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Piramal Enterprises Limited aqcuires 20% equity stake

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Piramal Enterprises Ltd. announced that it has agreed to acquire an effective 20% equity stake in Shriram Capital Limited, a financial services company, for an aggregate consideration of Rs. 2,014 Cr.

Shriram Capital Limited (SCL) is the overarching holding company for the Financial Services and Insurance entities of the Shriram Group, created with the primary objective of optimizing the synergies across the Group's entities. Shriram Capital's operating entities, have an overall customer base in excess of 9 Million, more than 53,000 employees across 2,600 offices, net profit of Rs. 800 Cr with Assets Under Management (AUM) in excess of Rs.78,000 Cr.

Piramal had invested Rs. 1,636 Cr in May last year to acquire ~9.9% equity in ShriramTransport Finance Company Limited, one of the listed NBFCs forming part of the Shriram Group.

Commenting on the investment, Mr. Ajay Piramal, chairman of Piramal Enterprises Limited, said "This investment builds our presence in financial services sector and we seelong term shareholder value creation from our partnership with Shriram Capital. The Company is well known for its culture and values, which resonates well with Piramal Group's philosophy."

Commenting on the partnership, Mr. R. Thyagarajan, founder of Shriram Group, said "Shriram Group has pioneered providing financial services to the under-served section of the Economy. Our success over the last four decades has been possible only through strategic partnerships. Piramals' entry into Shriram Capital is a significant milestone for the Financial Services businesses to take a quantum leap in the Group's contribution to the community at large".