April 28, 2023

# Piramal Capital & Housing Finance Limited (erstwhile Dewan Housing Finance Corporation Limited): Ratings reaffirmed

## Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---|---|---|---|
| **Non-convertible debentures** | 2,030 | 2,030 | [ICRA]AA(Stable); reaffirmed |
| **Non-convertible debentures** | 19,550 | 19,550 | [ICRA]AA(Stable); reaffirmed |
| **Retail NCD programme** | 2,000 | 2,000 | [ICRA]AA(Stable); reaffirmed |
| **Principal protected market-linked debenture (PP-MLD) programme** | 500 | 500 | PP-MLD [ICRA]AA(Stable); reaffirmed |
| **Subordinated (tier-II) bonds** | 1,500 | 1,500 | [ICRA]AA(Stable); reaffirmed |
| **Long-term fund-based bank lines – cash credit** | 900 | 900 | [ICRA]AA(Stable); reaffirmed |
| **Long-term fun-based bank lines - term loans** | 4,650 | 4,650 | [ICRA]AA(Stable); reaffirmed |
| **Total** | **31,130** | **31,130** | |

**Instrument details are provided in Annexure I*

## Rationale

To arrive at the ratings, ICRA has taken a consolidated view of the credit profiles of Piramal Enterprises Limited (PEL) and its wholly-owned subsidiary, i.e. Piramal Capital & Housing Finance Limited {PCHFL; erstwhile Dewan Housing Finance Corporation Limited (DHFL), together referred to as PEL or the company}, as the companies have operational and business synergies in addition to a shared name and management oversight.

The ratings continue to factor in PEL's comfortable capitalisation, with a consolidated net worth of ~Rs. 31,241 crore, a gross gearing of 1.5 times and a capital adequacy ratio of 31% as of December 31, 2022, domain experience given the Group's presence across the real estate industry value chain and its experienced management team. The ratings also factor in the increase in the share of retail loans, accounting for 43% of the assets under management (AUM) as of December 31, 2022 compared to 11% as of June 2021. The company has aggressively diversified its retail product offerings in recent quarters, in line with its growth ambitions for the medium term. While reaffirming the ratings, ICRA also notes the sustained rundown in the legacy wholesale AUM[1], although the same remains large at Rs. 36,971 crore with a sizeable vulnerable portfolio. Nonetheless, PEL's established position in the real estate lending segment and provision cover (~16% on the wholesale AUM) provide some comfort.

The ratings are constrained by the portfolio vulnerability emanating from the high sectoral concentration in the real estate segment, with large-ticket exposures in the wholesale lending portfolio (notwithstanding the decline in the concentration level in recent years), and the limited seasoning of the retail lending book. PEL intends to scale up its retail lending operations, leveraging the multi-product retail lending platform across the risk-reward spectrum, through an expanded branch network, a digital presence and partnerships with fintech and consumer tech firms. Meanwhile, the company intends to continue with its stated plan of pruning the share of the wholesale book. However, it plans to build a new wholesale 2.0 AUM that would be comparatively more diverse and granular with a smaller ticket size, targeting mid-sized developers across markets. In this regard, its ability to effectively manage the ambitious scale-up across a wide spectrum of products and maintain healthy asset quality would remain a monitorable. Inability to maintain adequate asset quality would exert further pressure on the profitability, which has already been impacted by the one-time additional provisions in recent quarters and elevated operating costs amidst the ongoing expansion in the retail segment.

[1] *Includes security receipts, project receivables and land assets acquired in lieu of debt*

ICRA takes note of the management's efforts to diversify and elongate the liabilities profile, given the past challenges in resource mobilisation faced by the company. The resource mobilisation trajectory will remain a monitorable. While the merger with DHFL led to greater diversification in the asset profile, PEL also witnessed elongation in the weighted average tenor of the borrowings, higher share of fixed rate borrowings and the moderation[2] in the cost of funds since March 2020. Going forward, PEL's ability to continue to raise funds at competitive rates from diverse sources would remain a monitorable, though it is noted that the high share of fixed rate borrowings (while the share of the variable rate loan book is high) is likely to limit the adverse impact of the rising systemic interest rate trajectory. ICRA also notes the financial flexibility enjoyed by the company owing to its investments in Shriram Group companies (fair value of Rs. 6,586 crore as of December 31, 2022), which may be monetised to support the envisaged growth trajectory or generate liquidity if required.

## Key rating drivers and their description

### Credit strengths

**Comfortable capitalisation** – PEL's consolidated net worth (post restructuring and demerger of pharma business) stood at Rs. 31,241 crore with a gearing of 1.5 times (net gearing of 1.3 times) and a total capital adequacy ratio of 31% as of December 31, 2022. Of this, Rs. 22,153 crore is deployed to the lending business while the balance is deployed towards other assets like alternatives (Rs. 1,076 crore), insurance & others (Rs. 1,462 crore) and Shriram investments (Rs. 6,586 crore). The company's consolidated capitalisation trajectory has been supported by fund-raising in recent years, besides the fair value gains on investments in Shriram Group and the reversal of the deferred tax liability (DTL) related to the DHFL transaction. During FY2020-FY2021, PEL raised Rs. 18,173 crore of equity funds through various avenues, part of which was allocated to the financial services business. Moreover, PEL's accretion to reserves in 9M FY2023, despite the large provisions and impairments, was supported by exceptional items/fair value gains related to the investment book and deferred tax. It is noted that the gains on the fair valuation of the pharma business have not impacted the residual balance sheet as those were demerged as a part of the pharma business demerger.

Notwithstanding the provisions and impairments in recent quarters, the current capitalisation (CRAR of 31% as of December 2022) remains comfortable for the company's high growth ambitions for the near to medium term, predominantly on the retail side. Further, its stake in Shriram investments may be sold to unlock further capital, if required. However, ICRA notes that while PEL's solvency metric (net stage 3/net worth), basis the reported net stage 3 figure, is comfortable, the adjusted metric is elevated (net vulnerable portfolio/lending business' net worth) and remains a monitorable.

**Established position in real estate lending and experienced management team** – PEL has an established position in real estate lending and draws domain experience, given the Group's experience in real estate-based private equity investments, advisory services, and the development space. Further, given its extensive experience in the real estate lending segment, the company leverages the large network of developers with relationships built over a period of time. PEL also has an experienced management team. While the company's experience in retail lending remains limited, it has hired seasoned professionals to build its franchise in this segment. PEL has also engaged external consultants for framing its credit policies and credit appraisal systems, expansion strategy and operational policies. Nonetheless, ICRA notes that the company's ability to leverage the aforesaid management bandwidth and investments to scale up the retail book, while maintaining a healthy asset quality and earnings profile, would be a key monitorable.

As of December 31, 2022, PEL had consolidated AUM of Rs. 64,867 crore (excluding Rs. 14,823 crore of off-balance sheet retail assets acquired from DHFL, which is now being managed by PEL) compared to Rs. 47,181 crore as on June 30, 2021 (prior to DHFL acquisition). The proportion of retail assets in the overall AUM increased to 43% as of December 31, 2022 from 11% as of June 30, 2021. Going forward, PEL aims to be a diversified lender with a focus on becoming retail oriented. On the wholesale side, it plans to build a new wholesale 2.0 AUM that would be comparatively more diverse and granular with a smaller ticket size, targeting mid-sized developers across markets.

[2] *~280 bps since March 2020 (including NCD raised for the DHFL transaction)*

## Credit challenges

**Portfolio vulnerability, given sizeable exposure to real estate segment and limited seasoning of retail book** – PEL's consolidated AUM comprised retail (43%) and wholesale (57%) loans as of December 31, 2022. While the share of wholesale loans has reduced consistently over the past few years, the same remained high at Rs. 36,971 crore as of December 31, 2022 (Rs. 44,248 crore as of December 31, 2021). Further, ~28% of the wholesale loan book was classified under stage 2 and 3 as of December 31, 2022. While the company has provisions on the book (provision cover of ~16% as of December 2022), these exposures remain vulnerable to slippages. Further, the early stage of development of some of the underlying projects increases the portfolio vulnerability. Moreover, the book concentration remains significant with the top group exposures (including stressed groups) forming a high proportion of the overall book and net worth, though there has been a reduction in the overall wholesale loan book and group exposures over the past few years.

ICRA notes the increase in the reported headline asset quality indicators in recent quarters, even though there were no additional non-performing accounts from the net loans acquired from DHFL on an amalgamated basis. The gross stage 3% increased to 6.6% as of December 31, 2022 from 3.3% as of December 31, 2021, primarily due to certain lumpy slippages in the wholesale book. Nonetheless, the company has made provisions in recent quarters (taking the total provision cover to ~10% of the total AUM as of December 2022) to create a cushion against portfolio vulnerability. Moreover, while asset resolutions/sales would remain a part of the strategy to drive improvement in the headline asset quality indicators going forward, the nature of any associated residual exposures/risks on the balance sheet will remain a monitorable. ICRA also notes that the company will need to demonstrate its track record in retail lending, given the rapid scale-up of the retail AUM, which has limited seasoning.

**Profitability pressure; operating expenses to remain elevated owing to retail scale-up** – PEL's profitability has remained under pressure in the recent past owing to the increased vulnerability of the wholesale book necessitating higher provisioning and the scale-up in retail lending resulting in elevated operating expenses. In 9M FY2023, PEL reported a consolidated pre-provisioning operating profit of Rs. 1,755 crore compared to Rs. 1,728 crore in 9M FY2022, notwithstanding the improvement in interest margins during this period. Further, the company reported large provisions, write-offs and fair valuation adjustments of Rs. 4,012 crore in 9M FY2023 (compared to reversal of Rs. 151 crore in 9M FY2022), thereby resulting in a loss from core operations. Nonetheless, the operating loss was offset by a one-time DTL reversal of Rs. 3,980 crore (related to the DHFL transaction) and an exceptional gain of Rs. 8,066 crore on the pharma business demerger. Given the lumpy nature of the wholesale book and the limited seasoning of the retail book, the asset quality may have an impact on the earnings profile and this would be further exacerbated by the elevated operating expenses in the near term.

**Ability to raise funds at competitive rates from diverse sources** – ICRA takes note of the challenges in resource mobilisation faced by the company in the past and the management's efforts to diversify and elongate the liabilities profile. PEL raised ~Rs. 6,000-crore long-term debt (excluding Rs. 19,532 crore for the DHFL transaction) in FY2022 and Rs. 5,308 crore in 9M FY2023, following the Rs. 13,500-crore long-term debt raised in FY2020 and ~Rs. 20,000 crore in FY2021 for its financial services business. While the merger with DHFL has led to greater diversification in the asset profile, PEL also witnessed elongation in the weighted average tenor of borrowings, an increase in the share of fixed rate borrowings and some moderation in the cost of funds since March 2020.

The resource profile is moderately diversified, although non-convertible debentures (NCDs) remain the primary source of funds accounting for 64% of the borrowings as of December 31, 2022, followed by bank loans at 26%, commercial paper (CP) at 7% and others at 3%. Going forward, PEL's ability to continue to raise funds at competitive rates from diverse sources would remain a monitorable, though it is noted that the high share of fixed rate borrowings (while the share of the variable rate loan book is high) is likely to limit the adverse impact of the rising systemic interest rate trajectory.

## Liquidity position: Adequate

PEL's (consol) liquidity position remains adequate with its asset-liability maturity profile (as of December 31, 2022) characterised by positive cumulative mismatches across buckets up to 1 year. It had cash/bank balances and liquid investments of ~Rs. 4,592 crore as of December 31, 2022 (about 9% of borrowings outstanding) on a consolidated basis compared to debt repayment of ~Rs. 4,400 crore till June 2023. The financial flexibility owing to the investments in Shriram Group companies (~Rs. 6,586 crore as of December 31, 2022) and the company's track record of successfully raising capital and refinancing debt repayments also provide comfort. ICRA notes that PEL endeavours to maintain on-balance sheet liquidity sufficient to cover repayments falling due in the ensuing 3 months.

## Rating sensitivities

**Positive factors** – ICRA could change the outlook to Positive or upgrade the long-term rating if there is an improvement in the diversification and granularity of the asset profile while maintaining healthy asset quality and profitability. The demonstrated scale-up and proven track record of new products in the retail segment while maintaining the asset quality will also remain imperative for an upward revision in the long-term rating.

**Negative factors** – ICRA could downgrade the ratings if there is a material deterioration in the asset quality, affecting the financial profile. The ratings could also be downgraded in case of any sustained challenges in raising long-term funds at competitive rates, resulting in a deterioration in the liquidity.

## Analytical approach

| Analytical Approach | Comments |
|---|---|
| **Applicable rating methodologies** | Rating Methodology for Non-banking Finance Companies<br>Rating Approach – Consolidation |
| **Parent/Group support** | Not applicable |
| **Consolidation/Standalone** | Consolidation; To arrive at the ratings, ICRA has taken a consolidated view of the credit profiles of PEL and its wholly owned subsidiary, i.e. PCHFL, together referred to as PEL or the company, as the companies have operational and business synergies in addition to a shared name and management oversight. |

## About the company

PCHFL, a wholly-owned subsidiary of PEL, was incorporated in February 2017 and received a housing finance licence from National Housing Bank (NHB) in September 2017. PCHFL provides real estate lending, housing finance, corporate lending, and emerging corporate lending across sectors. As of December 31, 2022, PCHFL's AUM stood at Rs. 52,046 crore compared to Rs. 52,087 crore as of December 31, 2021.

Dewan Housing Finance Corporation Limited (DHFL) was incorporated as Dewan Housing and Leasing Company Limited in 1984 with a focus on the housing finance business catering to the low-and-middle-income borrower segment. DHFL was admitted under the National Company Law Tribunal (NCLT) in December 2019 and, subsequently in January 2021, erstwhile PCHFL was chosen as the successful resolution applicant by DHFL's committee of creditors for the resolution of DHFL. As per the resolution plan approved by the NCLT, the existing liabilities of DHFL were discharged by erstwhile PCHFL and a consideration of Rs. 34,250 crore (comprising upfront cash of Rs. 14,700 crore and issuance of debt instruments of Rs. 19,550 crore) was paid to DHFL's creditors. The erstwhile PCHFL was reverse merged with DHFL with effect from September 30, 2021, and the amalgamated entity (DHFL) was rechristened Piramal Capital & Housing Finance Limited.

### About the parent

Piramal Enterprises Limited (PEL) is a non-banking financial company (NBFC), which got registered with the Reserve Bank of India (RBI) w.e.f. July 22, 2022. It has a presence in retail lending, wholesale lending, and fund-based platforms, primarily through standalone operations and its wholly-owned subsidiary, i.e. Piramal Capital & Housing Finance Limited (PCHFL). The company's consolidated operations are backed by a network of about 375 branches across 25 states and Union Territories.

PEL received its NBFC licence as a part of a planned corporate restructuring exercise, whereby the pharma business was demerged from PEL [and housed under a separate listed entity – Piramal Pharma Limited (PPL)]. Further, PHL Fininvest Private Limited (PFPL), a wholly-owned subsidiary of PEL and the NBFC arm of the Group, was merged into PEL w.e.f. August 12, 2022.

PEL forayed into the financial services sector with PCHFL, a housing finance company (HFC) that provides both wholesale and retail finance across segments. PCHFL was earlier chosen as the successful resolution applicant by DHFL's Committee of Creditors for the resolution of DHFL, an HFC catering to the low-and-middle-income borrower segment. As per the resolution plan approved by the National Company Law Tribunal (NCLT), DHFL's existing liabilities were discharged by the erstwhile PCHFL and a consideration of Rs. 34,250 crore (comprising upfront cash of Rs. 14,700 crore and issuance of debt instruments of Rs. 19,550 crore) was paid to DHFL's creditors. The erstwhile PCHFL was reverse merged with DHFL, with effect from September 30, 2021, and the amalgamated entity (DHFL) was rechristened Piramal Capital & Housing Finance Limited (PCHFL).

Within retail lending, through its multi-product platform, PEL offers home loans to customers in the affordable housing and budget segments, secured and unsecured lending to small businesses, pre-owned car loans, loans against securities, and unsecured finance constituting microfinance, digital purchase finance, salaried personal loans, etc. Within wholesale lending, the business provides financing to real estate developers as well as corporate clients in select sectors.

PEL has also formed strategic partnerships with leading financial institutions such as The Canada Pension Plan Investment Board (CPPIB), APG Asset Management and Ivanhoe Cambridge (CDPQ) across investment platforms. Piramal Alternatives, the fund management business, provides customised financing solutions to select corporates through Piramal Credit Fund, a performing, sector-agnostic credit fund with capital commitment from CDPQ, and IndiaRF, a distressed asset investing platform with Bain Capital Credit, which invests in equity and/or debt across non-real estate sectors. PEL also has a 50% stake in Pramerica Life Insurance (a joint venture with Prudential International Insurance Holdings) and equity investments in Shriram Group.

Prior to the said corporate restructuring, PEL had a presence in the financial services and pharmaceutical businesses. The Group's financial services business was known as PEL FS and was housed under PCHFL and PFPL. Following the demerger, the erstwhile pharma business (valued at about Rs. 13,000 crore at the time of demerger) was moved to a separate listed entity – Piramal Pharma Limited (PPL).

## Key financial indicators

| | FY2021^ | | FY2022* | 9M FY2023** |
|---|---|---|---|---|
| | PEL FS | PEL Consolidated (Pre-DHFL Transaction) | PEL Consolidated (Post-DHFL Transaction) | PEL Consolidated (Post pharma de-merger) |
| **Net worth** | 18,073 | 34,018 | 35,489 | 31,241 |
| **AUM** | 48,891 | NA | 65,185 | 64,867 |
| **Net debt** | 32,531 | NA | 45,916 | 40,677 |
| **Net gearing (times)** | 1.8 | ~1.0 | 1.3 | 1.3 |
| **Gross stage 3** | 4.1% | NA | 3.4% | 6.6% |
| **Net stage 3** | 2.1% | NA | 1.6% | 2.4% |
| **Solvency (Net stage 3/Net worth)** | 2.9% | NA | 2.8% | 4.5% |
| **CRAR** | 36% | NA | 21% | 31% |

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; ^Audited*
**Restated nos.; **Unaudited*

## Status of non-cooperation with previous CRA: Not applicable

**Any other information:** The company also faces prepayment risk, given the possibility of debt acceleration upon the breach of covenants, including financial covenants, operating covenants and rating-linked covenants. Upon failure to meet the covenants, if the company is unable to get waivers from the lenders/investors or the lenders/investors do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans, the ratings would face pressure.

## Rating history for past three years

| | Instrument | Type | Amount Rated (Rs. crore) | Amount Outstanding as on March 31, 2023 (Rs. crore) | Current Rating (FY2024) Date & Rating | Chronology of Rating History for the Past 3 Years: Date & Rating in FY2023 | Date & Rating in FY2022 | | | Date & Rating in FY2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Apr 28, 2023 | Apr 29, 2022 | Dec 30, 2021 | Nov 17, 2021 | Jul 26, 2021 | Jul 27, 2020 |
| 1 | Non-convertible debentures | Long term | 2,030 | 1,125 | [ICRA]AA (Stable) | [ICRA]AA (Stable) | [ICRA]AA& | - | - | - |
| 2 | Non-convertible debentures | Long term | 19,550 | 19,532.53 | [ICRA]AA (Stable) | [ICRA]AA (Stable) | [ICRA]AA& | - | - | - |
| 3 | Retail NCD Programme | Long term | 2,000 | 804.05 | [ICRA]AA (Stable) | [ICRA]AA (Stable) | [ICRA]AA& | - | - | - |
| 4 | MLD (PP) Programme | Long term | 500 | Nil | PP-MLD [ICRA]AA (Stable) | PP-MLD [ICRA]AA (Stable) | PP-MLD [ICRA]AA& | - | - | - |
| 5 | Subordinated Bonds (Tier II) | Long term | 1,500 | 500 | [ICRA]AA (Stable) | [ICRA]AA (Stable) | [ICRA]AA& | - | - | - |
| 6 | Long-term Bank Lines (Fund Based/CC) | Long term | 900 | 450 | [ICRA]AA (Stable) | [ICRA]AA (Stable) | [ICRA]AA& | - | - | - |
| 7 | Long-term Bank Lines (Term Loan) | Long term | 4,650 | 4,650 | [ICRA]AA (Stable) | [ICRA]AA (Stable) | [ICRA]AA& | - | - | - |
| 8 | Non-convertible debentures | Long term | - | - | - | [ICRA]AA (Stable); withdrawn | [ICRA]AA& | - | - | - |
| 9 | CP Programme | Short term | - | - | | - | - | [ICRA]D; withdrawn | [ICRA]D | [ICRA]D |

*& Rating on Watch with Developing Implications*

## Rating history for past three years (PCHFL)

| | Instrument | Rating in FY2022 | | | | | | Chronology of Rating History for the Past 3 Years | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Type | Amount Rated (Rs. crore) | Amount Outstanding as on Sep 30, 2021 (Rs. crore) | Date & Rating | | | Date & Rating in FY2021 | | | Date & Rating in FY2020 | | Date & Rating in FY2019 | | |
| | | | | | Dec 28, 2021 | Oct 14, 2021 | Aug 13, 2021 | Mar 29, 2021 | Feb 3, 2021 Oct 12, 2020 | Jul 27, 2020 | Jun 25, 2019 | May 31, 2019 Apr 22, 2019 | Sep 14, 2018 Sep 4, 2018 | Jul 6, 2018 | May 31, 2018 |
| 1 | Non-convertible debentures | Long term | 2,530 | 1,625 | [ICRA]AA&; withdrawn | [ICRA]AA& | [ICRA]AA& | [ICRA]AA (Negative) | [ICRA]AA (Negative) | [ICRA]AA (Negative) | [ICRA]AA (Negative) | [ICRA]AA+ (Negative) | [ICRA]AA+ (Stable) | [ICRA]AA (Positive) | - |
| 2 | Non-convertible debentures | Long term | 19,550 | 19,532 | [ICRA]AA&; withdrawn | [ICRA]AA& | [ICRA]AA& | - | - | - | - | - | - | - | - |
| 3 | Retail NCD Programme | Long term | 2,000 | 804.05 | [ICRA]AA&; withdrawn | [ICRA]AA& | [ICRA]AA& | [ICRA]AA (Negative) | - | - | - | - | - | - | - |
| 4 | MLD (PP) Programme | Long term | 500 | 0 | PP-MLD [ICRA]AA&; withdrawn | PP-MLD [ICRA]AA& | PP-MLD [ICRA]AA& | PP-MLD [ICRA]AA (Negative) | - | - | - | - | - | - | - |
| 5 | Subordinated Bonds (Tier II) | Long term | 1,500 | 500 | [ICRA]AA&; withdrawn | [ICRA]AA& | [ICRA]AA& | [ICRA]AA (Negative) | [ICRA]AA (Negative) | [ICRA]AA (Negative) | [ICRA]AA (Negative) | [ICRA]AA+ (Negative) | [ICRA]AA+ (Stable) | [ICRA]AA (Positive) | - |
| 6 | Long-term Bank Lines (Fund Based/CC) | Long term | 900 | 450 | [ICRA]AA&; withdrawn | [ICRA]AA& | [ICRA]AA& | [ICRA]AA (Negative) | [ICRA]AA (Negative) | [ICRA]AA (Negative) | [ICRA]AA (Negative) | [ICRA]AA+ (Negative) | [ICRA]AA+ (Stable) | [ICRA]AA (Positive) | - |
| 7 | Long-term Bank Lines (Term Loan) | Long term | 4,650 | 2,482 | [ICRA]AA&; withdrawn | [ICRA]AA& | [ICRA]AA& | [ICRA]AA (Negative) | [ICRA]AA (Negative) | [ICRA]AA (Negative) | [ICRA]AA (Negative) | [ICRA]AA+ (Negative) | [ICRA]AA+ (Stable) | [ICRA]AA (Positive) | - |
| 8 | Commercial Paper Programme | Short term | - | - | - | - | - | - | - | [ICRA]A1+; withdrawn | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ |

*& Rating on Watch with Developing Implications*

## Complexity level of the rated instruments

| Instrument | Complexity Indicator |
|---|---|
| **Non-convertible debentures** | Simple |
| **Retail NCD Programme** | Very Simple |
| **MLD (PP) Programme** | Complex |
| **Subordinated Bonds (Tier II)** | Very Simple |
| **Long-term Bank Lines (Fund Based/CC)** | Simple |
| **Long-term Bank Lines (Term Loan)** | Simple |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

### Annexure I: Instrument details

| ISIN | Instrument Name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|---|---|---|---|---|---|---|
| INE641O07037 | NCD | Mar 10, 2017 | 8.95% | Mar 08, 2024 | 5 | [ICRA]AA (Stable) |
| INE641O07086 | NCD | May 04, 2017 | 8.75% | May 03, 2024 | 25 | [ICRA]AA (Stable) |
| INE641O07144 | NCD | Sep 20, 2017 | 7.96% (monthly) | Sep 19, 2025 | 167 | [ICRA]AA (Stable) |
| INE641O07144 | NCD | Sep 20, 2017 | 7.96% (monthly) | Sep 18, 2026 | 167 | [ICRA]AA (Stable) |
| INE641O07144 | NCD | Sep 20, 2017 | 7.96% (monthly) | Sep 20, 2027 | 166 | [ICRA]AA (Stable) |
| INE516Y07188 | NCD | Jul 31, 2020 | 8.50% | Jul 31, 2023 | 500 | [ICRA]AA (Stable) |
| INE516Y07246 | NCD | Nov 3, 2020 | 9.32% | Nov 1, 2030 | 50 | [ICRA]AA (Stable) |
| INE516Y07295 | NCD | Mar 30, 2021 | 9.00% | Mar 28, 2031 | 25 | [ICRA]AA (Stable) |
| INE516Y07329 | NCD | Jun 29, 2021 | 8.85% | Jun 27, 2031 | 20 | [ICRA]AA (Stable) |
| NA | NCD (proposed) | NA | NA | NA | 905 | [ICRA]AA (Stable) |
| INE516Y07444 | NCD | Sep 28, 2021 | 6.75% | Sep 26, 2031 | 19,532.53 | [ICRA]AA (Stable) |
| NA | NCD (proposed) | NA | NA | NA | 17.47 | [ICRA]AA (Stable) |
| INE516Y07337 | Retail NCD | Jul 23, 2021 | 8.10% | Sep 23, 2023 | 5.25 | [ICRA]AA (Stable) |
| INE516Y07345 | Retail NCD | Jul 23, 2021 | 0.00% | Sep 23, 2023 | 1.23 | [ICRA]AA (Stable) |
| INE516Y07352 | Retail NCD | Jul 23, 2021 | 8.25% | Jul 23, 2024 | 1.38 | [ICRA]AA (Stable) |
| INE516Y07360 | Retail NCD | Jul 23, 2021 | 8.50% | Jul 23, 2026 | 10.75 | [ICRA]AA (Stable) |
| INE516Y07378 | Retail NCD | Jul 23, 2021 | 8.75% | Jul 23, 2031 | 0.12 | [ICRA]AA (Stable) |
| INE516Y07386 | Retail NCD | Jul 23, 2021 | 8.35% | Sep 23, 2023 | 346.64 | [ICRA]AA (Stable) |
| INE516Y07394 | Retail NCD | Jul 23, 2021 | 0.00% | Sep 23, 2023 | 49.55 | [ICRA]AA (Stable) |
| INE516Y07402 | Retail NCD | Jul 23, 2021 | 8.50% | Jul 23, 2024 | 154.26 | [ICRA]AA (Stable) |
| INE516Y07410 | Retail NCD | Jul 23, 2021 | 8.75% | Jul 23, 2026 | 80.87 | [ICRA]AA (Stable) |
| INE516Y07428 | Retail NCD | Jul 23, 2021 | 9.00% | Jul 23, 2031 | 154.01 | [ICRA]AA (Stable) |
| NA | Retail NCD (proposed) | NA | NA | NA | 1,195.94 | [ICRA]AA (Stable) |
| INE641O08035 | Subordinated Bonds (Tier II) | Mar 08, 2017 | 9.55% | Mar 08, 2027 | 500 | [ICRA]AA (Stable) |
| NA | Subordinated Bonds (Tier II) (proposed) | NA | NA | NA | 1,000 | [ICRA]AA (Stable) |
| Long-term Bank Lines | WCDL/Cash Credit | NA | NA | NA | 450 | [ICRA]AA (Stable) |
| Unallocated | WCDL/Cash Credit | NA | NA | NA | 450 | [ICRA]AA (Stable) |
| Long-term Bank Lines (Term Loans) | Long-term Bank Lines – Term Loans | FY 2014-2020 | 8.75%-11.50% | FY 2022-2024 | 4,100 | [ICRA]AA (Stable) |
| Long-term Bank Lines – Term Loans | Long-term Bank Lines – Term Loans (proposed) | NA | NA | NA | 550 | [ICRA]AA (Stable) |
| NA | MLD (PP) Programme (Proposed) | NA | NA | NA | 500 | PP-MLD[ICRA]AA (Stable) |

*Source: PCHFL; ISIN details as on March 31, 2023*

*Please click here to view details of lender-wise facilities rated by ICRA*

### Annexure II: List of entities considered for consolidated analysis

| Company Name | | Consolidation Approach |
|---|---|---|
| **Piramal Enterprises Limited** | Holding Company | Full Consolidation |
| **Piramal International** | Subsidiary | Full Consolidation |
| **Piramal Holdings (Suisse) SA (until December 9, 2022)** | Subsidiary | Full Consolidation |
| **Piramal Dutch IM Holdco B.V.** | Subsidiary | Full Consolidation |

| Company Name | | Consolidation Approach |
|---|---|---|
| **Piramal Capital & Housing Finance Limited** | Subsidiary | Full Consolidation |
| **DHFL Advisory and Investment Private Limited** | Subsidiary | Full Consolidation |
| **DHFL Holdings Limited** | Subsidiary | Full Consolidation |
| **DHFL Investments Limited** | Subsidiary | Full Consolidation |
| **DHFL Changing Lives Foundation** | Subsidiary | Full Consolidation |
| **PRL Agastya Private Limited (w.e.f. December 12, 2022)** | Subsidiary | Full Consolidation |
| **Piramal Fund Management Private Limited** | Subsidiary | Full Consolidation |
| **INDIAREIT Investment Management Co** | Subsidiary | Full Consolidation |
| **Piramal Asset Management Private Limited** | Subsidiary | Full Consolidation |
| **Piramal Alternatives Private Limited** | Subsidiary | Full Consolidation |
| **Piramal Investment Advisory Services Private Limited** | Subsidiary | Full Consolidation |
| **Piramal Investment Opportunities Fund** | Subsidiary | Full Consolidation |
| **Piramal Securities Limited** | Subsidiary | Full Consolidation |
| **Piramal Systems & Technologies Private Limited** | Subsidiary | Full Consolidation |
| **Piramal Technologies SA** | Subsidiary | Full Consolidation |
| **PEL Finhold Private Limited** | Subsidiary | Full Consolidation |
| **Piramal Consumer Products Private Limited** | Subsidiary | Full Consolidation |
| **Virdis Power Investment Managers Private Limited (w.e.f. October 17, 2020)** | Subsidiary | Full Consolidation |
| **Virdis Infrastructure Investment Managers Private Ltd. (w.e.f. October 22, 2020)** | Subsidiary | Full Consolidation |
| **Piramal Finance Sales & Services Pvt. Ltd.** | Subsidiary | Full Consolidation |
| **Piramal Payment Services Limited (w.e.f. 29 April 2022)** | Subsidiary | Full Consolidation |
| **Piramal Alternatives Trust** | Subsidiary | Full Consolidation |
| **Pramerica Life Insurance Limited** | Joint Venture | Full Consolidation |
| **India Resurgence ARC Private Limited** | Joint Venture | Full Consolidation |
| **India Resurgence Asset Management Business Private Limited** | Joint Venture | Full Consolidation |
| **India Resurgence Fund - Scheme 2** | Joint Venture | Full Consolidation |
| **Piramal Structured Credit Opportunities Fund** | Joint Venture | Full Consolidation |
| **Asset Resurgence Mauritius Manager** | Joint Venture | Full Consolidation |
| **Shrilekha Business Consultancy Private Limited (Until November 9, 2022)** | Joint Venture | Full Consolidation |
| **DHFL Ventures Trustee Company Private Limited** | Joint Venture | Full Consolidation |
| **Shriram Capital Limited (Until November 9, 2022)** | Joint Venture | Full Consolidation |

*Source: Company; As of December 31, 2022*

**A**

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info@icraindia.com

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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## ICRA Limited

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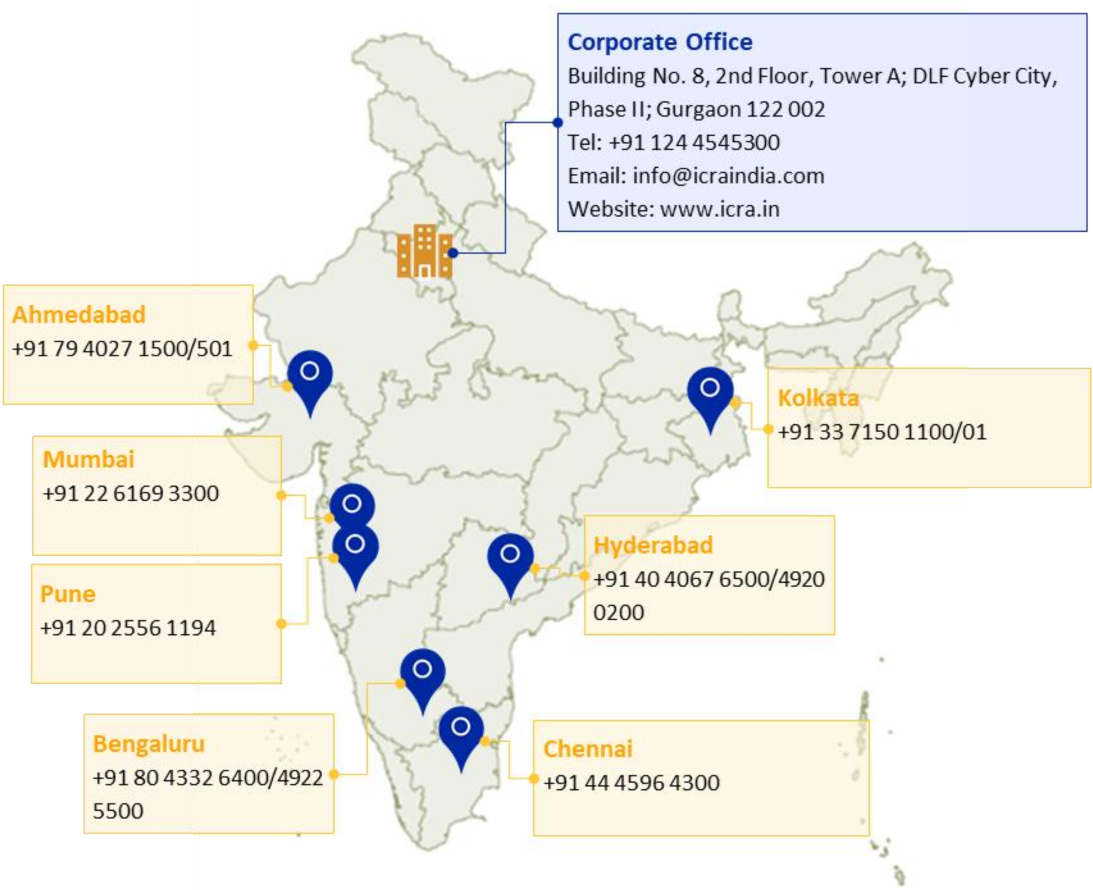
### Branches



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