

In the largest debt transaction within the real estate funding space, Piramal Fund Management invests Rs 2,320 crore in Lodha Group's Projects

September 1 2016; Mumbai: Piramal Fund Management (PFM), one of the largest real estate focused fund & funding platforms and part of Piramal Enterprises, has invested **Rs 2,320 crore** across a bouquet of several projects of Lodha Group in Mumbai. This is the single largest debt transaction to take place in the real estate funding space. Lodha Group has been India's largest real estate developer by sales for four consecutive years. This is the second investment by PFM in the Lodha Group. Earlier, PFM had invested Rs 425 crore in Lodha Venezia, an advanced stage project in Mumbai.

PFM has committed **Rs 2,320 crore** across multiple projects to replace various existing debts. This funding will enable Lodha to complete and deliver marquee projects in South & Central Mumbai. The invested projects are at various stages of advanced construction and completion with established sales and locked-in receivables. The deal has been structured as a fixed return debt investment with periodic coupon payments and has an appropriate security mechanism in place, including hard asset cover as well as an escrow of receivables.

Lodha Group has a track record of robust business performance and an ability to produce high quality products across different market segments. The group recorded gross sales of over Rs 8,000 crore in FY 15-16, sustaining market leadership and unparalleled growth across market cycles. As a result of this transaction, Lodha will not only be able to complete and deliver its marquee projects on time, but also reduces its cost of funds which will have a significant positive impact on its bottomline.

PFM is uniquely capable of catering to the entire capital stack – right from early stage equity to late stage debt and construction finance and is therefore able to act as a perpetual provider of capital for the real estate development life cycle. PFM also recently announced the 'Piramal Preferred Partner' programme whereby its selected existing development partners are allowed to draw from a pre-sanctioned limit in order to pursue opportunistic acquisitions.

Mr. Khushru Jijina, Managing Director, Piramal Fund Management said: "I am pleased to have furthered our relationship with the Lodha Group. This transaction demonstrates our ability and willingness to scale our financing relationships with our choice of partners and stands testament to the marketing and execution track record demonstrated by Abhishek Lodha, MD, Lodha Group. The use of proceeds will ensure completion of what we believe to be marquee projects in Central and South Mumbai."

Mr. Abhishek Lodha, Managing Director, Lodha Group said: "PFM's holistic approach to real estate financing creates a win-win for both parties in terms of quantum and cost. Khushru Jijina, MD, Piramal Fund Management has extensive domain knowledge and has played a key role in consummation of this deal in record time. We are seeing momentum building up in our business with sales, deliveries and collections all moving up. This transaction will further strengthen our balance sheet and give us room to further improve our growth. We are pleased to have deepened our relationship with PFM and look forward to a long-term engagement with them."

About Piramal Enterprises Limited

Piramal Enterprises Limited (PEL) is one of India's large diversified companies, with a presence in Healthcare, Healthcare Information Management and Financial Services. PEL's consolidated revenues were around \$ 1 billion in FY2016, with 61% of revenues from outside India.

In healthcare, PEL is one of the leading players globally in CRAMS (custom research and manufacturing services) as well as in the critical care segment of inhalation and injectable anaesthetics. It also has a strong presence in the OTC segment in India.

PEL's healthcare information management business, Decision Resources Group, is amongst the top 20 US market research organizations which provide information services to the healthcare industry.

In financial services, PEL, through its Piramal Fund Management Division, provides comprehensive financing solutions to real estate companies. The Structured Investment Group ("SIG") provides long term patient mezzanine growth capital to capital intensive businesses which are integral part of India's growth story. The total funds under management under these businesses are \$ 3.3 billion. The Company also has strategic alliances with top global pension funds like CPPIB Credit Investment Inc. and APG Asset Management. PEL also has long term equity investments worth over \$ 700 million in Shriram Group, a leading financial conglomerate in India.

PEL is listed on the Bombay Stock Exchange and the National Stock Exchange in India.

About Lodha Group:

Established in 1980, privately held Lodha Developers is India's largest real estate developer and amongst the world's select multinational real estate brands with presence in India and the United Kingdom. The company is one of the most profitable players in India and the largest by sales for four consecutive years. It achieved net sales of INR 7,790 crore for FY 14-15 and INR 7,520 crore for FY 13-14 with INR 8,092 crore in FY 12-13 and INR 3,911 crore in FY 11-12. The Group is currently developing an estimated 43 million sq ft of prime real estate with the largest land reserves in MMR, and has 28 ongoing projects across London, Mumbai, Pune and Hyderabad and expanding in Bangalore. The group has the largest land bank of over 6,200 acres with an estimated saleable area of ~553 million sq ft. In FY 14-15 alone the company delivered 5.7 million square feet and 5,500 units across projects. The group plans to deliver more than 11.8 million sq ft in FY 15-16.

Lodha's vision of 'Building a Better Life' extends across markets with several landmark developments to its credit including World One - the world's tallest residential tower, and Palava City - the first Greenfield smart city in the country. The group has brought some of the top global names including Armani/Casa, Trump, Philippe Starck, Jade Jagger, Kelly Hoppen, Greg Norman and Pei Cobb Freed to India. In November 2013, the Group extended its international footprint with the acquisition of the landmark MacDonald House at 1 Grosvenor Square in Prime Central London from the Canadian Government for a consideration of over GBP 300 million (INR 3,100 Cr). The Group acquired another premium site in Prime Central London, 'New Court' at 48 Carey Street, taking the combined investment to GBP ~400 million. The group is planning a further £3 billion worth of investment in the UK by 2018.

Lodha Developers is one of the largest corporate entities in Mumbai, with over 4,000 direct associates and over 25,000 workmen at its sites. Over 2% of the group's annual profits are dedicated to social programs with a focus on education as the best medium to enrich society. With offices in London, Dubai and Shanghai and planned openings in the USA and Singapore, the group is on the road to a substantial international presence.

For Media Queries – Piramal Enterprises:

Riddhi Goradia
Corporate Communications
Tel: +91 22 3351 4082 / 4083
riddhi.goradia@piramal.com

For Investors:

Hitesh Dhaddha / Bhavna Sinyal
Investor Relations,
Piramal Enterprises Limited
Contact: +91 22 3046 6444 / +91 22 3046 6570
investor.relations@piramal.com

For Media Queries – Lodha Group:

Akshita Bhadauria
9769188475
akshita.bhadauria@pitchforkpartners.com