

Piramal Capital & Housing Finance Ltd. raises INR 4,050 Crores via issuance of Non-Convertible Debentures (NCDs)

- *NCD issuances in two tranches of INR 2,000 Cr. and INR 2,050 Cr., each having a tenor of 5 years*
- *Transformed the liabilities side through multiple capital raise initiatives*
- *Significantly strengthened the balance sheet, with overall PEL-level net debt-to-equity of below 1x*

Mumbai | March 22, 2021: Piramal Capital & Housing Finance Limited (PCHFL), a wholly-owned subsidiary of Piramal Enterprises Limited (PEL or the Company), has raised INR 4,050 Crores through issuance of long-term, five-year Non-Convertible Debentures (NCDs) in two tranches. The first tranche of the NCD issue amounting to INR 2,000 Crores opened on March 10, 2021 with a pay-in on March 12, 2021. The second tranche of the remaining INR 2,050 Crores opened on March 18, 2021 with a pay-in on March 19, 2021. Leading rating agency, CARE Ratings has assigned an 'AA' rating for both the issuances.

Mr. Rajesh Laddha, Executive Director, Piramal Enterprises Ltd. said, "Since the beginning of FY 2020, we have significantly transformed the liabilities profile towards more stable, long-term sources of funds. The Company has raised over INR 50,000 Crores since Apr-2019, through multiple long-term borrowings and equity transactions, thereby materially strengthening the Balance Sheet. With net debt-to-equity of less than 1x times, there is adequate growth capital available for both our business for the coming few years. The five-year NCD issuances of INR 4,050 Crores re-affirm the significant improvement of our liabilities side and strength of our balance sheet. We are now well positioned to tap growth opportunities across both our Financial Services and Pharma businesses."

Since the beginning of FY2020, despite a highly volatile environment, PEL has significantly transformed its liabilities profile towards more long-term borrowings. As part of this transformation, the Company has raised over INR 50,000 Crores since Apr-2019, through:

- **Several equity transactions leading to inflows of over INR 18,000 Crores, which include:**
 - Preferential allotment to CDPQ of INR 1,750 Crores.
 - Rights Issue of INR 3,650 Crores, issue was over-subscribed 1.15 times.
 - Sale of DRG for a gross consideration of ~INR 6,950 Crores, in the midst of COVID-19 crisis in the U.S.
 - Shriram Transport stake sale for INR 2,300 Crores.
 - Fresh equity investment of INR 3,523 Crores for a 20% stake in the Pharma business by The Carlyle Group. This PE deal, one of the largest in the Indian Pharma sector, valued our Pharma business at an EV of USD 2.7 - 3.1 billion.
- **Raised over INR 32,000 Crores of long-term borrowings (≥1 yr. tenure) since Apr-2019, while significantly reducing the Commercial Paper (CP) exposure from INR 18,017 Crores in Sep-2018 to INR 1,050 Crores as of Dec-2020.**

- Despite the COVID-19 impact, the Company raised INR 18,940 Crores of long term borrowings (≥ 1 yr. tenure) via bank loans and NCDs in FY 2021 till date (including the latest NCD issuances).

These measures have materially improved the ALM profile of the Financial Services business with substantial positive gaps across all buckets.

In addition, these transactions have meaningfully strengthened the Balance Sheet of the Company, leading to:

- Equity increased by 30% from INR 27,224 Crores in Mar-2019 to INR 35,467 Crores as of Dec-2020.
- Net Debt reduction of INR 24,072 Crores (a decline of 44%) since Mar-2019 to Dec-2020.
- Net debt-to-equity fell from 2x times as of Mar-2019 to 0.9x times currently.
 - Net debt-to-equity of the Financial Services business has declined from 4.4x times as of Dec-2018 to 1.9x times – ratio amongst the lowest across sizable NBFCs/HFCs in India, significantly improving the capital adequacy ratio to 37% as of Dec-2020 from 22% as of Dec-2018.
 - Net debt-to-Equity of Pharma business has also come down from 0.9x times as of Mar-2020 to 0.5x times as of Dec-2020 – broadly in line with most large Pharma companies of India.
- In addition, during Q4 FY 2020, we also increased provisioning in our Financial Services business by INR 1,903 Crores, thereby taking the total provisioning to INR 2,935 Cr. as of Dec-2020 – equivalent to 6.3% of the overall loan book or 6.8% of the wholesale loan book – to meet any contingencies that may arise due to this prolonged adverse environment.
- Our strong balance sheet with adequate provisioning and low leverage, post various capital raise initiatives, will help us in targeting growth initiatives across both Financial Services and Pharma sectors.
- We believe there is significant opportunity to improve utilization of the equity capital available, as both our businesses have adequate growth capital for the next few years.

About Piramal Enterprises Ltd:

Piramal Enterprises Limited (PEL), a publicly listed company in India, has diversified business interests in Financial Services and Pharmaceuticals. PEL's consolidated revenues were ~US\$1.7 billion in FY2020, with ~34% of revenues generated from outside India.

In Financial Services, the Company offers a wide range of financial products and solutions, with exposure across both wholesale and retail financing. The wholesale lending business provides financing to real estate developers, as well as corporate clients in non-real estate sectors. Within retail lending, the Company offers housing loans to individual customers and is building a multi-product retail lending platform. India Resurgence Fund (IndiaRF), the distressed asset investing platform in partnership with Bain Capital Credit, invests in equity and/or debt across non-real estate sectors. The Company has long-standing partnerships with leading institutional investors that include - CPPIB, APG, Bain Capital Credit, CDPO, and Ivanhoé Cambridge. PEL also has equity investments in the Shriram Group, a leading financial conglomerate in India.

Piramal Pharma Limited (PPL), a subsidiary of PEL, offers a portfolio of differentiated products and services through end-to-end manufacturing capabilities across 14 global facilities and a global distribution network in over 100 countries. PPL includes

an integrated contract development and manufacturing (CDMO) business, Complex hospital generics business, and India Consumer Products business, selling over-the-counter products in India. In addition, it has a joint venture with Allergan, a leader in ophthalmology in the Indian formulations market. In October 2020, PPL received 20% strategic growth investment from the Carlyle Group.

For more information visit: www.piramal.com, [Facebook](#), [Twitter](#), [LinkedIn](#)

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