



Motilal Oswal Private Equity (MOPE)

celebrates this philosophy in thought and action. It reflects in the way we operate internally and also collaborate with the best entrepreneurial talent across sectors. For us, Private Equity (PE) is as much about partnership as it is about investing in the promise of an enterprise.

We believe that aligning our vision and investment strategy with the vision of exceptional entrepreneurs is critical for success in the truest measure. And, that we possess the experience and expertise to foresee mega trends, identify hidden potential, provide growth capital and generate superior returns for our stakeholders.

India is at the cusp of a huge economic takeoff. This will lead to the creation of many more entrepreneurial success stories. The prospect of value creation and a free-flowing entrepreneurial energy across the nation excites us. It makes us believe that our core promise of celebrating entrepreneurship and partnerships will continue to foster value creation. We intend to stay invested in, and build further on this promise.



The Indian economy is on a decisive upswing. It is already one of the largest and fastest growing economies in the world. It is one of the most preferred investment destinations for global investors.

INDIA PROMISE

The India Growth Paradigm

- India has a vibrant financial services market, which is overlooked. The development of this financial services' sector will be a key driver of the country's future growth.
- The Indian government's 'Make in India' initiative will foster growth of the manufacturing sector.
- India's consumer spending is consistently rising. It is expected to double by 2025, making India the 5th largest consumer market in the world. This will lead to major growth in all the contributing sectors.

PROMISE OF AN INCREDIBLE FUTURE - INDIA

Highly passionate and energetic entrepreneurial talent, the prospect of high, sustainable economic growth and macroeconomic stability forms the narrative of the Indian economy in the future.

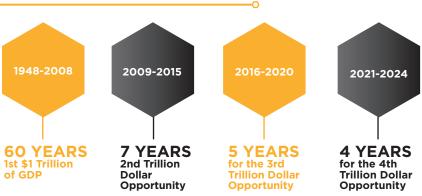
The following are the reasons for our positive outlook:

After independence, it took India 6 decades to become a USD 1 trillion GDP economy in FY08. The Next Trillion Dollar (NTD) took substantially lesser and every successive NTD will take even lesser. This exponential opportunity and non-linear growth undergirds our conviction in Indian businesses.

The country has a large population that's young and raring to go (65% of its population is thirty-five years or less, and half of the country's population of 1.25 billion people is under twenty-five years of age). This provides an unparalleled demographic advantage.

This demographic advantage, together with policy changes, greater transparency and a focus on infrastructure creation, has laid a framework for a foreseeable, large number of years of economic growth, job creation and value creation for all stakeholders.

India's Next Trillion Dollar journey



PRIVATE EQUITY Playing a major role in India's capital needs

Private Equity (PE) investment has been an important source of capital over the last two decades. In addition to capital, PE has contributed significantly to bring about change in India's economic and business landscape. PE accounted for ~26% of the total FDI received by India,

over the last 10 years. It has been instrumental in fostering growth in various sectors including financial services, consumer and healthcare.

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For the emerging phase of India's economic growth, PE will be a major facilitator and contributor. Material changes in the economy and evolving corporate structures are making the environment conducive for PE to play a pivotal role across sectors and situations.

REAL ESTATE SECTOR Opportunities for transformation

India's real-estate sector has witnessed phenomenal transformation since the beginning of the 21st century, attracting global attention. The sector witnessed strong growth over the past decade due to high economic growth, rising disposable income and urbanisation.

The government's vision to provide housing to all by 2022, coupled with the present shortage of over 20 million houses, and

favourable demographics will continue to drive growth in the sector over the next couple of decades. The sector is estimated to reach \$676 billion by 2025 – a four-fold increase from current levels.

Phenomenal growth is expected to provide exciting opportunities to investors across all asset classes.

This phenomenal growth is expected to provide exciting opportunities to investors to invest across all asset classes (residential, commercial and retail) through all possible capital structures (equity, debt and mezzanine).

For the emerging phase of India's economic growth, private equity will be a major facilitator and contributor.

PE is hugely relevant for mid-market companies where it is difficult to raise capital (Rs. 50 crores to Rs. 250 crores) from public markets or unorganised sources.

Government's vision to provide housing to all by 2022, present shortage of 2+ crore houses, and favourable demographics will continue to drive growth in the real-estate sector.



We never assess entrepreneurship in isolation. We view it through the prism of a fruitful partnership. For us, entrepreneurship is the natural progression of a deep and abiding association that goes beyond transactions. This thought finds credence in the way in which Motilal Oswal Financial Services (MOFSL) was founded over 25 years ago, and remains the driving force of our success till this day.

1987 - THE GENESIS

Ramdeo Agrawal and Motilal Oswal met in a college hostel in Mumbai while studying Chartered Accountancy. They became friends and developed a common passion for the stock markets. Theirs was a unique partnership - both came from modest backgrounds, both had a passion for investing, a strong belief in their entrepreneurial abilities and a quest for knowledge. They believed in each other and started off as sub-brokers, and have today created one of India's most respected financial services firms with businesses in equity broking & distribution, investment management, home finance and investment banking.

The 'two-bosses-and-a-peon' enterprise has today expanded to over 1700+ business locations in 500+ cities servicing 8,29,000+ customers.*

A company that started with almost zero capital today has a market capitalisation of more than Rs. 4,000 crores and a net worth of more than Rs. 1,200 crores.

*As of December 31, 2014

MOTILAL OSWAL FINANCIAL SERVICES (MOFSL)

The MOFSL story is built around three paradigms: *Knowledge, Partnership and Entrepreneurship.*

Partnership of the two founders is one of the unique case studies on how partnerships should be managed and their entrepreneurship is an inspiration to many.

The initial expansion of the company was founded on a 'win-win' business partner model that spawned many entrepreneur sub-brokers. This entrepreneurial spirit is now in the DNA of the company and all the businesses within MOFSL are great examples of enterprise and partnership. In each of the businesses, there are highly empowered and entrepreneurial leaders who work with the two founders in a truly partnership orientation. This mix has enabled to scale up each of the businesses to leadership positions and has created an environment of excellence. What started as a small stock broking firm more than two decades ago, is today a well diversified financial services brand.

All the businesses have been built around the edifice of knowledge and research. MOFSL's equity research enjoys a market leading franchise and has helped the entire company develop an investment acumen that lies at the core of everything we do.

Advice provided by MOFSL has helped create significant wealth for their broking clients - both institutions and retail investors. About a decade back, MOFSL also ventured into managing money for its clients through the asset management business, wherein they offered products both for listed and

private equity investments. Over the last decade, the firm's flagship scheme, Value PMS, has consistently outperformed the benchmark indices.

The 'Manthan' (churn) created by 19 years of Wealth Creation Studies has lead to the unique MOFSL Investing Mantra - QGLP.

Raamdeo Agrawal is today considered among India's most astute investors. He has been a witness and an active participant in the transformation of the Indian economy. He is an ardent Warren Buffett follower and strongly believes in the buy-and-hold strategy, and deeply understands value creation.

Over the years, he has worked towards creating investment frameworks that can be applied in the asset management business to enable superior returns for clients. He has been conducting an annual study on the most prolific and consistent wealth creators amongst listed Indian companies, for the last 19 years. One of the key frameworks that he has developed, are the four 'Mantras' (principles) for identifying wealth-creators, called QGLP or (Quality, Growth, Longevity, Price). This framework talks about identifying high quality companies, which can sustain high and quality growth for a long period of time and an investment in those companies at a reasonable price.

The excitement and passion of our founders has only multiplied manifold over time, as India's entrepreneurial talent and business opportunities are now globally respected and recognised. Motilal Oswal Private Equity (MOPE) was thus founded in 2006 with the vision of partnering high potential mid-market companies and this was followed by building a strong real estate platform.

Best Local
Brokerage (India)
for trading and
execution by Trade
Asia Poll 2014.

'Best Research as Research Showcase Partner' at Research Bytes IC Awards 2014. Best Performing
National Financial
Advisor Equity Broker
Award at CNBC TV18
Financial Advisor
Awards for 4 years.



MOTILAL OSWAL PRIVATE EQUITY (MOPE)

MOPE was founded in 2006 to put the investment philosophy and acumen of MOFSL into action. From the outset, MOPE's focus was the mid-market segment, where there was an acute need of capital, and where the MOFSL brand had significant leverage. In keeping with the entrepreneurial approach and partnership philosophy, Vishal Tulsyan was brought in as the founding CEO. Vishal has built a team that reflects the time-tested organisational ethos of MOFSL. Over the years, he has played a pivotal role in charting out a successful roadmap for MOPE through his organisation-building skills, robust network and a keen understanding of strategic and financial aspects of the business. Within eight years, MOPE is managing and/or advising funds, with a combined corpus of nearly \$400 million across private equity and real estate.

CORE PRINCIPLES

What we look for in companies before investing is only an extension of our own value system. Therefore, what follows are the essential principles that guide our own organisation and investment strategy.

1. Entrepreneurship

MOPE strives to partner with entrepreneurial talents across sectors. We look for highly passionate, visionary, tenacious and committed entrepreneurs who have built excellent businesses. We consider ourselves as a fund for entrepreneurs by entrepreneurs. Our entrepreneurial approach is what differentiates us and an ability to work with Indian sensibilities allows us to connect with business leaders and build deep, enduring relationships with them. We seek to be a true valuable partner to the entrepreneurs we back.

2. Business Excellence

MOPE looks for businesses that have traits of excellence, have leadership potential, ability to scale up and are of high quality. We believe that management foresight, tenacity and quality of business operations, not intermittently but consistently form the foundations of business excellence. We endeavour to partner with excellent management teams and work with them to further enhance their companies.

3. Transparency and integrity

We continue to be guided by our core values of integrity and transparency in our investment process. We also maintain these values in the investments we make. We look for businesses and management teams with high level of transparency and integrity.

These principles find relevance and application in all our businesses.

Within eight years, MOPE is managing and/or advising funds, with a combined corpus of nearly \$400 million across private equity and real estate.



PRIVATE EQUITY - GROWTH CAPITAL BUSINESS

Out of 19 closed transactions in growth capital, 13 were sourced from LFAs.

PROCESS

MOPE recognises that successful investments are derived from a rigorous and efficient investment process, pre and post deal, whose key elements are based on:

Preferential deal sourcing

Over the years, MOPE has leveraged MOFSL's network to build a vast pan India sourcing network of 350+ local financial advisors (LFAs) giving access to deals and entrepreneurs across industries and geographies. The focus has been on building relationships resulting in preferred deal flow. Of over 1,200 transactions sourced since inception, 65% have been sourced from LFAs.

Investment in 19 companies out of over 1,200 deals sourced.

Valuation discipline

The Team is focused on identifying opportunities where multiple expansion can be achieved. In addition to the typical PE Rights, the Team prioritises the importance of 'Margin of Safety' and tries to follow conservative valuation benchmarks that are critical for investment success. The overriding strategy is to invest with caution. Extensive due diligence and focus on meeting with prospect's management have ensured 'we say no, more often than yes'.

Value addition

Value addition from investors should largely be complementary in nature. The team realises that their value-addition approach needs to be more partnership oriented. The team enjoys enduring relationships with the promoters of all its portfolio companies. MOPE has been a proactive

partner in the following areas:

- Strengthening/transforming business models
- Maintaining financial discipline
- Setting up of systems and processes
- Hiring Independent Directors with relevant experience
- Formalising Board Meetings and Committee Structure
- Facilitating institutional access

Au Financiers and Parag Milk Foods - examples of MOPE's valueaddition.

Entrepreneurial Team

10 professionals, 4 advisors, 100+ years of experience and deep relationships.

The team comprises of 10 investment professionals who collectively have more than 100+ years of cumulative experience in various facets of private equity business and have 50+ years of experience in private equity. The senior team has been together for more than seven years. The team has witnessed multiple economic environments – the euphoria of 2007, pessimism of 2009 and 2013, and the success post May 2014 with the new Prime Minister, Shri Narendra Modi. The team has a wide network of relationships with Indian corporates, private equity community, investment bankers and consultants. It can leverage on this network to help the management teams of its portfolio

companies to benefit from the corporate community at large.

The team also draws heavily on the experience of the four operating advisors who have had significant leadership experience in our focus sectors. All the four operating advisors have had an enviable track record of success in building highly successful businesses. At MOPE, these advisors provide an active guidance to the team members in deal evaluation, business due diligence, strategic and operating inputs to portfolio companies.

Operating Advisors with stellar track record of building businesses.

In addition to the investment team, MOPE also has four professionals to oversee the financial and operational aspects.

The team has multi-sectoral investing experience. The combination of experience, access, influence and discipline of the team provides MOPE with a sustainable competitive advantage.



We endeavour to offer products according to market requirements and project status, whether equity, debt or mezzanine.

MORE partners with credible and reputed developers across India's major cities.

Deep relationship with

builders to participate in transactions across

the capital structure-

and equity.

senior debt, mezzanine

PRIVATE EQUITY - REAL ESTATE

PROCESS

Real estate investments are backed by strong diligence and monitoring processes, whose key elements are based on:

Robust investment underwriting and structuring

Real estate investments follow a strong internal and external diligence process. We conduct extensive on-ground research to understand the market dynamics and further augment it through market intelligence tools. We appoint external experts for diligence on projects and developers to strengthen our internal findings. We endeavour to offer products according to market requirements and project status, whether equity, debt or mezzanine and work with consultants to ensure robust and efficient legal and financial structure.

Credible partners in India's leading cities

Motilal Oswal Real Estate (MORE) partners with credible and reputed developers across India's major cities, such as Mumbai, Delhi NCR, Bangalore, Pune and Chennai. These cities have proven market depth, strong resilience and high pent-up demand. The primary focus in these cities is residential projects due to lower capital requirement and easier exit from project sales.

Active portfolio monitoring and asset management

The team actively participates in monitoring of projects, closely tracking project development and cash flows through internal audit, site visits, and project monitoring consultants. We suggest best practices to the developers and help them build better and scalable organisations.

People - Skills and relationships

The team has collective experience of over 50 years in real estate across entire the investment life cycle - from fund raising, investments to

exit. Investment professionals have direct relationships with developers across cities, resulting in preferred deal flow.

In addition, all investment and divestment decisions are made by the independent Investment Committee, which has a majority external participation, including industry experts and investor representatives.

At MOPE, partnership on ground involves a range of strategies and initiatives.

From supporting the partner despite challenges, demonstrating investment acumen to shaping a viable growth roadmap.

It also involves identifying opportunities, that are otherwise not obvious.

Therefore, we always look at partnerships as a universe of possibilities. The next section contains eight examples of this.





MOPE invested Rs. 10 crores in Au Financiers in March 2008.

MOPE reposed its faith in the passion, vision, and competence of the management team of Au Financiers during difficult times.

In total, equity investors have, till 2015, invested Rs. 390 crores in primary capital in Au Financiers.

Au FINANCIERS

Believing in potential. Even when the going gets tough.

Funds managed/or advised by MOPE invested Rs. 10 crores in Au Financiers in March 2008. At the time of investment Au Financiers was a Rajasthan centric company with focus on providing loan to individuals based in rural or semi-urban areas for purchase of commercial vehicles. It was a small company with a highly ambitious growth plan and had all the ingredients for MOPE to invest. MOPE has worked very closely with the management over the last seven years to shape the growth trajectory of the company.

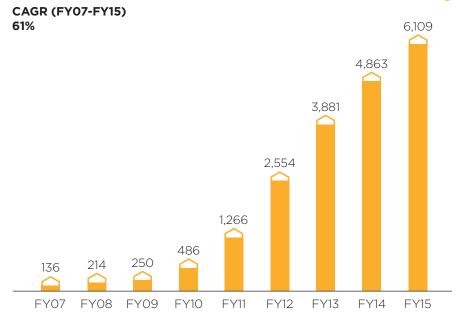
The partnership with Au Financiers was strengthened at a time when it was facing a difficult situation, thus demonstrating our willingness to stand by our partners.

In September 2008, because of a regulatory change, core business model of Au Financiers was at risk. MOPE in those difficult times reposed its faith in the passion, vision, and the competence of the management team by doubling its equity exposure in the company to provide additional

comfort to its lenders. This paved the way for additional bank funding and set the stage for an accelerated growth. Today Au Financiers has emerged as one of the most respected and fastest growing non-banking finance company in India and some of the most marquee investors, including World Bank Group, have invested in it.

Au Financiers-AUM

Rs. crores





 Parag today is the largest cheese manufacturer in

India.

PARAG MILK FOODS

Helping a sector come to prominence

Parag is a sterling example of MOPE's investment acumen. It invested in a sector that was not considered by many as a sector for private equity to invest in. Encouraged by the success of MOPE's investment in Parag Milkfoods, many private equity investors have evinced keen interest in investing in this sector.

Funds managed and/or advised by MOPE invested in Parag Milkfoods in June 2008. The company had a well-articulated growth plan wherein it planned to double its milk procurement and processing capacity. It was planning to set up a 40 tonne-per-day cheese processing plant- a capacity that was larger than the size of the cheese market in India at the time. MOPE team saw a great value-creation opportunity and decided to fund the expansion plan.

Today Parag markets its products under 'Gowardhan' and 'GO' brand names – both well recognised across India. Parag is the largest cheese manufacturer in India and has transformed into a Rs. 1,500 crores consumer products company with a nationwide presence. It is well-poised for an IPO in CY2016.

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GWS initially wanted to raise around Rs. 25 crores, but MOPE encouraged them to raise Rs. 55 crores.

GLASS WALL SYSTEMS

Seeing the bigger picture

Opportunities are like a jigsaw puzzle. We encouraged the promoters of Glass Wall Systems (GWS) to think beyond the next couple of years and visualize a dramatically different scale. The company initially wanted to raise Rs. 25 crores only.

MOPE team encouraged the promoters to think on a pan India basis in the short term and even international expansion in the medium to longer term. Post discussions with MOPE team promoters completely revamped their expansion plan and decided to raise Rs. 55 crores instead of the earlier Rs. 25 crores. This has created a significant amount of visibility for the company and helped develop additional comfort amongst its clients on the ability of the company to execute large size projects.

Funds managed and/or advised by MOPE invested in GWS in June 2014. Founded in 2002, GWS, in a span of a little over 10 years, has emerged as the largest domestic company in the Indian glass façade industry, competing with global players. The company has an impeccable execution track record in all the 125 projects, comprising of 10 lakh sq. mts of façade work, it has executed since its inception. GWS is currently setting up a manufacturing infrastructure which would completely differentiate it from its peers and help accelerate growth further. GWS is on track to emerge as an international glass façade company over the next five years.

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GWS has executed over 125 projects comprising 10 lakh+ sq. mts of façade work across India.



For the first time, MOPE backed professional entrepreneurs.

SHUBHAM HOUSING FINANCE

Backing passion and potential

MOPE is the first growth capital investor in the company. In the process, for the first time, it has backed a team of professional entrepreneurs.

The MOPE team was highly impressed with the entrepreneurial talent of the two promoters, their vision and ability to identify an appealing niche in the housing finance sector.

Funds managed and/or advised by MOPE invested in Shubham Housing Finance in August 2014. The company was founded in 2012 by two first generation entrepreneurs who had significant experience in both domestic and MNC financial services companies. The company had been backed by highly regarded venture capital investors right from business plan stage. It had significant growth plans in place. As a result, MOPE led the Series C round wherein the existing investors of the company also participated.

The company is well poised to increase its assets under management 6-8 times from the current base and in the process create significant value for all its shareholders.

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The company was founded in 2012 by two first generation entrepreneurs who had significant experience in both domestic and MNC financial services companies.



REAL ESTATE: WIDE-RANGING PARTNERSHIPS



Spotting the right opportunity

We invested in Ahuja Group's mid-market project in Ambernath, an extended suburb of Mumbai, at a time when the Mumbai real-estate market was struggling with low absorption and tight liquidity. We were of the firm view that mid-income projects from a credible developer should witness good traction. After a year from investment, the first phase has been a runaway success and is nearing completion. The second phase has been launched and is selling at a premium in the market.



Late stage investment with higher returns

We have invested in a mid-income residential project of Shriram Properties in an upcoming location in Bangalore. The investment has a potential to generate superior risk adjusted returns as the project had all necessary approvals and sales had commenced at the time of Investment. The investment structure links incentive for the developer partner with its performance by sharing project cash flows disproportionately once the fund achieves its target returns.

SUPREME UNIVERSAL

Co-partnership in its truest sense

We have partnered with Supreme Universal, one of the most well-known premium housing brands, in an upcoming suburb in Pune. We have been associated with the project right from the acquisition stage and have together nurtured a symbiotic relationship. We have actively engaged with the developer to design the product mix, prepare the marketing collaterals and finalize the project branding and sales plan. At the same time, we have leveraged our relationships for project funding and developed robust systems and processes for regular monitoring and control to ensure timely execution and resource optimisation.

RAJESH LIFESPACES

Minimizing risk through effective collaterals

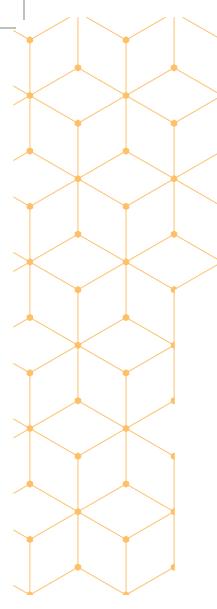
We have partnered with Rajesh Life spaces for their premium residential project in central Mumbai. The project is almost complete and the ready apartments have been mortgaged against invested amounts. In a sluggish environment, such collaterals shall provide sufficient liquidity in a short span, in case of an unforeseen event











OUR FUNDS

GROWTH CAPITAL

India Business Excellence Fund I (IBEF I)*

- \$115 million (Rs. 550 crores) sector agnostic private equity fund aimed at providing growth capital to mid-market enterprises in India.
- Vintage: 2007; Fully deployed in 13 companies.

India Business Excellence Fund II (IBEF - II)*

- \$160 million (Rs. 1,000 crores) sector agnostic private equity fund aimed at providing growth capital to Indian mid-market companies.
- Vintage: 2012; under deployment.

India Realty Excellence Fund (IREF)

- \$45 million (Rs. 200 crores) domestic real estate fund focused on investing in residential projects.
- Vintage: 2008; Fully deployed across seven investment.

India Realty Excellence Fund II (IREF - II)

- \$80 million (Rs. 500 crores) domestic real estate fund intends to capitalise on the existing counter-cyclical opportunities in real estate by investing into high yield, secured mezzanine transactions along with upside kicker.
- Vintage: 2014; under deployment.

*IBEF I: refers to both India Business Excellence Fund (Domestic Fund) and India Business Excellence Fund-I (Offshore Fund).

IBEF II: refers to both India Business Excellence Fund-II (Domestic Fund) and India Business Excellence Fund-I IA (Offshore Fund).

Awarded 'Private
Equity Advisers of the
Year' India: Business
Excellence Award
2014 by Acquisition
International.

"Partnering promise is more of a journey than a destination, and we believe our best is still to come."

Raamdeo Agrawal

Awarded 'Best Growth Capital Investor 2012' by Venture Intelligence, a leading provider of information on Private Equity in India.

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