

ICRA upgrades long term credit rating of Piramal Capital & Housing Finance Limited to AA+ (Stable)

4th September, 2018, Mumbai: Piramal Capital & Housing Finance Limited (PCHFL), the wholly owned subsidiary of Piramal Enterprises Limited, has received an upgraded rating of AA+ (Stable) from AA (Positive) by ICRA (an affiliate of Moodys) for its Long-Term Bank Lines, Non-Convertible Debentures and Sub-Ordinate (Tier-II) Bonds.

The rating upgrade takes into account the healthy ramp-up in financial services business with increasing diversification of its asset base while maintaining favourable asset quality supported by robust risk management practices at PCHFL. The rating upgrade also factors in the gradual scaling up of the home-loans portfolio which is expected to improve the diversity in the overall loan book which had hitherto comprised of wholesale loans.

This rating also draws comfort from the Group's expertise in real estate given its presence across the value chain, as well as the strong leadership team, strong systems and processes. ICRA has also reaffirmed the short term rating of A1+ for the commercial paper programme. This reinforces a trend of strong revenue growth coupled with revenue diversification and robust risk management metrics.

Mr. Khushru Jijina, Managing Director, Piramal Capital & Housing Finance said, "Our existing relationships with our counterparts across sectors, the financial flexibility arising out of being a part of the Piramal Group and strong management team with prior experience in retail lending are the key drivers of this rating upgrade. With a goal to increasing diversification and granularity across our lending business, the company will continue to grow profitability, raise funds at competitive rates and maintain healthy asset quality."

PCHFL's strong capitalisation profile supported by the sizeable capital infusion by the promoter group, provides it with enhanced financial flexibility and adequate head-room for growth over the near to medium term and the increasing prominence of financial servicing business for the Piramal Group.

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 over US\$1.6 billion in FY2018, with around 46% of revenues generated from outside India.

In Financial Services, Piramal Capital & Housing Finance Ltd 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 Group (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 focused (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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