

Press Release

Piramal Finance Limited Expands Its Investment Focus to Include Auto Component Space; Commits INR 565 Crore Across Two Transactions

Tuesday, 30 May 2017; Mumbai: Piramal Enterprises Limited through its subsidiary Piramal Finance Limited has financed RSB Group to the extent of Rs. 275 crore and Indoshell Mould Limited to the extent of Rs. 290 crore. The investments were made through the Corporate Finance Group (CFG), erstwhile Structured Finance Group, of Piramal Finance Limited.

The CFG has diversified over time both in terms of sector and offerings. CFG is now sector agnostic and offers capital across the risk curve including senior debt, acquisition finance, promoter finance, private equity exits alongside its previous focus on mezzanine investments. It started with focus on infrastructure which includes roads and renewables but over the last two years has funded corporates across cement, entertainment, security management, packaging, etc. CFG typically targets borrowers who face constraints from traditional channels owing to the current stress in the banking system.

RSB manufactures auto engineering products such as propeller shafts, gears, axles & machined products for engine components and construction equipment aggregates. Company has strong domestic presence with 11 manufacturing facilities spread across major auto clusters and caters to all the major OEMs in the commercial vehicles, passenger cars, construction and farm equipment.

Indo Shell is a two-wheeler focussed precision cast supplier and has a well-diversified customer base. The company has been consistent in producing high quality engine cylinder blocks at competitive costs and consequently enjoys a healthy order book from marque two-wheeler OEMs.

Khushru Jijina, Managing Director, Piramal Finance Limited, said “The auto component space has been on our radar as a focus area for a while now. As is standard practise across our platform, we committed to an in depth study of the sector over the past few quarters which, has culminated in announcing these first two transactions. The industry has grown at a 15% CAGR over the last decade, which is significantly higher than the OEMs themselves. Both RSB and Indoshell have long standing relationships with major OEMs and command higher wallet share of their respective customer set. We look forward to more such transactions as we further scale up our investment focus towards this sector.”

RK Behera, Chairman and Managing Director, RSB Group said “We are pleased to have partnered with an organisation of such repute as being a funder of choice in the market today. This investment has provided us with a long-term solution to our capital requirements. Going forward, we believe the auto component demand would be fuelled by stable government framework and increasing economic activity.”

Balaji Jagadeesan, Managing Director, Indo Shell Mould said “This tranche of funding from the Piramal Group has helped us solve a cash flow mismatch situation and further enables us to meet the incremental demand from two wheeler OEMs. In addition, we are now well placed to cater to our export clients in the commercial vehicle segment through our new state-of-the-art export oriented facility situated near Coimbatore.”



About Piramal Enterprises Limited:

Piramal Enterprises Limited (PEL) is one of India's large diversified companies, with a presence in Pharmaceuticals, Healthcare Insights & Analytics and Financial Services. PEL's consolidated revenues were over US\$1.3 billion in FY2017, with 51% of revenues generated from outside India.

In Pharma, through an end-to-end manufacturing capabilities across 14 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.

In Financial Services, PEL, through its Piramal Fund Management Division, 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 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 US\$4.9 billion. The Company has recently applied for HFC license. The Company also has strategic alliances with top global funds such as APG Asset Management, Bain Capital Credit, CPPIB Credit Investment Inc. and Ivanhoé Cambridge. PEL also has long term equity investments worth over US\$700 million in Shriram Group, a leading financial conglomerate in India.

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

About RSB Group:

RSB is one of the leading engineering conglomerates in the country with business interest ranging from design to manufacturing of aggregates and systems related to commercial vehicles, passenger cars, construction and farm equipment. Started in 1975 the company today has a turnover of almost INR 1,200 Cr and has presence across the country with 11 manufacturing facilities. The company manufactures auto engineering products such as Propeller shafts, Gears, Axles & Machined products for engine components and Construction Equipment Aggregates. The group also has strong backward integrated facilities with in house forging and casting facility.

About Indo Shell Mould:

The Company is a two-wheeler focused precision casting supplier and is a key vendor of engine cylinder blocks to Hero, Honda and TVS. Apart from 2 wheelers, the Company is well diversified across other segments – namely, hydraulics for construction equipment and transmission components for commercial vehicles.

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