

Press Note:

CRISIL Reaffirms Highest Rating to Piramal Capital and Housing Finance for Commercial Paper Programme worth Rs.10,500 Crores

This follows its recently assigned highest rating A1+ to Piramal Enterprises for Short-Term NCDs of Rs 1500 crores & its Commercial Paper Programme amounting to Rs 12,000 crores

Mumbai | July 15, 2019: CRISIL has reaffirmed the highest rating, A1+ to Piramal Capital and Housing Finance Ltd. (PCHFL) for Commercial Paper Programme worth Rs.10,500 Crores. CRISIL has evaluated the business and financial risk profile of the overall financial services business, and also factored the managerial and financial risk profile of the holding company, Piramal Enterprises Limited's (PEL) lending book.

PCHFL welcomes these topmost ratings as it reaffirms the Company's robust business portfolio, diversified revenue streams and established presence across the spectrum of real estate financing along with increased product offerings. Over the last nine months, in line with our efforts to improve the asset-liability profile, ever since the first signs of liquidity strain emerged in the Indian market, the Company has raised funds of INR 23,700 Crores.

CRISIL in its report stated that "the company has put in place adequate credit appraisal, strong risk management and processes, which has supported the reported asset quality metrics. The management too has taken steps in order to reduce concentration risk in the portfolio with focus on growing the individual housing loans portfolio. But, what has really supported the **asset quality metrics in the past, has been the ability of the entity to get timely repayments/exits via refinancing.** In fiscal 2019, in addition to a regular Rs 3,601 crores of collections, the Group has also received prepayments to the tune of Rs 13,483 crores. For some of the loan accounts, the group has received prepayments covering the scheduled re-payments over the next 12-24 months.

The report stated that on a standalone basis, the resource profile for PCHFL is well diversified across instruments with bank and financial institutions loans at 61%, NCDs constituting around 24% and Commercial Papers at 16% as on March 31, 2019. The management is also taking proactive steps to improve the resource profile mix through increasing long-term funding sources. The Company has managed a sanction of Rs 1,050 crores (USD 150 million) of ECBs in the first quarter of fiscal 2020 and also plans to raise additional long term funds in the current fiscal, which would support the diversification into longer term funding sources."

CRISIL has recently also assigned the highest rating A1+ to PEL for the short-term non-convertible debentures amounting to Rs 1500 crores and the commercial paper programme amounting to Rs. 12,000 crores by (PEL).

The Company reiterates its commitment towards maintaining adequate capital and liquidity, further diversifying its loan book, tapping additional sources of long-term funds and maintaining a robust asset quality.

About Piramal Capital & Housing Finance Limited:

Piramal Capital & Housing Finance Limited (PCHFL), wholly owned subsidiary of Piramal Enterprises Limited (the flagship company of Piramal Group), is registered as a housing finance company with National Housing Bank (NHB) and engaged in various financial services businesses. It provides both wholesale and retail funding opportunities across sectors. In real estate, the platform provides housing finance and other financing solutions across the entire capital stack ranging from early stage private equity, structured debt, senior secured debt, construction finance and flexi lease rental discounting. The wholesale business in non-real estate sector includes separate verticals- Corporate Finance (CFG) and Emerging Corporate Lending (ECL). CFG provides customized funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards Small and Medium Enterprises (SMEs).

PCHFL through its group companies provides customized strategies for institutional and retail investors such as Mumbai Redevelopment Fund and Apartment Fund (through Piramal Fund Management) and strategic partnerships with leading global pension funds such as CPPIB, APG and Ivanhoe Cambridge.

About Piramal Enterprises Ltd:

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 ~US\$1.9 billion in FY2019, with around ~40% of revenues generated from outside India.

In Financial Services, Piramal Capital & Housing Finance Limited (PCHFL), wholly owned subsidiary of Piramal Enterprises Limited (the flagship company of Piramal Group), is registered as a housing finance company with National Housing Bank (NHB) and engaged in various financial services businesses. It provides both wholesale and retail funding opportunities across sectors. In real estate, the platform provides housing finance and other financing solutions across the entire capital stack such as structured debt, construction finance, flexi lease rental discounting etc. The wholesale business in non-real estate sector includes separate verticals- Corporate Finance (CFG) and Emerging Corporate Lending (ECL). CFG provides customized funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards, Small and Medium Enterprises (SMEs). PCHFL's group companies provides customized strategies for institutional and retail investors such as Mumbai Redevelopment Fund and Apartment Fund (through Piramal Fund Management) and strategic partnerships with leading global pension funds such as CPPIB, APG and Ivanhoe Cambridge. The division has also launched a Distressed Asset Investing platform with Bain Capital Credit - IndiaRF that will invest in equity and/or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround. 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 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.

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