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ASK-Shriram Properties AIF platform to close Rs 500 crore fund by FY25



The company said it is in the process of identifying the third project and it will preferably be in Bengaluru.

Bengaluru-based listed real estate developer Shriram Properties Limited (SPL) plans to close its alternative investment fund (AIF) fund with Blackstone-backed ASK Property Fund within FY25, its CEO Gopalakrishnan J told Moneycontrol. "We have invested close to Rs 300 crore till now. We are hoping to commit the rest and this will be our last investment to close the fund within FY25," Gopalakrishnan added.

The company said it is in the process of identifying its third project for the rest of the commitment, preferably in Bengaluru.

Last month, the company announced an 'early exit' of ASK Property Fund from one of its projects in Bengaluru that delivered a 'significant return', more than doubling the investment in 18 months. The project - Shriram Pristine Estate - was the first under a co-investment scheme involving partners' investment of Rs 85 crore.

Last year, the company announced a joint investment of Rs 206 crore to take up 100 percent development rights in an ongoing stressed project in Chennai. Shriram 122 West is the second joint investment by the co-investment platform

In October 2023, ASK Property Fund reached an agreement with SPL to establish a Rs 500-crore investment platform dedicated to acquiring residential real estate projects.

"Following the closure of this fund, we will be looking at raising another Rs 500 crore for investment in residential projects in the next financial year," Gopalakrishnan added.

To develop the first project in Pune by October

The company said it was slated to develop its first project in Pune, which got deferred again due to approval-related delays.

"We are at full preparedness in terms of launching the project as soon as the approvals come through and RERA comes through. But we believe it is most likely going to be in October, if lucky, late September. So, therefore, we are considering it as a Q3 launch," the company said in its first quarter FY25 investor call.

Gopalakrishnan said Pune is one of the fastest-growing residential markets across the top cities.

"The first project in Pune will be located in Undri in the southern part of Pune and will sprawl 1.6 million sq ft. It will have a combination of residential and commercial spaces. The residential apartments will fall into the mid-segment category with about Rs 5,000-6,000 per sq ft. The project will have about Rs 1,000-1,200 crore of sale value," he added.

Gopalakrishnan added that by FY27, Pune will be contributing about 2-3 million sq ft of residential sales for the group. "We are evaluating projects equivalent to 4-5 million sq ft in Pune and will have a land value of Rs 400-500 crore - which can be through joint development or other forms of acquisition."

In an earlier interview Shriram Properties said that in FY24, the group planned to deliver 2.5 million sq ft (msf) of residential units with a sales value of Rs 1,500 crore. It comprises 2,170 residential units across Bengaluru, Chennai, Kolkata, Coimbatore, and Vizag.

Currently, the company plans to develop over five million sq ft within the end of FY25. In the upcoming years, Gopalakrishnan said the Group's residential portfolio will comprise Bengaluru, Chennai, Kolkata, and Pune.