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Title : Realty Firm Total Environment Raises Rs 200 cr From L&T Fin

Author : Sobia Khan

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Total Environment Building Systems, a Bengalurubased developer of luxury homes, has raised `200 crore debt from L&T Finance, a nonbanking unit of L&T Group.

The funds will be used to speed up construction and accelerate delivery of its 210 units upscale residential project in Bengaluru, christened Learning to Fly, according to Kamal Sagar, managing director at Total Environment Building Systems.

“We will use `100 crore towards principal repayment to IndoStar and the rest will be used for project expenses,” said Sagar. The debt has been secured at an interest rate of 14.5% for a period of six years. IndoStar Capital Finance, a non-banking financial company, had invested `150 crore in the project over two years ago. “The fund has exited with an internal return of 17.5%,” said Sagar.

This is the second fund raising by the builder in the last two months. In July , Total Environment Building Systems had raised `300 crore in equity funding from the offshore fund of HDFC Capital. The builder had then said it would use the money to fund five of its under construction projects in Bengaluru. Total Environment Building Systems has 7 million sq ft of residential projects under development, which it expects to complete by 2021. It has so far delivered 30 projects across Bengaluru and Pune.

Private equity funds are actively investing in India's residential segment where builders are facing a cash crunch. According to a Cushman & Wakefield report, private equity investment in the country's real estate sector increased 40% year-on-year to `3,840 crore in the first quarter of 2016.



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