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QVC Realty to raise funds for expansion in south

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BANGALORE: Real estate developer QVC Realty plans to raise Rs 600 crore in 2009 through a mix of equity and debt, primarily to buy large tracts of land in the south, especially closer to the new airports in Bangalore and Hyderabad.

According to a senior official of the IL&FS backed QVC, it plans to use a portion of the funds, Rs 200 crore, for the development of its Rs 2,000 crore township project in Gurgaon. Delhi-based Uppal Group is a partner in this project.

"We will need funds to acquire land in the southern metros. We propose to acquire about 100 acres each in

Bangalore and Hyderabad, close to the new airports in these cities, because we believe that both cities will grow in the direction of the airports. We will require funds to develop current projects," said QVC's promoter Prakash Gurbaxani.

According to Mr Gurbaxani, IL&FS is likely to invest up to Rs 400 crore in the company giving it the option to raise debt or bring on board a strategic investor into the SPV implementing the Gurgaon township. IL&FS has already invested \$100 million into QVC in April, 2007.

QVC Realty, has six projects under various stages of development: integrated township projects in Gurgaon and Pune, apart from stand alone developments in Pune, Bangalore and Chikmagalur in Karnataka totalling about 20 million sq ft.

The company has also partnered with Bangalore's Sobha Developers and New Delhi's Chintels India for its second township project in Gurgaon.

The company formally launched its Rs 150 crore Bangalore residential project - QVC Hills. It will construct 100 premium villas, priced upwards of Rs 5,500 per sq ft, on a 26-acre plot located in close proximity to the Devanahalli airport.

Plans include developing an additional 50 acres in the coming years, investing additional Rs 250 crore, Mr Gurbaxani said.