

## Piramal Enterprises Raises Capital of ~INR 5,400 Crores (~US\$ 770mn)

- **Rights Issue of Equity Shares of ~INR 3,650 Crores (~US\$ 520mn)**
- **Preferential Allotment of ~INR 1,750 Crores (US\$ 250mn) through issue of Compulsory Convertible Debentures to Caisse de dépôt et placement du Québec (CDPQ)**
- **Promoters to participate in and remain committed to the success of the Rights Issue**

**Friday, October 25, 2019 | Mumbai, India:** Piramal Enterprises Limited (Piramal NSE: PEL, BSE: 500302) today announced that its Board, at its meeting held today, has approved fresh capital raise of ~INR 5,400 Crores (US\$ 770 Million) through a Rights Issue and preferential allotment of Compulsory Convertible Debentures (CCDs). The Rights Issue of ~INR 3,650 Crores (~US\$ 520 Million) at INR 1,300 per share, is intended to give an opportunity to all its existing shareholders to participate in the capital raise at an attractive price. The Promoters will participate in and are committed to the success of the Rights Issue.

In addition, the company plans to raise ~INR 1,750 Crores (US\$ 250 Million) through the preferential allotment of CCDs (at a conversion price of INR 1,510 per share) to Canadian institutional investor, Caisse de dépôt et placement du Québec (CDPQ). The preferential allotment will take place by end November 2019 and the Rights Issue is expected to be completed by end February 2020.

**Mr. Ajay Piramal, Chairman, Piramal Enterprises Limited** said, “This fresh equity infusion from CDPQ, an existing global, marquee, long-term investor in PEL, especially in the current market scenario is a validation of the robustness of the Company’s business model and long-term growth trajectory. We also want to offer our existing investors, to get an equal opportunity to participate in this capital raise and benefit from the attractive price of the Right Issue. As promoter family, we remain fully committed and would like to further increase our investment in the Company.

These funds will further strengthen our balance sheet, fortify & insulate us against any external shocks to the financial system in the future as well as enable us to tap organic and inorganic opportunities arising out of market consolidation across our Financial Services, Pharmaceuticals and Information Management businesses.”

“We are delighted to deepen our partnership with Piramal Enterprises, a company whose value creation approach aligns well with CDPQ’s long-term objectives and perspective as a global institutional investor,” said **Anita M. George, Executive Vice-President and Head of Strategic Partnerships, Growth Markets at CDPQ**. “This transaction further demonstrates CDPQ’s commitment to invest in India over the long run.”

CDPQ has a long-standing partnership with PEL. It had participated as the anchor investor during PEL’s previous capital issuance, investing US\$ 175 million out of the total issue size of \$750 million. Additionally, CDPQ’s real estate subsidiary, Ivanhoé Cambridge, has committed US\$ 250 million towards a co-investment platform with PEL to provide long-term equity to blue-chip residential developers. This is a testimony to CDPQ’s long-term partnership approach and its confidence in the Company’s business model.

Since 1988, the Promoters have increased their stake in the Company. Current promoter holding of 46% in the Company represents highest effective promoter holding amongst major Financial Institutions in India. This reflects their confidence in the fundamentals of the business model, Company's future plans and the value creation potential of the Company.

PEL is well-positioned to take advantage of the potential organic, as well as inorganic growth opportunities, arising from the present environment across both Financial Services and Pharma businesses.

Growth drivers for:

▪ **Financial Services:**

- Enter consumer lending, driven by technology at its core
- Further increase share of Housing Finance in overall loan book and achieve scale by targeting self-employed customers and tapping newer markets (Tier 2/3 cities)
- Selectively tap superior 'risk-reward' opportunities in wholesale lending, e.g. co-origination with banks and 'last-mile' funding to developers
- Opportunities arising from consolidation, particularly in retail financing and managing wholesale loan portfolios of distressed entities

▪ **Pharma:**

- Grow organically and inorganically in Global Pharma and in India Consumer Products
- Evaluate re-entry into domestic formulation and leverage its synergies with Consumer Products business

The consolidated equity (pro-forma as of Sep 30, 2019) of PEL post equity capital infusion will be at ~INR 32,000 Crores, bringing our consolidated debt-equity ratio to under 1.7x. This puts the Company in a significantly advantageous position to leverage both organic and inorganic growth opportunities in future.

PEL has delivered a solid track record of long-term shareholder value creation. It has generated 42% annual shareholder returns for the last 5 years and 29% annual shareholder returns for the last 30 years (up to August 31, 2018).

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**About CDPQ:**

Caisse de dépôt et placement du Québec (CDPQ) is a long-term institutional investor that manages funds primarily for public and parapublic pension and insurance plans. As at June 30, 2019, it held CA\$326.7 billion in net assets. As one of Canada's leading institutional fund managers, CDPQ invests globally in major financial markets, private equity, infrastructure, real estate and private debt. For more information, visit [cdpq.com](http://cdpq.com), follow us on Twitter @LaCDPQ or consult our Facebook or LinkedIn pages.

**About Piramal Enterprises Ltd:**

Piramal Enterprises Limited (PEL) is one of India's largest 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 equity investments in Shriram Group, a leading financial conglomerate in India.

In Pharma, through 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 Products segment in India.

PEL's Healthcare Insights & Analytics business is a premier provider of healthcare analytics, data & insight products and consulting services to the world's leading pharma, biotech and medical technology companies, enabling them to make informed business decisions.

PEL is listed on the BSE Limited and the National Stock Exchange of India Limited in India.

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