

Godrej Prop taps stuck projects

Partners Nirmal Ventures for 14-acre residential development that may yield ₹3.5K cr in five years

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Mumbai: Godrej Properties has entered into a joint venture with debt-laden Nirmal Ventures, formerly Nirmal Lifestyle, for a residential project in Thane, Maharashtra.

In an earlier interview with **DNA Money**, Godrej Properties managing director and chief executive Pirojsha Godrej had shared that the real estate firm had plans to explore joint venture and joint development opportunities with other developers.

As per an announcement on Thursday, the project, earlier named Nirmal Sports City, will be constructed under a development management agreement.

Since 2013, Nirmal Ventures had started accepting booking amount from buyers under the 'pre-launch', but did not commence construction.

Spread over 14 acre, the project will offer approximately 195,000 square metre or 21 lakh square feet of saleable area and will be developed as a residential development comprising modern residential apartments of various configurations along with a small retail component to support this



residential development.

The project is estimated to yield Rs 3,500 crore over the next five years, according to JLL India that has structured the deal. The project is funded by Edelweiss to the extent of Rs 450 crore and the land is co-owned by Videocon and Mumbai-based Nirmal Ventures.

On the development, Godrej said, "We are happy to add this new project in Thane, a key micro-market of Mumbai. This strengthens our development portfolio in Thane and fits well with our strategy of deepening our presence in key markets across India's leading cities."

Ramesh Nair, CEO and country head of JLL India said, "An integrated mixed-use project of

this scale and size will certainly be a good choice for end-users and investors alike."

Dharmesh Jain, CMD, Nirmal Ventures did not respond to a query asking if liquidity crunch and inability to commence construction on the site were the reasons for partnering with Godrej Properties.

Last month, Nirmal Ventures had tied up with L&T Realty to develop a property in Mumbai's Mulund area.

In December, debt recovery tribunal had directed Nirmal Ventures to sell its properties to repay Rs 377 crore to the non-convertible debenture subscribers.

"Through these two associations, Nirmal has raised over Rs

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1,000 crore. This strategic infusion of capital has proved to be a guiding force for the real estate industry during challenging times for a promising outcome," read a note shared by JLL India.

Along with getting into an agreement to develop a property at Mulund, last month it had also secured debt funding of Rs 570 crore from L&T Finance. In the next eight years, the project in Mulund has a saleable potential of about 32 lakh square feet that is likely to yield revenue of around Rs 5,500 crore.

As per the plans, Rs 400 crore of the Rs 570 crore will be utilised to redeem NDCs issued to Kotak Investment Advisors and INQ Holding.