

# Logix group raises Rs 400 crore from Apollo Global to accelerate construction of existing projects

By [Ravi Teja Sharma](#), ET Bureau | Jul 26, 2016, 03:12 PM IST

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NEW DELHI: Noida-based builder Logix group has raised Rs 400 crore from PE firm Apollo Global through a structured debt transaction.

The builder will use the money to fast track its existing residential and commercial projects, which are at an advanced stage of construction, but have been delayed over the last few years because of slowing home sales and a funds crunch.

It has received the first tranche of Rs 200 crore from Apollo Global while the rest will come in over the next one year. The investment has been made at the entity level at Logix [BSE 1.99%](#) group.



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Shakti Nath, managing director of Logix group confirmed the transaction and said that his company wants to finish its residential projects quickly to be able to sell faster.

"Home buyers today want to buy finished homes. Our projects had gone slow over the last two years because of slow home sales and this fund-raise is an effort to speed up these projects and complete around 8,400 apartments," said Nath.

"We are targeting to finish all projects and return the money within three years," he said.



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This is the first transaction from the new Apollo Asia Real Estate fund that has a focus on China, India and South East Asia.

Philip Mintz, India head for Apollo Asia Real Estate said the fund is looking forward to working closely with Logix group on their next phase of growth.

Logix group had earlier bought back the stake that Apollo Global Asset Management held in one of its commercial assets, Logix Cyber Park in Noida, for Rs 162 crore. Last year it gave an exit of Rs 62 crore to ICICI Prudential's India Opportunity Real Estate Fund from its residential project Blossom Green located in Sector 143 of Noida last year.

Several developers across the country have been facing a funds crunch due to a slowdown in home sales. In the current slow market, which has been prevailing for the last two to three years, home buyers are putting a premium on the execution capability of builders and also their ability to deliver on time.

This has pushed builders to raise funds to speed up their projects in order to keep to their timelines.

Piramal Fund Management recently invested Rs 200 crore in a residential project of Noida-based builder Prateek Group. Last year Ghaziabad-based builder VVIP raised Rs 120 crore from Reliance Capital to speed up construction. Noida-based Supertech raised Rs 100 crore from Indiabulls Real Estate Fund. Xander Finance put in Rs 120 crore with Bengaluru-based real estate firm Mahaveer group.

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3



3

