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Tata Opportunities Fund invests USD 55mn in Tata Projects

Partnership poised to benefit from revival of Indian investment cycle

27 July 2015, Mumbai, Hyderabad & Singapore: The Tata Opportunities Fund (TOF), the flagship private equity fund advised by Tata Capital, today announced an investment of INR 335 Crore (~USD 55 million) in Tata Projects Limited (TPL), an Engineering, Procurement and Construction (EPC) services company of the Tata group. Headquartered in Hyderabad, with INR 3,444 Crore (~USD 550 million) in revenue in FY14-15, PBDIT of INR 295 Crore (~USD 44 million), and an order book of over INR 16,000 Crore (~USD 2.6 billion), Tata Projects is one of India's fastest growing EPC companies.

TOF has purchased secondary stakes from four Tata companies - Tata Steel, Tata Motors, The Indian Hotels Company and Tata International - which had taken stakes in Tata Projects after the company was formed in 1979. TOF's investment for a significant minority ownership marks the Fund's first transaction in the infrastructure services sector. The Fund seeks to play a supportive role in assisting Tata Projects in expanding its EPC services franchise with existing and new customers across segments and geographies. The Fund has been invited to appoint a nominee to the Board of the company.

Tata Projects enjoys leadership positions in the power generation BOP and power transmission segments. It has recently diversified into urban infrastructure and heavy civil construction having secured several key contracts in railways and urban transportation, including Dedicated Freight Corridors and metro rail projects (Navi Mumbai and Delhi DMRC). Tata Projects is a part of the Tata group's infrastructure cluster, formed to maximise synergies among Tata entities in the sector.

The Tata Opportunities Fund's other portfolio commitments include Ginger Hotels (market leader in economy hotels), Tata Sky (India's premier DTH satellite TV provider, also a JV with 21st Century Fox), Varroc Engineering (market leader in auto-lighting and 2-wheel auto parts), Shriram Properties (mid-market housing developer) and TVS Logistics Services Limited (India's leading 3rd party logistics service provider).

Commenting on TOF's entry, **Mr. Prasad Menon, Chairman of Tata Projects**, said, "Indian infrastructure focused companies will see significant growth with the impact of the Government of India's 'Make in India' initiative. Tata Project's strategic evolution in the last few years has made it a well diversified player with marquee credentials and provides it with the opportunity to become a world class franchise. We are glad to welcome TOF as a strategic partner in continuing this journey."

Mr. Vinayak Deshpande, CEO and Managing Director of Tata Projects, said, "We are sharpening our focus to deliver best-in-class EPC services and enhancing our scale of operations to global levels. We are investing progressively into technology and engineering capabilities and partnering with some of the best global EPC companies to keep Tata Projects at the forefront of the changing global EPC space. We have maintained a strong balance sheet and this partnership bolsters our ability to raise additional financial resources, when required. We look forward to working with TOF in further strengthening Tata Projects and creating value for all stake-holders."

Mr. Padmanabh Sinha, Managing Partner of the Fund's advisory team in India, said, "The Fund and its limited partners are delighted to partner with Tata Projects in its growth journey. The Fund has been evaluating the Indian EPC space and is looking at a revival in the sector as it comes off a cyclical low. The Fund believes that EPC companies will be early beneficiaries of an increase in capital spending in India. Tata Projects is one of the few EPC companies with low leverage given its 'pure-play' services focus and financial discipline, and is well placed to grow profitably. The Fund looks forward to working with Tata Sons and other Tata group shareholders of Tata Projects to create a technology enabled global scale EPC services company."

About Tata Opportunities Fund:

The Tata Opportunities Fund (TOF) is a third party private equity fund with a mandate to invest into exclusive situations with market leading businesses which benefit from TOF's relationship with the Tata group. TOF completed the final close of its fund in early 2013 with commitments of ~USD 600 million from marquee global investors. Excluding this investment, the Fund has till date committed over USD 340 million to five sector leaders: Ginger Hotels, Tata Sky, Varroc Engineering, Shriram Properties and TVS Logistics. For more information about TOF, please visit <http://tatacapital.com>

About Tata Capital Limited:

Tata Capital Limited, registered with the Reserve Bank of India as a Core Investment Company, is a holistic financial services provider catering to the diverse needs of retail, corporate and institutional customers, directly or indirectly through its subsidiaries. Its range of offerings includes Consumer

Finance, Advisory Services, Commercial Finance, Infrastructure Finance, Securities, Investment Banking, Private Equity Advisory, Credit Cards and Travel & Forex Services. For more information about Tata Capital, please visit www.tatacapital.com

About Tata Projects Limited:

Tata Projects is one of India's fastest growing infrastructure companies with expertise in executing large and complex industrial and urban infrastructure projects. The company provides turnkey solutions to set up power generation plants, power transmission and distribution systems, fully integrated rail and metro systems, commercial buildings and airports, chemical process plants, water and waste water management solutions, complete mining and metal purification systems. Tata Projects has technology relationships with various international players including Brookfield Multiplex, Mitsui, Danieli Corus, Mitsubishi Heavy Industries, Aldesa, Ansaldo and leading East Asian EPC companies. In the year FY 2014-15 the company has won several industry accolades including, (i) Dun & Bradstreet – Exemplary Project of the year Award, (ii) EPC World – Outstanding Contribution in Power T&D Award, (iii) Construction world - India's Most Admired & Fastest Growing company Award and (iv) Power Grid - Highest Capitalization & Safety Award. For more information about Tata Projects, please visit www.tataproyects.com

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