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Gaurs raises ₹500 cr from Kotak Bank unit

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BENGALURU

Real estate developer Gaurs Group has raised ₹500 crore from Kotak Mahindra Prime Ltd, a subsidiary of the Kotak Mahindra Bank, the company said on Sunday.

The money will be used to speed up construction at Gaur City II, which is part of the 237-acre integrated township in Greater Noida West, besides for Gaur City Centre, the commercial project comprising a shopping mall, multi-level parking and a hospital.

In January, the developer raised ₹640 crore from PNB Housing Finance Ltd to develop a housing project and a shopping mall.

The debt funding comes at a time when non-banking financial companies, or NBFCs, which had been a key source of funding for builders, are experiencing a liquidity crisis. The Delhi-National Capital Region (NCR), India's largest property market, has



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been impacted the most by the liquidity crisis, given the slowing demand.

Developers are looking for debt to maintain the pace of construction, plan launches and repay loans.

"The investment will be used to pace up the construction at two of our projects in Greater Noida West. We have had a good run since two years and have sold

good numbers, which has helped us to complete projects within the stipulated time. We also have excellent track record and relations with banks, which has made us a preferred partner for such big fund deals," Manoj Gaur, managing director, Gaurs Group, said in a statement.

NCR-based Gaurs Group said that it has clocked sales of

over 600 housing units in March. "Kotak is a respected lender in the real estate space. The deal of this magnitude has been possible due to the consistent performance delivered by the Gaurs Group in the last several quarters. This deal will cut down financing costs of the group significantly," said Vineet Singhal, group chief financial officer, Gaurs Group.

A Kotak Mahindra Group spokesperson said: "We are extending the debt for development of quality residential and commercial projects. We value borrowers with good track record and who are progressively building organisational capabilities to deliver value to all stakeholders on a sustained basis."

Gaurs Group is currently developing group housing and commercial projects in Greater Noida West, Siddharth Vihar (Ghaziabad) and Yamuna Expressway. The group has also announced its entry into affordable housing, education and hospitality segments.

The money will be used to speed up construction at Gaur City II in Greater Noida West and for Gaur City Centre