

Apollo Global invests Rs400 crore in Noida-based Logix Group

The money will be used for last-mile funding to complete the construction of four ongoing residential developments and a commercial office project in Noida



The investment will enable us to maximize the value of our portfolio of assets, said Logix Group chairman and MD Shakti Nath. Photo: Mint

Bengaluru: Global alternative asset manager Apollo Global Management Llc has invested `400 crore in Noida-based developer Logix Group through the structured debt route, in the New York-based investor's first real estate transaction in India.

The money will be used for last-mile funding to complete the construction of four ongoing residential developments and a commercial office project in Noida, on the outskirts of Delhi.

The investment has been made from the new Asia fund that Apollo Global is currently raising to deploy capital in India, China and South-East Asia.

Apollo took over Citi Property Investors, the real estate investment division of Citigroup Inc., in November 2010, resulting in the acquisition of the latter's real estate assets in India.

In May 2015, Apollo Global appointed Nipun Sahni, former managing director, real estate private equity at Merrill Lynch, to head real estate investments in the country.

Apart from real estate, Apollo Global also does special situation funding in the country.

"This facility helps us achieve financial closure on all the group's ongoing developments and will enable us to maximize the value of our portfolio of office and retail assets. As a result, we will deliver possession of approximately 8,400 homes to customers over the next 12 to 18 months," said Shakti Nath, chairman and managing director, Logix Group.

Apart from making fresh investments, Apollo Global is also responsible for the exit of the various investments made by Citi Property Investors.

Apollo exited a `70 crore investment, earlier made by Citi Property Investors in Logix Cyber Park, an office development in Noida, in September 2015. It has also exited other investments in the projects of Ahuja Constructions, Gera Developments Pvt. Ltd and BPTP Ltd.

"We are delighted to partner with Logix, which has built several landmark projects in Noida and look forward to working closely with them on their next phase of growth," said Apollo Asia Real Estate's India head Philip Mintz.

Apollo Asia Real Estate is a fund managed by Apollo Global Management.

Apollo Global is exploring opportunities for more real estate investments in India, and is in talks with developers for potential transactions in residential, office space as well as hospitality projects, said a person familiar with the firm's plans on the condition of anonymity.

"Noida has performed well as a micro-market even as NCR (National Capital Region) has remained subdued, and this kind of large transaction manifests the confidence investors have in projects and companies there. The fact that it is an investment in a holding company signifies that it is also confident of exits through product sales," said Rajeev Bairathi, executive director, capital markets, at property advisory Knight Frank India.

In recent months, there have been a number of private equity investments in projects in Noida. Kautilya Finance BV, an investment platform of Amsterdam-based Aevitas Property Partners, invested `175 crore in Saha Group's projects in Noida in July. Last month, Piramal Fund Management Pvt. Ltd invested `200 crore in Prateek Group.