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Motilal Oswal Closes ₹2,000 Cr Realty Fund Amid Strong Investor Demand

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Motilal Oswal Alternates, the alternative investment platform of the Motilal Oswal Group, has completed the final close of its sixth real estate fund, Indian Realty Excellence Fund VI (IREF-VI), raising ₹2,000 crore. This makes it one of India's largest domestic credit raises in the property sector, signaling robust confidence in the country's growing demand for structured real estate financing.

The fund has seen a 65% increase in size compared to its predecessor, with the majority of capital coming from Indian high-net-worth individuals (HNIs) and family offices. Offshore investments were also secured through the Gujarat International Finance Tec-City (GIFT City), reinforcing global investor interest in India's real estate growth potential. The fund is focused largely on mid-income housing, which continues to be a resilient segment driven by end-user demand in key urban markets.

As of now, over 75% of the fund's capital has been deployed across 15 real estate projects in cities including Mumbai, Pune, Chennai, Bangalore, Hyderabad, and Kolkata. The fund has partnered with well-established developers such as Ajmera Realty, Casagrand Group, and Ambuja Neotia Group. Notably, the platform has already recorded a successful exit from one of the investments, delivering an internal rate of return (IRR) of 20.25%, which shows the effectiveness of its investment strategy.

Since early 2024, Motilal Oswal Alternates has committed over ₹2,500 crore across more than 35 projects and completed exits from over 30 deals, with total divestments exceeding ₹2,200 crore. Its total assets under management (AUM) in real estate have now crossed ₹10,000 crore, built through six funds and several co-investments. The platform has executed more than 180 transactions and recorded over 110 full exits to date.

Saurabh Rathi, Managing Director and Co-Head (Real Estate) at Motilal Oswal Alternates, noted that demand for credit in land acquisition is surging due to higher land prices and limited access to traditional bank lending. "Our ability to underwrite across markets and tailor capital solutions has been critical to our growth," he said. His counterpart, Anand Lakhotia, credited investors for their continued trust, adding, "We remain committed to transparency and disciplined fund management."

Vishal Tulsyan, Co-founder and Executive Chairman, highlighted the firm's long-term strategy, saying, "This close reinforces the strength of our governance and our reputation among both domestic and international investors. We continue to focus on delivering value through market cycles."

The strong response to IREF-VI points to growing recognition of real estate credit as a viable asset class. It also reflects a broader trend of alternative capital platforms filling gaps left by stricter bank lending norms. In a rapidly urbanizing economy, disciplined deployment of domestic capital into housing and infrastructure remains essential for sustainable development.

