June 02, 2017

Piramal Enterprises Limited

Instruments*	Amount Rated (Rs. crore)	Ratings
Non Convertible Debentures	8,100.0	[ICRA]AA(Stable) outstanding
Non Convertible Debentures	2,900.0	[ICRA]AA(Stable) withdrawn
Commercial Paper / Short term debt	9,000.0	[ICRA]A1+ outstanding
Long term: Fund based limits (Note)	1,100.0	[ICRA]AA(Stable) outstanding
Term Loan/Corporate Loan	4,325.0	[ICRA]AA(Stable) outstanding
Short term: Fund based limits (Note)	300.0	[ICRA]A1+ outstanding
Short term: Non fund based limits (proposed)	200.0	[ICRA]A1+ outstanding

Note: Short term fund based limits are interchangeable between Long-Term and Short-Term fund based limits though total utilization should not exceed Rs. 300.0 crore

ICRA has withdrawn [ICRA]AA (pronounced as ICRA double A) rating to Rs. 2,900 crore NCD programme of Piramal Enterprises Limited as there is no amount outstanding against same.

ICRA has a long-term rating outstanding of [ICRA]AA (pronounced as ICRA double A) for the Rs. 3,925.00 crore term loan, Rs. 400.00 crore corporate loan, Rs. 1,100.00 crore long term fund based limits and Rs. 8,100.00 crore Non convertible debenture programme of Piramal Enterprises Limited. The long term rating carries stable outlook. ICRA also has a short-term rating outstanding of [ICRA]A1+ (pronounced ICRA A one plus) for the Rs. 9,000.00 crore Commercial Paper programme / Short term debt , Rs. 300.00 crore short term fund based limit and Rs. 200.00 crore short term non-fund based limits. The Rs. 300.00 crore short term fund based limits are interchangeable with long term fund based limits though the total utilisation should not exceed Rs. 300.00 crore.

About the Company

PEL is part of the Ajay Piramal group of companies. The Group is a diversified Indian business house with interests in healthcare, glass manufacturing and financial services. A significant part of PEL's growth, especially in its early years has been contributed through in-organic growth.

In 1988, the group acquired Nicholas Laboratories (NL), which was a Sara Lee group company (NL was incorporated in 1947 to manufacture pharmaceutical formulations by the Nicholas Kiwi group). Following its acquisition, the group changed NL's name to Nicholas Piramal India Limited. Subsequently, the company continued to grow by acquisitions – a pattern that has been historically followed by the group – acquiring Roche Products India in 1993, Sumitra Pharma in 1994, Boehringer Mannheim in 1997, R&D division of Hoechst in 1998, Rhone Poulenc India in 2000-01, the pharma division of ICI in 2002, and Sarabhai Piramal (remaining 50% stake) in 2003-04. In recent years, the company has also undertaken acquisitions in the critical care and OTC segments in order to strengthen their product profile and geographic presence.

In May 2010, PEL announced the sale of its domestic formulation business which manufactures, markets and sells branded pharmaceuticals in India, Nepal and Sri Lanka to Abbott for a total consideration of US$ 3.8 billion. PEL also sold its majority stake (97.5%) in Piramal Diagnostic Services Private Limited (PDPSL) to Super Religare Limited for a total consideration of Rs. 600 crore.

The company has forayed into the financial services industry (NBFC, PE business and acquisition of various stake in Shriram Group) and Healthcare Information Analytics (Acquisition of Decision Resource Group). Presently, PEL's presence in healthcare is restricted to CRAMS, Critical care, OTC and Imaging R&D portfolio.

Recent Results

On a consolidated basis PEL reported operating Income of Rs. 6610 crore, OPBDITA of Rs. 1,872 crore and Profit after Tax of Rs. 791 crore for FY2016. During FY2017, PEL reported Operating Income of Rs. 8,780 crore and Profit after Tax of Rs. 1,082 crore.

Status of non-cooperation with previous CRA: Not Applicable.

Any other information: Not Applicable**.**

Rating History for last three years:

Table: Rating History

S. No.	Name of Instrument	Current Rating			Chronology of Rating History for the past 3 years		
		Type	Rated amount (Rs. Crores)	Rating Outstanding	Month - year & Rating in FY2017	Month - year & Rating in FY2016	Month - year & Rating in FY2015
				June 2017	Feb 2017	Feb 2016	July 2014
1	NCD	Long term	8,100	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
2	CP	Short term	9,000	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
3	Fund based	Long term	1,100*	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
4	Term loans	Long term	4,325	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
5	Non-fund based	Short term	200	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
6	Fund-based	Short term	300*	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

*****: Short term fund based limits are interchangeable between Long-Term and Short-Term fund based limits though total utilization should not exceed Rs. 300.0 crore

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1

Details of Instruments – Rating rationale for any rating action taken by ICRA for rated instruments will carry details of instruments.

Name and Contact Details of the Rating Analyst(s):

Analyst Contacts

Mr. Subrata Ray
+91 22 2433 1086
subrata@icraindia.com

Mr. Gaurav Jain
+91 20 66069922
Gaurav.jain@icraindia.com

Name and Contact Details of Relationship Contacts:

Mr. L Shivakumar
+91 22 61143406
shivakumar@icraindia.com

About ICRA Limited:

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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit **www.icra.in**

ICRA

Registered Office
ICRA Limited
1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office
Mr. Vivek Mathur
Mobile: +**91 9871221122**
Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai **Mr. L. Shivakumar** Mobile: +**91 9821086490** Email: shivakumar@icraindia.com 3rd Floor, Electric Mansion Appasaheb Marathe Marg, Prabhadevi Mumbai—400025, Board : +91-22-61796300; Fax: +91-22-24331390	**Kolkata** **Mr. Jayanta Roy** Mobile: **+91 9903394664** Email: jayanta@icraindia.com A-10 & 11, 3rd Floor, FMC Fortuna 234/3A, A.J.C. Bose Road Kolkata—700020 Tel +91-33-22876617/8839 22800008/22831411, Fax +91-33-22870728
Chennai **Mr. Jayanta Chatterjee** Mobile: +**91 9845022459** Email: jayantac@icraindia.com 5th Floor, Karumuttu Centre 634 Anna Salai, Nandanam Chennai—600035 Tel: +91-44-45964300; Fax: +91-44 24343663	**Bangalore** **Mr. Jayanta Chatterjee** Mobile: +**91 9845022459** Email: jayantac@icraindia.com 'The Millenia' Tower B, Unit No. 1004,10th Floor, Level 2 12-14, 1 & 2, Murphy Road, Bangalore 560 008 Tel: +91-80-43326400; Fax: +91-80-43326409
Ahmedabad **Mr. L. Shivakumar** Mobile: +**91 9821086490** Email: shivakumar@icraindia.com 907 & 908 Sakar -II, Ellisbridge, Ahmedabad- 380006 Tel: +91-79-26585049, 26585494, 26584924; Fax: +91-79-25569231	**Pune** **Mr. L. Shivakumar** Mobile: +**91 9821086490** Email: shivakumar@icraindia.com 5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range Hills Road, Shivajinagar,Pune-411 020 Tel: + 91-20-25561194-25560196; Fax: +91-20- 25561231
Hyderabad **Mr. Jayanta Chatterjee** Mobile: +**91 9845022459** Email: jayantac@icraindia.com 4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj Bhavan Road, Hyderabad—500083 Tel:- +91-40-40676500	