

Brookfield, Hiranandani in India's largest commercial space deal

4 mn sq ft of office & retail space sold for \$1 bn

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In the largest commercial property deal in the country, Mumbai-based Hiranandani group has signed an agreement with Canada's Brookfield Asset Management to sell its 4 million sq ft of office and retail space in Powai. The deal is estimated at about \$1 billion (₹6,700 crore), said a source.

"It is part of succession planning in the family as brothers are pursuing their own interests," the sources said. Hiranandani group, a 50:50 partnership between Niranjan and Surendra Hiranandani, still owns 0.5 million sq ft of office space in Powai and is developing 3,000 apartments in the suburb. The group is developing 5 million sq ft of office space across the country. A Hiranandani spokesperson confirmed the development.

The company, which owns 2,000 acres, has plans of floating a REIT (real estate investment trust) comprising its upcoming projects, the spokesperson said. "We are creating a separate special purpose vehicle. It would take three to four months," the spokesperson said.

"It's a fully priced deal. They would have built the assets over the years and



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expected a fair value for it," said Rubi Arya, vice-chairman at Milestone Capital, a fund management firm.

In 2014, Brookfield bought four SEZs owned by Unitech Corporate Parks for ₹3,500 crore and two other assets in the country.

Among other high-profile transactions in real estate space, developers such as DLF, K Raheja Corp, Prestige and others are looking to raise \$3.5 billion from selling stake in their office space arms.

Orient Cement buys Jaypee plants for ₹1,950 crore

Orient Cement, a firm owned by the Chandra Kant Birla group, on Thursday agreed to acquire 74 per cent stake in Bhilai Jaypee Cement and Nigrie cement grinding unit in Madhya Pradesh from Jaypee group companies at an enterprise valuation of ₹1,950 crore.

While the transactions would help beleaguered Jaypee group in reducing its ₹67,500 crore of consolidated debt as on March this year, it would increase Orient Cement's presence in central and eastern India. Orient Cement, a relatively smaller player in the Indian cement sector, is eyeing to become a pan-national player and with this acquisition. Its capacity would go up from eight million tonnes per annum to 10.2 mtpa. Orient currently has three cement manufacturing units in Telangana, Maharashtra and Karnataka. The transaction will be funded by Orient Cement through a mix of internal accruals, debt and equity funding, reports **Dev Chatterjee**