

Press Release

## **Piramal Finance targets affordable and mid-income housing sector**

- *Identifies initial pipeline of INR3000cr across major metros; intends to scale up to US\$2bn by 2020*
- *Dedicated team to focus on pure and preferred equity transactions*
- *Unique ability to facilitate financial closure for the project, as well as home finance for end users, at time of entry itself*

**Wednesday, 14<sup>th</sup> February 2018, Mumbai:** Piramal Finance Limited (PFL), a subsidiary of Piramal Enterprises Limited, has set up a dedicated team to invest in affordable and mid-income residential projects across major metros in India. PFL has identified an initial pipeline of INR3000cr with transactions across the major metros under active consideration.

With the unique ability to participate across the entire capital stack, PFL will follow its trademark partnership approach for its investments in the affordable housing space.

PFL is able to provide both pure and preferred equity capital to top-grade developers that are looking to buy or develop land and need early-stage growth capital. PFL may also actively pursue an opportunistic acquisition of land on its own accord and invite developers to participate on a joint development basis.

At the same time, through its proprietary wholesale loan book PFL is able to sanction milestone linked construction finance for the project so that the developer is able to achieve financial closure for the project at the very outset. With the introduction of RERA, this is a unique advantage as it enables the developer to unilaterally focus on executing the project without worrying about financing.

Additionally, through PFL's sales and research function Brickex, the developer is able to leverage a multi channel distributor and broker network to identify a marketing strategy and incentivize a community of partners that will further drive primary sales.

Finally, typical end users projects within this segment tend to be a mix of both salaried professionals and self employed individuals. Traditional home loan providers tend to focus on the salaried class which restricts the developer's ability to generate interest from self employed end users for want of financing. Piramal Housing Finance is able to bridge this gap by funding individual home buyers (both salaried and self-employed) through a range of tailor made products focused on the affordable segment.

**Khushru Jijina, Managing Director, Piramal Finance Limited and Piramal Housing Finance Limited,** said "While many players in the market are focused on providing equity or debt capital towards affordable and mid income housing, we believe that our ability to provide a comprehensive end-to-end solution – including both early stage equity as well as construction linked debt – is truly unparalleled as it helps the developer achieve financial closure for the project on Day Zero. Our ability to further drive sales through Brickex and fund those sales through customized home loan products specifically tailored towards salaried as well as self employed end users acts as unique competitive advantage. We now have a highly experienced team focused exclusively on scaling our presence within this segment and intend to scale up to US\$2bn by 2020."



### **About Piramal Enterprises Limited**

Piramal Enterprises Limited (PEL) is one of India's large diversified companies, with a presence in Financial Services, Pharmaceuticals and Healthcare Insights & Analytics. PEL's consolidated revenues were over US\$1.7 billion in FY2017, with around 51% of revenues generated from outside India.

In Financial Services, PEL provides comprehensive financing solutions to real estate companies. The division's Corporate Finance Group (CFG) also provides senior and mezzanine growth capital to various businesses across varied sectors that are integral part of India's growth story. The Division has also launched Distressed Asset Investing platform that will invest in equity and/or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround. The total funds under management under all these businesses are over US\$5.5 billion. The Company has recently launched a retail housing finance vertical. The Company also has strategic alliances with top global funds such as APG Asset Management, Bain Capital Credit, CPPIB Credit Investment Inc. and Ivanhoe Cambridge (CDPQ). PEL also has long term equity investments worth ~US\$1 billion in Shriram Group, a leading financial conglomerate in India.

In Pharma, through an end-to-end manufacturing capabilities across 13 global facilities and a large global distribution network to over 100 countries, PEL sells a portfolio of niche differentiated pharma products and provides an entire pool of pharma services (including in the areas of injectable, HPAPI etc.). The Company is also strengthening its presence in the Consumer Product segment in India.

PEL's Healthcare Insights & Analytics business, Decision Resources Group, is the premier provider of healthcare analytics, data & insight products and services to the world's leading pharma, biotech and medical technology companies and enables them to take informed business decisions.

PEL is listed on the BSE Limited and the National Stock Exchange of India Limited in India.

### **About Piramal Finance Limited:**

Piramal Finance Limited, wholly owned subsidiary of Piramal Enterprises Limited (the flagship company of Piramal Group), is engaged in financial services business. Piramal Finance provides both wholesale and retail funding opportunities within real estate and non-real estate sectors. The platform is capable of funding across the entire capital stack ranging from early stage private equity, structured debt, senior secured debt, construction finance as well as Flexi Lease Rental Discounting (within real estate). Piramal Fund Management also has a third-party fiduciary business advising institutional and retail investors alike through customized fund strategies such as the Mumbai Redevelopment Fund focused on slum rehabilitation and the Apartment Fund focused on bulk buying individual units as well as larger separate account mandates with leading global pension funds such as CPPIB, APG and Ivanhoe Cambridge. Piramal Housing Finance Limited (PHFL), a subsidiary of PFL, is registered with National Housing Bank (NHB) as a Housing Finance Company since 28th August 2017. PHFL offers home loans, loans against property and construction finance for small developers. With retail housing finance under financial services it has become one-stop shop in the real estate finance space offering customized solutions for each stakeholder ranging from the developer to the end-customer.

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