

Headline: RMZ to complete Essar BKC Project Buyout by Yr-end

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RMZ to Complete Essar BKC Project Buyout by Yr-end

Topay Rs.2,400cr for deal, which will be financed by QIA and other sovereign funds

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Bengaluru | Mumbai: In one of the largest real estate transactions of this year, RMZ will acquire the remaining 50% stake in Essar Group's commercial project Equinox Business Park in Bandra-Kurka Complex, Mumbai, by the end of this year.

The company will pay Rs.2,400 crore for the complete buyout, which will be funded by Qatar Investment Authority (QIA) and some other sovereign funds, said two people having direct knowledge of the development.

Bengaluru-based real estate developer RMZ, which had acquired a 50% stake in the project earlier last year, had entered into an agreement with Essar to buy out the remaining stake. After the takeover by RMZ, the 1.25-million sq ft business park, which was being operated by Essar's realty arm Equinox Realty, will be renamed as RMZ Equinox Business Park.

Arshdeep Sethi, managing director (investment), RMZ, said, "This acquisition provides additional accretive opportunities and further diversification of RMZ's growing portfolio in the Mumbai market, demonstrating the fundamentals of acquiring quality assets in strategic locations."

RMZ is also in the process of forming a second joint venture with Qatar Investment Authority (QIA), sovereign wealth fund of Qatar, to buy development assets across top cities in the country.

The new commercial platform will see QIA more than double its investment made through RMZ. In 2013, it had invested \$300 million (Rs1,800 crore). The two partners look to acquire commercial spaces of over 5 lakh square feet across Bengaluru, Hyderabad, Chennai, National Capital Region and Pune, the person said.

ET had first reported the transaction in August 2015. RMZ has 20-million sq ft of

Rise and Rise of RMZ

RMZ acquires the remaining 50% stake in Essar group for ₹2,400 crore

Equinox Realty to be renamed as RMZ Equinox Business Park

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RMZ and QIA to acquire commercial spaces of over 5L sq ft across the country

RMZ in the process to achieve a five year growth plan of 80 mn sq ft

core assets, valued at \$4 billion, under management. It is rapidly marching towards achieving a five-year growth plan of 80 million sq ft, which will be anchored by Qatar Investment Authority.

"We are pleased to enhance RMZ's portfolio in Mumbai with the acquisition of this accretive asset that consolidates our position as a leading operator of office parks in India. The location and specification of these properties will further strengthen RMZ's market position in Mumbai and enhance its operational efficiency. Our objective is to add value to the assets through development and refurbishment, and to invest in economically strong locations that offer an opportunity for value appreciation," said Manoj Menda, corporate chairman, RMZ.

Family-owned RMZ is looking to expand its portfolio in the existing markets as well as in NCR and Mumbai before opting for listing office properties by mid-this year through real estate investment trust (REIT). With a portfolio of over \$3.5 billion, RMZ owns 20-million sq ft of office space in the country and plans to take it to 80-million sqft by 2020.