

Piramal Enterprises to float new realty investment platform

By *Ashwin Mohan*, ET Now | 16 May, 2016, 08.01PM IST



"They are close to finalizing a joint investment platform with Ivanhoe Cambridge for equity investments in the residential space," said a source. In pic: Ajay Piramal, Chairman of Piramal Enterprises Limited.

Billionaire [Ajay Piramal](#) led [Piramal Enterprises](#) is betting big on the real estate sector and as part of the company's second venture to tap global pension money, ET NOW learns that [Piramal Fund Management](#), part of [Piramal Capital](#), the [financial services](#) arm of the group, is likely to soon seal a tie-up with a leading [Canadian Pension fund](#).

"They are close to finalizing a joint investment platform with [Ivanhoe Cambridge](#) for equity [investments](#) in the residential space and an official announcement is expected shortly," said

a source familiar with ongoing negotiations. [Ivanhoe Cambridge](#) is the real estate investment arm of Canada's second largest pension fund [Caisse de depot et placement du](#). ET NOW was the first to report the story.

"This investment platform is likely to be for atleast \$200 million", added a second source familiar with the potential deal.

"Global pension funds are looking for minimal counter party risk, hence such funds choose to partner with select, reputed Indian brands. Counter party quality is clearly more important than the return profile. Also, reputed developers are averse to high cost debt and there is a clear resurgence of equity deals in the market. Residential assets with their capital growth prospects tend to outperform the stabilized yield generating assets such as commercial malls and offices," says [Ruchir Sinha](#), co-head (private equity & m&a) at law firm [Nishith Desai Associates](#).

Established in 1965, [Caisse de depot et placement du Quebec](#) or [CDPQ](#) is one of the largest institutional fund managers in Canada and [North America](#) with net assets totaling around \$248 billion dollars.

In February, 2014, [Piramal Enterprises](#) had formed a strategic alliance with [Canada Pension Plan Investment Board \(CPPIB\)](#) to set up a \$500 mn entity to offer debt financing to real estate projects.

In response to email queries, a [Piramal Enterprises](#) spokesperson declined to comment on speculation as per policy and ET NOW is awaiting an official response from [CDPQ](#).