[US based PE firm to invest USD 1.25 billion in Hotel Leela Venture](#)

US-based private equity (PE) major Blackstone is expected to invest USD 1.25 billion into Hotel Leela Venture. Hotel Leela Venture is the parent company of one of India's leading hotel chains Leela Palaces, Hotels and Resorts. This would be one of the biggest private equity investments in an Indian company. The funds would be utilized for expansion and acquisition of properties across the country.

[Morgan Stanley invests USD 375 million in 7 residential projects](#)

Merrill Lynch & Co has bought 49 per cent equity in seven residential projects of DLF. The projects are in Chennai, Bangalore, Kochi and Indore for USD 375 million. The mid-income housing projects are expected to be fully developed in 7-8 years duration

[Indiareit to Invest in Luxury Housing Project outside Mumbai](#)

Indiareit Fund Advisors, the venture capital firm controlled by the Piramal Group, plans to invest in a housing project along Mumbai's eastern coast, seeking to overcome a land shortage and rising prices in the city center. Mumbai-based Indiareit will invest USD 38 million in Samira Habitats, a company that's developing luxury villas and apartments in Alibag, on the mainland across from the Mumbai island. Houses in the 400-acre Samira Habitats project are expected to cost between USD 0.127 million and USD 2.5 million when they go on sale at the end of next year. Alibag, located about 34 kilometers (21 miles) south of Mumbai, is a popular weekend getaway among the city's affluent residents.

Government plans a Real Estate Regulator

The government plans a regulator for the rapidly growing real estate on the lines of Telecom Regulator. The regulator will be headed by an eminent personality or judge and will assist in dealing with Land procurement issues, documentation and timely execution of projects. The regulator would also facilitate opening up more land to the productive manufacturing and services sector of the economy. However regulating land prices and property cost cannot come under the purview of the regulator, since they are state issues.

DLF to buy ultra-luxury Amanresorts for USD 250 million

DLF Ltd is acquiring the privately-held super luxury resorts and spa chain Singapore-based Amanresorts for around USD 250 million. This will be the first overseas acquisition by India's largest real estate company, which recently went public.

Kotak Global Realty fund to invest USD 200 million across sectors

Kotak India Real Estate International fund has raised USD 200 million from overseas investors. The funds would be deployed over 4 years across commercial, residential, retail, lodging, leisure etc. Kotak Realty has USD 700 million assets under management which includes USD 500 million from the previous funds. Kotak realty has invested in Shobha Developers, NDR Warehousing, Lemon Tree Budget Hotels, and Pride Hotels among others.

Kotak group to take 10 pc stake in Sunteck Realty

A realty fund managed by Kotak Mahindra Investments will invest USD 350 million in Sunteck Realty to acquire a 10 per cent stake in the latter. This would be one of the first investments from the new USD 400-million realty fund recently raised from domestic investors by Kotak

DLF sells 49% in housing projects to Merrill arm

Real Estate Company DLF Ltd sold 49 per cent stake in eight residential project SPVs to private equity investors for a total consideration of USD 400 million. A Merrill Lynch & Co entity has bought 49 per cent equity in seven residential projects in Chennai, Bangalore, Kochi and Indore, for USD 350 million

The mid-income housing projects would be developed in about 7-8 years. The company — headed by billionaire K.P. Singh — has also diluted 49 per cent stake at a premium,

in another middle-income housing project in Patchouli, Haryana, to Brahma Investments for USD 50 million.

[Ajay Piramal floats realty JV with Sunteck](#)

The JV will undertake its first project, a commercial / IT park of over a million square feet, at Sion, Mumbai. The JV envisages an investment of INR 250 million in various projects over the next 12 months.

[Unitech plans to invest up to USD 2.5 billion across India](#)

Unitech Ltd, India's second- largest realty firm by market value, today said it plans to invest up to USD 2.5 billion in various projects across India.

[ETA Star plans USD 375 million mall in Mumbai](#)

ETA Star and Supra Estates joint venture buys 10-acre plot for USD 200 million-225 million. Chennai-based real estate developer ETA Star Property Developers, a part of \$4 billion ETA Ascon group based in the UAE, will build a USD 375 million mall in Mumbai's Juhu area. The construction work will begin in January next year. ETA Star and its 50:50 joint venture partner Supra Estates would develop the 10 acre plot (450,000 sq ft) into a shopping mall and also for building service apartments. The companies have paid USD 200-225 million for the said plot of land.

[Brigade enters into tie-up with Starwood, again](#)

Taking its association with Starwood Hotels & Resorts outside Bangalore, realty company Brigade Group has extended its association with the US hospitality chain for its second five-star hotel in the city of Mysore. To be branded under Starwood's Sheraton brand, the new hotel is expected to get operational in four years.

[Kolte-Patil Developers plans to raise USD 70 million via IPO](#)

Real estate firm Kolte-Patil Developers Ltd plans to raise about USD 70 million from the capital market to fund its land acquisition and proposed future projects.

[Eredene Capital PLC announces third investment](#)

This is the Eredene Group's second real estate investment in a CFS in India, where there is rising demand for container service facilities, and its third investment since shareholder approval of its broadened investment strategy.

[RBI allows FIIs to raise exposure to 100 pc in Unitech](#)

The Reserve Bank of India today allowed Foreign Institutional Investors (FII) to increase their exposure to 100 per cent in Delhi-based real estate developer Unitech.

[Venture capital funds face realty check](#)

Investments by venture capital funds, especially in the realty sector, have come under the government scanner. Following a communiqué from the central bank, the government and market regulator SEBI are examining the norms governing investments by the funds.

[Clear Water buys 49% in BSEL Infra-floated SPV](#)

Cyprus-based Clear Water Capital Partners acquired 49% stake in a special purpose vehicle (SPV) floated by BSEL Infrastructure Realty, Unity Realty & Developers and Kamat Hotels.

[Realty quartet in USD 90 million deal](#)

A group of city realtors have joined hands to strike a USD 90 million plus deal with Mumbai-based realty giant Hiranandani for a 6.14 lakh sq yd land on the Sardar Patel Ring Road at Sanathal, near Sanand. The deal has been struck by Ashima group promoter Chintan Parikh's Saumya Constructions; Pravin Kotak promoted Iscon group, a local media house and a London-based NRI.

[Shalimar Paints targets Delhi for realty foray](#)

Shalimar Paints, the third-largest protective coatings supplier in the country, has drawn up plans to enter the real estate turf. The USD 72 million companies is likely to kick off real estate development projects in Delhi NCR and Kolkata.

[ING to invest in realty trusts overseas](#)

ING Investment Management, the investment management arm of ING Investment Management Asia Pacific, is planning to launch a fund that will invest in REITs (real estate investment trusts) abroad. The investment will be made through ING Clarion real estate, which is the real estate fund arm of the company and is soon going to open an office in India. It has assets under management worth \$138 billion.

[Italian co to set up 25 hotels, invest USD 600 million](#)

Milan-based Domina Hotel Group is planning to expand in India. The company plans to set up 25 hotels through a joint venture and pump in \$600 million. The project will be run by an equal joint venture with real estate firm Shristi Holding.

[Uppal to develop a mall and a luxury apartment in Chandigarh](#)

Uppal will soon develop an exclusive mall to be christened as Centra Mall and luxury apartments called Uppal's Marble Arch in Chandigarh. These projects will involve the investments of USD 25 million and USD 60 million respectively.

[Samsung wins USD 31 billion S Korean realty project](#)

Samsung Corp said on Friday its consortium had won a \$30.88-billion project to develop a business district in central Seoul, South Korea's biggest-ever property development project. State-run Korea Railroad Corp (Korail) said it was in negotiations with the 26-member consortium led by Samsung and the National Pension Service to finalise the sale of the land it owns in the Yongsan district by the Han River.

[Ansal API to double its Dadri Township](#)

Ansal has got the Uttar Pradesh government's green signal to double its project size in Dadri, which will then make this the second largest private township in the country. The total size of the Dadri project has gone up to 5,000 acres, of which only 500 acres has been acquired till now. Ansals had earlier announced an investment of USD 5 billion for the earlier approved 2500 acres.

[US based Trump to invest in Indian Real Estate](#)

The US based realty major, Trump, has short listed investment opportunities in the Indian real estate market. The investments would be spanned over 18 months. Trump plans to construct Trump Towers in Mumbai and Delhi similar to its high-rise buildings in Manhattan. The company's focus will be on high-end projects in Mumbai, Delhi, Hyderabad, Bangalore, and resorts and villas in Goa.

Infrastructure

Foreign private equity funds are betting big on India to cash in on the investment boom in sectors ranging from realty to technology. India requires half a trillion dollars of investment in infrastructure including roads and power plants during the next five years as it aims to lift growth in its USD 906 billion economy to 10 percent by 2012

[Government considering proposal allowing PE Funds to bid for infra projects](#)

The government is considering a proposal to allow private equity (PE) funds and venture capitalists (VCs) to be part of the consortia that bid for infrastructure projects. At present, these entities can only participate indirectly in these projects by committing funds to one of the bidders. The move is in line with the recommendations of the infrastructure finance committee headed by Deepak Parekh. The government's move is a significant attempt to attract PE funds into capital-intensive infrastructure projects. The planning commission estimates requirement of USD 500 billion investments in infrastructure to maintain the current pace of growth. If PE funds become part of a consortium, they could offer great deal of capital to their bidding partner. To ensure that money actually flows in, the winning fund must make equity contribution to the project or ensure that the financing can be tied up for the project. The selection is expected to be based on the funds committed to India rather than the total uncommitted investible funds.

[US based PE Baseline to invest USD 100 million in India](#)

Brooks Schaden promoted New York-based private equity firm Baseline to invest USD 50-100 million in realty, infrastructure, power, retail and technology companies. The investments would start in a by the end of the year. The fund is targeting medium sized companies with high growth potential

[Trikona Capital to raise USD 375 million realty fund and USD 1 billion Infrastructure fund](#)

Trikona Capital, the New York-based and India-focused real estate investment company, to raise USD 375 million domestic realty fund. The largest rupee dominated fund is expected to be launched in December 2007. The fund would invest in residential and commercial properties. Trikona would also raise USD 1 billion infrastructure fund. Trikona has completely invested the first fund of USD 500 million it raised in April 2006 on the London Stock Exchange's Alternative Investment Market (AIM)

[Baer Capital Partners to raise USD 500 million USD](#)

Baer Capital Partners, the Dubai-based funds management company, to raise USD 500 million from overseas investors for investments in Indian real estate and infrastructure. The fund will be deployed in the second quarter of 2008. Baer Capital is following the trend set by JPMorgan Chase & Co., 3i Group, Blackstone Group and Citigroup Inc. which raise from overseas investors and invest in Indian Infrastructure and real estate

[The Kerala Government plans to set up IT parks in all the districts of the State](#)

Kerala Government has entered into an agreement to implement the Smart City project in Kochi. The Government has also planned to develop the Technopark in Thiruvananthapuram on similar lines and to establish a 'Technocity' there on 500 acres of land. Steps have also been taken to set up IT parks in Alappuzha and Kozhikode and preliminary measures have been initiated to develop IT parks in other districts.

[USD 101 million investment by 3i India Infrastructure Fund in Soma Enterprise](#)

3i India Infrastructure Fund, part of the London-based private equity and venture capital company 3i Group Plc, has invested USD 101 million (about INR 4 billion) for a minority stake in Hyderabad-based engineering and construction firm Soma Enterprise Limited. Soma Enterprise, with an order book of over USD 1.6 billion, specialises in multi-disciplinary engineering, procurement and construction (EPC) contracts across segments such as roads, irrigation, hydropower and urban infrastructure

[USD 9 million investment by IDFC Private Equity in water management firm Doshion Ltd](#)

IDFC Private Equity (IDFC PE) to invest USD 9 million in Ahmedabad-based water management company Doshion Ltd. Doshion is engaged in water purification, wastewater and effluent treatment since 1978. The funds will be used for acquisitions of niche companies in design and fabrication of water treatment plants and bidding for projects in the water segment. IDFC PE with investments of USD 130 million is one of the top investors in the clean energy space. The fund is seeking more investments in this sector IDFC Private Equity plans to raise USD 1 billion in a new fund in 2008.

[Old Lane invests USD 26mn in KVK Energy](#)

Old Lane Mauritius III has invested USD 26 million in Hyderabad-based KVK Energy and Infrastructure Private Limited. The funds would be invested in the 1,200Mw KVK Nilachal power project in Orissa, and the 120Mw SV power project in Chhattisgarh. KVK Group, operates across conventional as well as renewable sources such as natural gas, LSHS,

coal, biomass and hydro power. It currently owns stakes in 9 power generation projects spread across 6 states. The Old Lane India Opportunities Funds were established in July 2006, and Old Lane Investment III is an investment vehicle of Old Lane India Opportunities Funds.

[Lehman Brothers to invest USD 100 million for 10% in Ramky](#)

Investment Bank Lehman Brothers to acquire 10% stake in Ramky Group for USD 100 million. Ramky Group is a Hyderabad-based infrastructure and realty company promoted by Ayodhya Rami Reddy. It has a turnover of around INR 16 billion. A part of the funds would be invested to expand the operations of its wholly-owned subsidiary —Ramky Enviro Engineers— in India and overseas. The balance will be used to finance overseas acquisitions. Ramky Enviro Engineers specialises in bio-medical waste management, oil recovery and metal recycling

[UTI Ventures has invested USD 8 million in Pesco Beam](#)

Venture capital firm UTI Ventures has invested USD 8 million in Pesco Beam Environmental Solutions; a company involved in waste oil recycling and alternate energy systems. The 18-year-old Pesco ((Pragmatic Environmental Solutions Co) builds plant and machinery for companies that are into waste recycle management and manufacture of alternate fuel such as ethanol with offices in the US and in Chennai in India.

[Bennett, Coleman & Company to invest in Chennai- based MARG Constructions](#)

Bennett, Coleman & Company (BCCL) to pick up stake in Chennai- based MARG Constructions. Established in 1994, MARG Constructions is among India's fastest growing diversified infrastructure development companies with projects as diverse as IT parks, power, ports, roads, retail and real estate.

[Punj Lloyd to invest USD 25 million in Airworks](#)

Engineering and Construction firm Punj Lloyd along with New York-based private investment firm Global Technology Investment have bought 66% stake each in Airworks India. Airworks is one of the oldest family-owned aircraft maintenance firms in India. The two investors are investing close to USD 25 million to rejig the Mumbai-based company, that will now broaden its horizon to more areas of aviation infrastructure and services. The Menon family that owns Airworks, will retain the balance 33% stake. The funds will be used for the foray into maintenance repair and overhaul (MRO) for airlines and

chartering of planes. This is Punj Lloyd's second foray into aviation. The first was when the group-promoted Indo-Pacific Aviation, a helicopter and aircraft operation and maintenance outfit in Delhi.

[100 per cent FDI in Titanium mining on the anvil](#)

The government is considering 100% FDI in titanium ore mining under the automatic route. At present, the department of atomic energy (DAE) permits FDI in titanium ore mining, hitherto considered a sensitive area, of up to 74%. Department of industrial promotion & policy (DIPP) has included the proposal in the yearly FDI review following the clearance from DAE to move titanium ore mining from the list of sensitive activities to regular mining activities. The proposal is part of the National Mineral Policy. The move is expected to attract major investments in the country's titanium reserves, which constitute 30% of the world's total reserves. Billed as the metal of future, titanium and its alloys are used as basic raw material for aircraft and aerospace, and its use is gradually increasing in other areas including chemical industries, iron and steel industries and FMCG sector. Titanium is recognized as a strong metal, light in weight, non-corrosive and able to withstand extreme temperature (melting point of 1,800° C).

[ICICI Venture Funds Management Co to pick up stake in Jaypee Infratech Limited](#)

ICICI Venture Funds Management Co. Ltd, the private equity arm of ICICI Bank Ltd, India's second biggest lender, is planning to invest about USD 800 million to pick up a stake in Jaypee Infratech Ltd, a unit of the cement-to-construction conglomerate Jaypee Group

[GTL International Ltd, has acquired 100% stake in ADA Cell works for USD 25 million](#)

[GTL International Ltd, the](#) Wholly Owned International Subsidiary of GTL Ltd has acquired 100% stake in ADA Cellworks, the leading Network Planning and Optimization player in Asia Pacific in an all cash deal of around USD 25million. ADA Cellworks, headquartered in Kuala Lumpur, Malaysia, has experience of executing over 80 projects across 24 countries with significant presence in China, Indonesia, Taiwan and India. Key Investors in the company include Intel Capital and Malaysian Government through, Malaysian Venture Capital Management (MAVCAP). The deal will conclude in the next few weeks subject to certain condition precedents and regulatory approvals. GTL International would be acquiring the Company in an all cash deal of about US\$25mn and

would be acquiring the stake from the Founder Promoters, Intel Capital and MAVCAP. ADA Cellworks expects revenue of around USD 31million for FY 2008.

[IVRCL acquires oil and gas E&P company](#)

IVRCL Infrastructures & Projects Ltd has entered into a Share Purchase Agreement to acquire 100% shares of Alkor Petroo Ltd (Alkor)- an unlisted Oil and Gas E&P company. Alkor had five exploration blocks in the Republic of Yemen and Arab Republic of Egypt. The blocks have a resource potential (Best Gross case) of about 143 MMBLLS of Oil and 17 BCF gas.

[Infrastructure identified as priority area by IFC](#)

IFC, a member of the World Bank Group, today reaffirmed its commitment to contribute to India's economy by expanding its investments in private enterprises in the sectors where IFC is needed most. IFC Vice Presidents Farida Khambata and Declan Duff joined South Asia Director Paolo M. Martelli in India this week to discuss with government and private sector partners how to move ahead with IFC's growing focus on India's infrastructure, midsize companies, and financially underserved markets.

[Indian Infrastructure Project Development Fund under consideration](#)

A scheme to operationalise the India Infrastructure Project Development Fund with a corpus of INR 1,000 million (USD 25 million) is under consideration of the Government. The fund is expected to quicken the pace of preparation of the shelf of bankable projects which can be offered for competitive bidding announced

[India to be established as a global aviation hub](#)

The Government envisages creating a network of world-class airports in the country with a view to establishing India as a global aviation hub. Measures have been taken to augment capacity as a result of which additional capacity to handle 60 million passengers per annum on the domestic sector and 31 million passengers per annum on international sector is under construction and is likely to be commissioned within the next two – three years.

[Infrastructure Lending becoming top priority of Commercial Banks](#)

Led by power, roads & ports and telecom sectors, the credit disbursement by banks to the infrastructure sector has grown at an impressive compound annual growth rate of 31

per cent during the last six years but the maximum growth in the credit was witnessed in the last two years at 43 per cent and 36 per cent.

Industry demands granting permission to MF/ FIs To Launch Dedicated Infrastructure Funds

The Associated Chambers of Commerce and Industry of India (ASSOCHAM) has suggested granting permission to mutual fund companies and financial institutions to launch Dedicated Infrastructure Funds (DIFs) with a view to mobilize resources to develop key sectors such as power, roads, rail, ports, airports to help India move a higher growth trajectory of 10% during 11th plan period.

Government to develop four stretches as expressways

The government has identified four stretches that will be developed as expressways as part of Phase VI of the National Highway Development Programme (NHDP). Under the programme, the government plans 1,000 km expressways by 2012. The stretches are Delhi-Agra, Delhi-Meerut, Chennai-Bangalore and Kolkata-Dhanbad. There are only two expressways in the country, one between Mumbai and Pune and the other between Baroda and Ahmedabad. Under phase VI of the NHDP, the 95-km Baroda-Ahmedabad expressway would be extended by another 400 km up to Mumbai. Expressways have different physical parameters compared with highways, including fencing on sides, different road levels and underpasses and the government is considering a proposal to have a separate legislation for expressways. The government is also considering a proposal for carving out a separate corporate entity out of the NHAI which will be in charge of developing expressways.

NHAI to invest USD 12.5 billion in North-East

The National Highway Authority of India to invest USD 12.5 billion in the North-East region in the 11th Five Year Plan for augmenting capacity of high density corridors which would result in provision of improved four-lane national highway link to all state capitals. According to experts NHAI should also develop connectivity between Chittagong port in Bangladesh and Haldia port in West Bengal.

Railways plans Modernization of 22 stations

The Railways to modernize at 22 stations in two phases. 6 stations of New Delhi, Patna, Agra, Anand Vihar, Jaipur and Amritsar to be developed in Phase I. Hong Kong-based

firm Terry Farell has been appointed to carry out the study and submit the concept plan for modernisation of New Delhi railway station, with consultants for the remaining stations to be appointed shortly. The modernized stations to include modern station building with all modern passenger amenities such as food plazas, currency exchange counters, hotels, retail outlets and ATM facilities.