

Press Release

Piramal Fund Management launches 'Indiareit Apartment Fund' – a novel first-to-market fund strategy centered around institutional buying of residential units; collects INR100cr commitments in 10 days

July 8th, 2014, Mumbai: Piramal Fund Management has launched a new fund targeting buying of individual residential units – 'Indiareit Apartment Fund' seeks to acquire residential units in Tier 1 markets at a significant discount to prevailing market price, by offering a bulk purchase to the developers. The target fund size is INR350cr (+ a green-shoe option of a further INR350cr) with an average deal tenure of 2-3 years per transaction. IIFL Wealth Management Ltd. is acting as exclusive distributor for the first close.

The Fund is specifically targeted towards those individuals who, beyond a primary home, look to invest directly into real estate as an asset class. The Fund will therefore underwrite units only i.e. physical square feet rather than financial participation, whilst adhering to the basic tenets of a defined use of funds, appropriate security and monitoring as well as ensuring developer alignment and project completion – key risks that a retail buyer in the open market would want to address.

This all encompassing strategy helps create an aligned position i.e. a win-win for all stakeholders. For the developer, this enables them to advance construction and delivery of initial sales, facilitates an increased visibility of site progress and also enables them, in certain instances, to participate in the upside beyond a certain price threshold. For the investor, the Fund enables them to access value deals in the market and participate in a 'secured' position with the benefit of a highly attractive price point, diligence and structuring vis a vis an individual transaction. It also enables a 'quicker' realization of attractive returns with smaller incremental price movements when compared with retail participation at open market prices.

The Fund has already seeded its first transaction, a INR50cr investment in Mumbai and has identified a further pipeline of similar transactions even as the fund raising progresses.

Khushru Jijina, Managing Director, Piramal Fund Management said, "This Fund has been formed over many months of conceptualization and structuring. We are extremely heartened with the response having collected INR100cr in a matter of days. This offering adds to our existing bouquet of services i.e. structured equity, senior debt, and construction finance and furthers our engagement with development partners to meet their requirements."

About Piramal Enterprises Limited:

Piramal Enterprises Limited (PEL) is one of India's largest diversified companies, with a presence in pharmaceuticals, healthcare information management and financial services. PEL's consolidated revenues were ~\$ 750 million in FY2014. In the pharmaceutical space, PEL is one of leading custom manufacturing player globally, has presence in the global critical care segment with a portfolio of inhalation and injectable anaesthetics and its OTC business is ranked no. 7 in India. PEL is also engaged in drug discovery & research and has strong pipeline of development products. PEL's information management business, Decision Resources Group, is a leading provider of information based services to the healthcare industry. In the financial services space, PEL, through Piramal Fund Management, provides comprehensive financing solutions to real estate companies. Its Structured Investments Group provides mezzanine funding to corporates in various sectors, including infrastructure. PEL has also made long term equity investments in the Shriram Group, a leading financial conglomerate. For further information, please visit our website www.piramal.com

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