

ArthVeda to raise Rs 3000cr for low income group projects

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ArthVeda Fund Management, a DHFL group company, plans to raise up to Rs 3,000 crore under its affordable housing fund focused at low-income group projects, over the next three years.

The fund will participate with multiple developers across India, mainly in the tier 2 and 3 cities, for creating housing stock for low income households.

"It is our aim to raise Rs 3,000 crore over the next three years under the Asha Fund. There are many firms that provide funds for 'affordable' housing projects, but we are the pioneers in creating a fund dedicated only for low income group projects," ArthVeda Fund Management Chief Executive Bikram Sen told PTI here.

The fund will invest in projects of 1.5-2.5 lakh sqft each. "It is just a three year fund and so we want to deploy them in large number of small-size projects which will be in the remote areas. Our aim is to assist Modi government in achieving 'housing for all by 2022' target," he said.

The company hopes to invest Rs 10 crore on an average in each project and as such aims to do around 300 projects.

"If I invest in projects of 5 lakh sqft and if we cannot sell them, then my investors' money is stuck. I want to therefore invest in small projects where I can exit in three years with good returns to my investors. Thus on a flip side, if I invest in small projects I can do as many as 300 projects," he said.

ArthVeda will raise funds in different tranches with the first being of Rs 250 crore, Sen informed.

"We launched the fund last year in July and have raised Rs 11 crore. We will soon complete raising another Rs 150 crore," Sen said.

The company plans to invest in projects in some 60-70 locations which it has already identified. The company has identified locations in states like Maharashtra, Rajasthan, Chattisgarh, Uttar Pradesh, Madhya Pradesh, Gujarat, Karnataka and Tamil Nadu.