

October 31, 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
<b>Non-convertible debentures (NCDs)</b>	2,030	2,030	[ICRA]AA(Stable); reaffirmed
<b>NCD</b>	19,550	19,550	[ICRA]AA(Stable); reaffirmed
<b>Retail NCD programme</b>	2,000	2,000	[ICRA]AA(Stable); reaffirmed
<b>Principal protected market-linked debenture (PP-MLD) programme</b>	500	500	PP-MLD [ICRA]AA(Stable); reaffirmed
<b>Subordinated (tier-II) bonds</b>	1,500	1,500	[ICRA]AA(Stable); reaffirmed
<b>Long-term fund-based bank lines – cash credit</b>	900	900	[ICRA]AA(Stable); reaffirmed
<b>Long-term fund-based bank lines - term loans</b>	4,650	4,650	[ICRA]AA(Stable); reaffirmed
<b>Total</b>	<b>31,130</b>	<b>31,130</b>	

\*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. 30,844 crore, a gross gearing of 1.6 times and a capital adequacy ratio of 34% as of June 30, 2023, its 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 ~55% of the assets under management (AUM) as of June 2023 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 notes the sustained rundown in the legacy wholesale AUM, although the same remained large at Rs. 26,002 crore<sup>1</sup> as of June 2023, with a sizeable vulnerable portfolio. Nonetheless, PEL's established position in the real estate lending segment and provision cover (7.6% on the wholesale AUM as of June 2023) 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, it 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 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 preceding quarters and elevated operating costs amid the ongoing expansion in the retail segment.

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, a higher share of fixed rate borrowings and a moderation in the cost of funds since March 2020. Going forward, PEL's ability to

<sup>1</sup> Total wholesale AUM as of June 2023 (wholesale 1.0 AUM + wholesale 2.0 AUM) – Rs. 29,047 crore

continue raising 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 that PEL concluded a buyback of equity shares amounting to Rs. 1,750 crore (representing 5.9% of the pre-buyback equity share capital). A part of the inflows from the Shriram stake sale in Q1 FY2024 was utilised to fund the buyback transaction.

## Key rating drivers and their description

### Credit strengths

**Comfortable capitalisation** – PEL's consolidated net worth (post restructuring and demerger of pharma business and before the recently concluded buyback transaction) stood at Rs. 30,844 crore with a gearing of 1.6 times and a total capital adequacy ratio of 34% as of June 30, 2023. The consolidated capitalisation trajectory has been supported by fund-raising in recent years, besides the gains on investments in Shriram Group and the reversal of the deferred tax liability (DTL) related to the DHFL transaction. PEL had raised Rs. 18,173 crore of equity funds through various avenues during FY2020-FY2021, a part of which was allocated to the financial services business. Moreover, the accretion to reserves in 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 preceding periods, the current capitalisation (capital-to-risk weighted assets ratio (CRAR) of 34% as of June 2023) remains comfortable for the company's high growth ambitions for the near to medium term, predominantly on the retail side. It also sold its 8.34% stake in Shriram Finance Limited in June 2023, augmenting the capital available for the lending business. However, PEL announced a buyback of equity shares amounting to Rs. 1,750 crore (representing 5.9% of the pre-buyback equity share capital). A part of the inflows from the Shriram stake sale has been utilised to fund the buyback transaction. The remaining investments may be sold to unlock further capital if required. Further, 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; 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 June 30, 2023, PEL's consolidated AUM was Rs. 63,938 crore (excluding Rs. 12,520 crore of off-balance sheet retail assets acquired from DHFL, which is now 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 ~55% as of June 30, 2023 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 more diverse and granular with a smaller ticket size, targeting mid-sized developers across markets.

### Credit challenges

**Portfolio vulnerability, given sizeable exposure to real estate segment and limited seasoning of retail book** – PEL's consolidated AUM comprised retail (55%) and wholesale (45%) loans as of June 30, 2023. While the share of wholesale loans has reduced consistently over the past few years, the same remained sizeable at Rs. 29,047 crore as of June 30, 2023 (compared to Rs. 42,324 crore as of June 30, 2022). Moreover, ~14% of the wholesale loan book remained classified under stage 2 and 3

as of June 30, 2023. While the company has provisions on the book (provision cover of 7.6% of the wholesale AUM as of June 30, 2023), 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.

The gross stage 3% had 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. However, the same moderated to 2.3% as of June 30, 2023 due to resolution strategies such as asset sales to asset reconstruction companies (ARCs), etc. The outstanding security receipts (SRs) increased to Rs. 5,369 crore as of June 30, 2023 from Rs. 3,631 crore as of March 31, 2023. In this regard, while asset resolutions/sales would remain a part of the strategy to improve 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 elevated operating expenses due to the scale-up in retail lending. In FY2023, PEL reported a consolidated pre-provisioning operating profit (PPOP) of Rs. 2,830 crore compared to Rs. 2,457 crore in FY2022, notwithstanding the improvement in interest margins during this period. Further, the company reported large provisions, write-offs and fair valuation adjustments of Rs. 5,179 crore in FY2023 (compared to Rs. 830 crore in FY2022), resulting in a loss from core operations. Nonetheless, the operating loss was offset by a one-time DTL reversal of Rs. 3,978 crore (related to the DHFL transaction) and an exceptional gain of Rs. 8,066 crore on the pharma business demerger.

In Q1 FY2024, the non-interest yielding share of the AUM increased due to the ARC sales, resulting in pressure on interest income, while interest expenses were largely flat, thereby exerting some pressure on the net interest margin (NIM). This was a drag on the PPOP, which stood at Rs. 263 crore. However, one-time gains on the Shriram Finance stake sale cushioned the net profitability to a certain extent. 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 could 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. 8,462 crore in 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 58% of the borrowings as of June 2023, followed by bank loans at 27%, commercial paper (CP) at 10% and others at 5%. Going forward, PEL's ability to continue raising 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 (consolidated) liquidity position remains adequate with its asset-liability maturity profile (as of June 30, 2023) characterised by positive cumulative mismatches across buckets up to 1 year. It had cash/bank balances and liquid investments of Rs. 4,972 crore as of September 30, 2023 on a consolidated basis compared to debt repayment of ~Rs. 6,013 crore till December 2023. The on-balance sheet liquidity and inflows from customers are adequate to cover the debt obligations till December 2023. Moreover, the company's track record of successfully raising capital and refinancing debt repayments

provides some comfort. ICRA notes that PEL endeavours to maintain sufficient on-balance sheet liquidity so as 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	<a href="#">Rating Methodology for Non-banking Finance Companies</a> <a href="#">Rating Approach – Consolidation</a>
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.

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 was 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 423 conventional branches and 136 microfinance 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.

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 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 the demerger) was moved to a separate listed entity – PPL.

#### Key financial indicators

	FY2021 <sup>^</sup>		FY2022 <sup>*</sup>	FY2023	Q1 FY2024
	PEL FS	PEL Consolidated (pre-DHFL transaction)	PEL Consolidated (post-DHFL transaction)	PEL Consolidated (post pharma demerger)	
<b>Net worth</b>	18,073	34,018	30,120	31,059	30,844
<b>AUM</b>	48,891	NA	65,185	63,989	63,938
<b>Net debt<sup>#</sup></b>	32,531	NA	40,115	41,393	37,464
<b>Net gearing (times)</b>	1.8	~1.0	1.3	1.3	1.2
<b>Gross stage 3</b>	4.1%	NA	3.4%	3.2%	2.3%
<b>Net stage 3</b>	2.1%	NA	1.6%	1.7%	1.2%
<b>Solvency (Net stage 3/Net worth)</b>	2.9%	NA	3.3%	3.3%	2.5%
<b>CRAR</b>	36%	NA	21%	31%	34%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; <sup>^</sup>Audited; <sup>\*</sup>Restated numbers; <sup>#</sup>Net debt – As per ICRA's estimates (gross debt less cash & liquid investments)

#### 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 October 31, 2023 (Rs. crore)	Current Rating (FY2024)			Chronology of Rating History for the Past 3 Years					
				Date & Rating			Date & Rating in FY2023		Date & Rating in FY2022			Date & Rating in FY2021
				Oct 31, 2023	Jul 05, 2023	Apr 28, 2023	Apr 29, 2022	Dec 30, 2021	Nov 17, 2021	Jul 26, 2021	Jul 27, 2020	
1 Non-convertible debentures	LT	2,030	1,125	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA&	-	-	-	
2 Non-convertible debentures	LT	19,550	19,532.53	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA&	-	-	-	
3 Retail NCD Programme	LT	2,000	804.05	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA&	-	-	-	
4 MLD (PP) Programme	LT	500	Nil	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA&	-	-	-	
5 Subordinated Bonds (Tier II)	LT	1,500	500	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA&	-	-	-	
6 Long-term Bank Lines (Fund Based/CC)	LT	900	450	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA&	-	-	-	
7 Long-term Bank Lines (Term Loan)	LT	4,650	4,650	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA&	-	-	-	
8 Non-convertible debentures	LT	-	-	-	-	-	[ICRA]AA (Stable); withdrawn	[ICRA]AA&	-	-	-	
9 CP Programme	ST	-	-	-	-	-	-	-	[ICRA]D; withdrawn	[ICRA]D	[ICRA]D	

& Rating on Watch with Developing Implications; ; LT – long term; ST – short term

## Rating history for past three years (PCHFL)

	Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding as on Sep 30, 2021 (Rs. crore)	Rating in FY2022			Chronology of Rating History for the Past 3 Years							
					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	Simple
MLD (PP) Programme	Complex
Subordinated Bonds (Tier II)	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		NA	NA	NA	750	[ICRA]AA (Stable)
Unallocated	WCDL/Cash Credit WCDL/Cash Credit	NA	NA	NA	150	[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	4,600	[ICRA]AA (Stable)
Long-term Bank Lines – Term Loans	Long-term Bank Lines – Term Loans (proposed)	NA	NA	NA	50	[ICRA]AA (Stable)
NA	MLD (PP) Programme (Proposed)	NA	NA	NA	500	PP-MLD[ICRA]AA (Stable)

Source: PCHFL; ISIN details as on October 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
<b>Piramal Enterprises Limited</b>	Holding Company	-
<b>Piramal Capital &amp; Housing Finance Limited</b>	100%	Full Consolidation
<b>Asset Resurgence Mauritius Manager</b>	50%	Full Consolidation

Company Name		Consolidation Approach
DHFL Advisory and Investment Private Limited	100%	Full Consolidation
DHFL Changing Lives Foundation	100%	Full Consolidation
DHFL Holdings Limited	100%	Full Consolidation
DHFL Investments Limited	100%	Full Consolidation
DHFL Ventures Trustee Company Private Limited	40%	Full Consolidation
India Resurgence ARC Private Limited	50%	Full Consolidation
India Resurgence Asset Management Business Private Limited	50%	Full Consolidation
INDIAREIT Investment Management Co.	100%	Full Consolidation
PEL Finhold Private Limited	100%	Full Consolidation
Piramal Alternatives Private Limited	100%	Full Consolidation
Piramal Asset Management Private Limited, Singapore	100%	Full Consolidation
Piramal Consumer Products Private Limited	100%	Full Consolidation
Piramal Dutch IM Holdco B.V	100%	Full Consolidation
Piramal Finance Sales & Services Private Limited	100%	Full Consolidation
Piramal Fund Management Private Limited	100%	Full Consolidation
Piramal International	100%	Full Consolidation
Piramal Investment Advisory Services Private Limited	100%	Full Consolidation
Piramal Payment Services Limited	100%	Full Consolidation
Piramal Securities Limited	100%	Full Consolidation
Piramal Systems & Technologies Private Limited	100%	Full Consolidation
Piramal Technologies SA	100%	Full Consolidation
Pramerica Life Insurance Limited	50%	Full Consolidation
PRL Agastya Private Limited (w.e.f. December 12, 2022)	100%	Full Consolidation
Shriram General Insurance Company Limited	13.33%	Full Consolidation
Shriram GI Holdings Private Limited	20%	Full Consolidation
Shriram Investment Holdings Limited	20%	Full Consolidation
Shriram LI Holdings Private Limited	20%	Full Consolidation
Shriram Life Insurance Company	14.91%	Full Consolidation
Virdis Infrastructure Investment Managers Private Limited	100%	Full Consolidation

Source: Company; As of March 31, 2023

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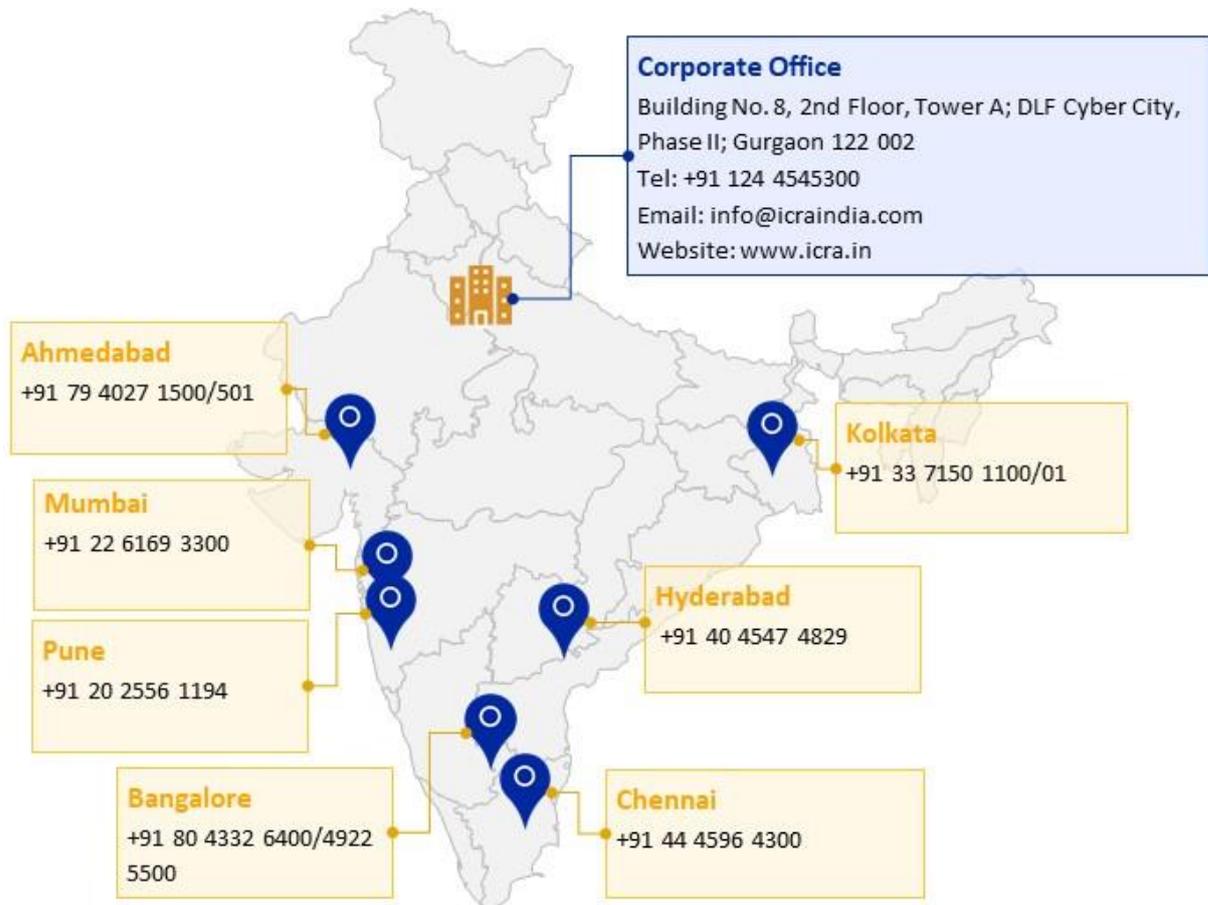
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### Branches



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