

December 26, 2024

Piramal Capital & Housing Finance Limited: Ratings reaffirmed; rating withdrawn for matured instruments

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debentures (NCDs)	23,050.00	23,050.00	[ICRA]AA (Stable); reaffirmed
Retail NCD	1,441.69	1,441.69	[ICRA]AA (Stable); reaffirmed
Retail NCD	155.64	-	[ICRA]AA (Stable); reaffirmed and withdrawn
Principal protected market-linked debenture (PP-MLD) programme	500.00	500.00	PP-MLD [ICRA]AA (Stable); reaffirmed
Subordinated (tier-II) bonds	1,500.00	1,500.00	[ICRA]AA (Stable); reaffirmed
Long-term fund-based/Non-fund based bank lines – Others	7,550.00	7,550.00	[ICRA]AA (Stable); reaffirmed
Total	34,197.33	34,041.69	

*Instrument details are provided in Annexure I

Rationale

To arrive at the ratings, ICRA has considered the consolidated financials of Piramal Enterprises Limited (PEL) and its subsidiaries and associates (as mentioned in Annexure II), including its key wholly-owned subsidiary – Piramal Capital & Housing Finance Limited (PCHFL). ICRA has taken a consolidated view of the credit profiles of PEL and PCHFL, given the operational and business synergies in addition to the shared name and management oversight.

The ratings continue to factor in PEL's comfortable capitalisation with modest gearing, improving portfolio diversification and granularity, and adequate liquidity profile. The company has transformed over the last few years to become a diversified lender with a granular portfolio. The share of retail assets in the overall assets under management (AUM) has almost doubled in the last two years to 73% as of September 2024, though the seasoning of this book remains relatively limited. This, coupled with the ambitious growth aspirations, keep the asset quality trajectory monitorable. Nonetheless, the headline asset quality metrics in the retail business have remained benign thus far.

While reaffirming the ratings, ICRA notes the continued portfolio vulnerability emanating from the residual legacy wholesale exposures in the real estate (RE) segment, besides the presence in unsecured retail lending (including microfinance). Nevertheless, the legacy book has shrunk by over 70% since March 2022 and is expected to account for less than 10% of the overall AUM by March 2025. This accelerated rundown, however, has been accompanied by sizeable credit costs (~27% of the legacy book as of March 2022), although multiple one-off gains¹ during this period partially offset the higher credit costs, limiting the impact on the net worth.

The aforementioned elevated credit costs have, nonetheless, kept PEL's profitability under pressure for a prolonged period. Besides, the pre-provisioning operating profit (PPOP) has remained subdued due to high operating expenses related to the diversified scale-up of the retail segment and the high share of non-earning legacy wholesale assets. While the operating efficiency is expected to provide support going forward, the residual risks in the legacy wholesale loan book and the performance of the retail book as it scales up will remain key determinants of the consolidated profitability trajectory. Moreover, given its growth plans, the company's ability to raise funds from diverse sources at competitive rates will be critical.

¹ Pertaining to the sale of the stake in Shriram entities, recognition of deferred tax assets (DTA), etc.

Lastly, ICRA notes that PCHFL has applied for a non-banking financial company – investment credit company (NBFC-ICC) licence from the Reserve Bank of India (RBI) as a part of a scheme of arrangement since it does not meet the requisite principal business criteria (PBC) applicable to housing finance companies (HFCs) as per the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. Post the receipt of the NBFC licence, PEL would be reverse merged into PCHFL and the merged entity would be rechristened Piramal Finance Limited (PFL). The proposed scheme of arrangement is credit neutral from an analytical approach perspective as ICRA takes a consolidated view of the credit profiles of PEL and PCHFL.

ICRA has withdrawn the rating assigned to PCHFL's Rs. 155.64-crore retail non-convertible debenture (NCD) programme as no amount is outstanding against the same. This is in accordance with ICRA's policy on the withdrawal of credit ratings.

The Stable outlook reflects ICRA's belief that PEL would maintain a comfortable capitalisation profile notwithstanding the sizeable AUM ramp-up envisaged for the medium term. Further, the profitability pressure is likely to alleviate, aided by the improvement in the operating efficiency, while the rundown of the residual legacy AUM is expected to continue without materially impacting the existing level of net worth.

Key rating drivers and their description

Credit strengths

Comfortable capitalisation – PEL's financial profile remains characterised by comfortable capitalisation with a consolidated net worth of Rs. 26,928 crore and gross gearing of 2.1 times as of September 2024. While sizeable funds are deployed towards investments and are not considered while calculating the Tier I capital, the consolidated capital-to-risk-weighted assets ratio (CRAR) stood at 23.3%² as on September 30, 2024, with sufficient buffer over the regulatory requirement to support the envisaged growth. Nonetheless, 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 portfolio³/Tier I capital) despite having peaked and remains a monitorable.

The consolidated capitalisation trajectory has been supported by fund-raising⁴ in preceding years, besides the gains on investments in Shriram Group and the reversal of the deferred tax liability (DTL) related to the Dewan Housing Finance Corporation Limited (DHFL) transaction. The company sold its 8.34% stake in Shriram Finance Limited in June 2023, augmenting the capital available for the lending business, even as a part of the inflow was utilised to fund the equity share buyback. Further, it sold its stake in Shriram Investment Holdings Pvt. Ltd in Q4 FY2024 with the gains helping it partly offset the higher credit costs owing to the accelerated rundown of the legacy AUM. The residual Shriram investments were classified as assets held for sale as of September 2024 (book value of about Rs. 1,700 crore).

Improving portfolio diversification and granularity, though, seasoning of retail book is limited – PEL has transformed over the last few years to become a diversified lender with a granular portfolio. It is targeting to be a retail oriented lender with a steady-state retail-wholesale mix of 75:25. In fact, the proportion of retail assets in the overall AUM has already touched 73% as of September 2024 compared to 39% two years ago. Retail AUM stood at Rs. 54,737 crore within the consolidated AUM of Rs. 74,692 crore, with the share of secured retail loans at 54% of the total AUM as of September 2024. While secured retail loans include housing loans (HLs; 32% of the total AUM as of September 2024), loan against property (LAP; 18%) and used car loans (4%), unsecured retail loans comprise business loans to small and medium enterprises (SMEs; including microfinance loans; 7%), salaried personal loans (5%), digital loans (4%) and other loans⁵ (3%).

² ICRA is cognisant of the gap between the reported net worth and the Tier I capital due to investments in Shriram Group entities, investment in units of alternative investment funds (AIFs), and the life insurance joint venture, besides DTAs. In this regard, Total debt/Tier I is estimated at 3 times as of September 2024

³ Includes net stage 2, net stage 3 loans, net security receipts (SRs; pertaining to legacy wholesale book), land/project receivables, AIF investments and other legacy wholesale exposures

⁴ PEL had last raised equity capital during FY2020-FY2021, aggregating Rs. 18,173 crore, through various avenues, a large part of which was allocated to the financial services business

⁵ Other unsecured retail loans include loan against mutual funds, SRs, pass-through certificates, etc.

The retail portfolio's seasoning is, however, relatively limited and the growth aspirations are ambitious. So, while PEL has hired seasoned professionals to build its franchise in this segment, its ability to leverage the aforesaid management bandwidth and investments to scale up the retail book, while achieving healthy asset quality and earnings, would be critical from a credit perspective. On the wholesale side as well, PEL is building a new wholesale 2.0 AUM that is more diverse and granular with a relatively smaller ticket size, targeting mid-sized developers across markets in the RE segment and mid-sized operating companies/NBFCs (corporate mid-market lending; CMML). The wholesale 2.0 AUM stood at Rs. 7,889 crore as on September 30, 2024, comprising RE AUM (8% of the total AUM as of September 2024) and CMML AUM (3%). The legacy wholesale 1.0 AUM remains in the rundown phase and aggregated Rs. 12,066 crore as on September 30, 2024.

Credit challenges

Portfolio vulnerability – The share of legacy wholesale loans has reduced sharply over the past few years, in line with the management's stated intent regarding the accelerated rundown of the wholesale 1.0 AUM. While significantly below historical levels, it remains sizeable. The legacy AUM, as of September 2024, comprised (on a gross basis) stage 2 loans (Rs. 2,904 crore), stage 3 loans (Rs. 1,096 crore), security receipts (SRs; Rs. 2,885 crore), alternative investment funds (AIFs; Rs. 999 crore) and land & project receivables (Rs. 1,556 crore) in addition to stage 1 loans (Rs. 2,627 crore). Given the associated risks, the resolution of the same in a timely manner remains imperative for the credit profile. In this regard, ICRA notes that the legacy AUM declined to Rs. 12,066 crore as of September 2024 from Rs. 43,174 crore as of March 2022, though cumulative credit costs of Rs. 11,539 crore were incurred between March 2022 and September 2024 (~27% of the wholesale 1.0 AUM as of March 2022).

As of September 2024, PEL had provisions of Rs. 2,025 crore on the legacy book (provision coverage ratio (PCR) of 16.8%) to absorb any incremental losses while running down the residual legacy book. Further, the management expects certain one-off gains in the form of recoveries from previously written-off AIF investments, gains on the sale of residual investments in Shriram entities, and incremental deferred tax assets (DTA; owing to the carry forward of losses pertaining to DHFL, which have not yet been recognised) in the near term. These would provide some cushion to absorb any incremental losses from the legacy AUM. However, the realisation of the same remains monitorable. Nonetheless, the management has emphasised that any incremental losses from the residual legacy AUM would not result in net worth erosion.

ICRA also notes that the company will need to demonstrate its track record in retail lending, wherein it has a presence in the unsecured lending space as well, including microfinance. Further, the target customer segment primarily comprises micro and small business owners and self-employed individuals with modest credit profiles and limited credit history. Thus, it remains susceptible to the incremental credit risk inherent to its target customer segment, given its growth aspirations. In this regard, PEL's 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 the preceding fiscals and the elevated operating costs amid the ongoing expansion in the retail segment.

Profitability pressure amid elevated operating expenses to support retail scale-up – PEL's consolidated financial performance has remained subdued in recent years, characterised by the pressure on profitability owing to the elevated credit costs. Moreover, even the PPOP has remained subdued due to the high share of non-yielding legacy wholesale assets and elevated operating expenses, amid the ongoing retailisation, besides the slower-than-anticipated ramp-up in AUM growth. In this regard, while the operating efficiency is expected to provide support to the profitability going forward, the residual risks in the legacy wholesale loan book and the performance of the retail book as it scales up will remain key determinants of the consolidated profitability trajectory.

The consolidated profit after tax (PAT) was Rs. 344 crore in H1 FY2025 (return on managed assets (RoMA) of 0.7%). Even after excluding the impact of the non-yielding legacy assets, the performance of the growth business remains modest, though relatively better. The growth business' net interest margin (NIM) stood at 6.6% in H1 FY2025. Operating expenses/average managed assets (opex/AMA) and gross credit costs stood at 4.5% and 1.8%, respectively, in H1 FY2025 while RoMA (based on profit before tax) was 1.2% (annualised). The opex/AUM ratio has remained elevated since many quarters, notwithstanding the sequential

improvement. The ratio, which stood at 5.6% in FY2023 and 5.2% in FY2024, improved to 4.5% in Q2 FY2025, although it remains high. PEL is targeting a steady state opex/AUM ratio of 3.5-4.0% in the medium term, which would help alleviate the profitability pressure to a certain extent.

Ability to raise funds at competitive rates from diverse sources – PEL's dependence on incremental borrowing has been relatively limited in recent years due to the rapid rundown of the legacy wholesale book and the resultant capital being available for the scaling up of the retail book. However, borrowings are expected to increase substantially to support the ambitious growth plans, especially for the retail segment. Thus, PEL's ability to raise funds at competitive rates and from diverse sources will be critical. Nonetheless, ICRA also takes note of the management's efforts to diversify and elongate the liabilities profile. PEL raised long-term debt aggregating Rs. 11,161 crore in H1 FY2025 compared to Rs. 17,456 crore in FY2024 and Rs. 5,712 crore in FY2023. The share of securitisation increased to 14% as of September 2024 from 4% as of September 2023. The company also tapped overseas markets and raised external commercial borrowings (ECBs; bonds as well as loans) in recent quarters.

The resource profile is moderately diversified, although non-convertible debentures (NCDs) remain the primary source of funds accounting for 41% of the borrowings as of September 2024, followed by bank loans (29%), securitisation (14%), commercial paper (CP; 9%) and ECBs (5%). Short-term funds accounted for ~10% of the overall borrowings as of September 2024. The merger with DHFL had led to greater diversification of the asset profile. PEL also witnessed elongation in the weighted average tenor of the borrowings and a higher share of fixed rate borrowings (~46% as of September 2024). However, there has been some uptick in the cost of funds in recent quarters with the hardening of systemic rates. Going forward, the company plans to further increase the share of securitisation and ECBs in the borrowing profile.

Environmental and social risks

Given the service-oriented business of PEL, its direct exposure to environmental risks/physical climate risks is not material. While lending institutions can be exposed to environmental risks indirectly through their portfolio of assets, PEL's exposure to environmentally sensitive segments remains low. Hence, indirect transition risks arising from changes in regulations or policies concerning the underlying assets are not material.

With regard to social risks, data security and customer privacy are among the key sources of vulnerability for lending and investment banking institutions as material lapses could be detrimental to their reputation and could invite regulatory censure. PEL has not faced such lapses over the years and its disclosures outline the key policies, processes, and investments made by it to mitigate the occurrence of such instances. It also promotes financial inclusion by lending to the affordable housing segment.

Liquidity position: Adequate

The consolidated liquidity position remains adequate with the asset-liability maturity profile, as of September 2024, characterised by positive cumulative mismatches across buckets up to 1 year. PEL had cash/bank balances and liquid investments of Rs. 6,039 crore as on September 30, 2024 on a consolidated basis (~10% of consolidated borrowings), covering 2.8 months' repayment obligations (principal + interest). ICRA notes that the company endeavours to maintain sufficient on-balance sheet liquidity to cover repayments falling due in the ensuing 2-3 months. The track record of satisfactory collection efficiency provides additional comfort. ICRA also notes that PEL continues to hold residual investments aggregating Rs. 1,700 crore (book value) in Shriram Group entities, which augurs well for its financial flexibility.

Rating sensitivities

Positive factors – A significant improvement in the profitability on a sustained basis remains imperative for an upward revision in the long-term rating. Additionally, a sustained improvement in the granularity of the asset profile and the proven track record of the new products in the growth business while maintaining healthy asset quality will be credit positives.

Negative factors – A sustained weakening in the asset quality or a moderation in the capitalisation profile, resulting in a deterioration in the consolidated solvency, would be a credit negative.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Non-banking Finance Companies Policy on Withdrawal of Credit Ratings
Parent/Group support	Not applicable
Consolidation/Standalone	ICRA has considered the consolidated financials of PEL. The list of PEL's subsidiaries, associates and joint ventures is available in Annexure II

About the company

PCHFL, a wholly-owned subsidiary of PEL, was incorporated in February 2017 and received an HFC licence from National Housing Bank (NHB) in September 2017. PCHFL provides real estate lending, housing finance, corporate lending, and emerging corporate lending across sectors. It has applied for an NBFC-ICC licence from the RBI as part of a scheme of arrangement, as it does not meet the requisite PBC applicable to HFCs. Subject to requisite regulatory/statutory approvals, PEL would be reverse merged into PCHFL and the merged entity would be rechristened Piramal Finance Limited (PFL).

Dewan Housing Finance Corporation Limited (DHFL), which catered to the low-and-middle-income borrower segment in the housing finance sector, was admitted under the National Company Law Tribunal (NCLT) in December 2019. 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 RBI-registered NBFC w.e.f. July 22, 2022. It has a presence in retail lending, wholesale lending, fund-based platforms and life insurance businesses. PEL and its wholly-owned subsidiary, namely PCHFL, are the key operating entities of the Group⁶. The company's consolidated operations are backed by a network of over 500 conventional branches and 194 microfinance branches across 26 states and Union Territories as of September 2024.

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); rated [ICRA]A1+]. 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, an HFC that provides both wholesale and retail finance across segments. PCHFL was 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. 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.

⁶ Refers to PEL and its subsidiaries and associates

Within retail lending, through its multi-product platform, PEL offers HLs to customers in the affordable housing and budget segments, secured and unsecured lending to small businesses, pre-owned car loans, loan against securities, and unsecured finance constituting microfinance, digital purchase finance, salaried personal loans, etc. Within wholesale lending, the business provides financing to RE 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, APG Asset Management and Ivanhoe Cambridge (subsidiary of Caisse de dépôt et placement du Québec; 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-RE 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.

Key financial indicators (audited)

PEL – Consolidated	FY2023	FY2024	H1 FY2025*
Total income#	8,278.0	9,868.6	4,321.5
PAT	9,968.6	(1,683.5)	344.5
Total managed assets	91,363.7	89,228.3	96,113.4
Return on managed assets	10.5%	-1.9%	0.7%^
Reported gross gearing (times)	1.6	2.0	2.1
Gross stage 3	3.2%	2.1%	2.8%
CRAR	31.0%	25.6%	23.3%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; *Limited review numbers; ^Annualised; #Net of loss on fair value changes

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

.Rating history for past three years

Instrument	Current (FY2025)				Chronology of rating history for the past 3 years							
	Type	Amount rated (Rs. crore)	Dec 26, 2024	FY2025		FY2024		FY2023		FY2022		
				Date	Rating	Date	Rating	Date	Rating	Date	Rating	
NCD	LT	23,050.00	[ICRA]AA (Stable)	16-May-24	[ICRA]AA (Stable)	28-Apr-23	[ICRA]AA (Stable)	29-Apr-22	[ICRA]AA (Stable)	30-Dec-21	[ICRA]AA&	
				-	-	05-Jul-23	[ICRA]AA (Stable)	-	-			
				-	-	31-Oct-23	[ICRA]AA (Stable)	-	-	-	-	
				-	-	24-Nov-23	[ICRA]AA (Stable)	-	-	-	-	
				-	-	29-Dec-23	[ICRA]AA (Stable)	-	-	-	-	
Retail NCD	LT	1,441.69	[ICRA]AA (Stable)	16-May-24	[ICRA]AA (Stable)	28-Apr-23	[ICRA]AA (Stable)	29-Apr-22	[ICRA]AA (Stable)	30-Dec-21	[ICRA]AA&	
						05-Jul-23	[ICRA]AA (Stable)					
				-	-	31-Oct-23	[ICRA]AA (Stable)	-	-	-	-	

Instrument	Current (FY2025)				Chronology of rating history for the past 3 years							
	Type	Amount rated (Rs. crore)	Dec 26, 2024	FY2025		FY2024		FY2023		FY2022		
				Date	Rating	Date	Rating	Date	Rating	Date	Rating	
				-	-	24-Nov-23	[ICRA]AA (Stable)	-	-	-	-	
				-	-	29-Dec-23	[ICRA]AA (Stable)	-	-	-	-	
Retail NCD	LT	155.64	[ICRA]AA (Stable); reaffirmed and withdrawn	16-May-24	[ICRA]AA (Stable)	28-Apr-23	[ICRA]AA (Stable)	29-Apr-22	[ICRA]AA (Stable)	30-Dec-21	[ICRA]AA&	
						05-Jul-23	[ICRA]AA (Stable)					
				-	-	31-Oct-23	[ICRA]AA (Stable)	-	-	-	-	
				-	-	24-Nov-23	[ICRA]AA (Stable)	-	-	-	-	
				-	-	29-Dec-23	[ICRA]AA (Stable)	-	-	-	-	
ST debt	ST	-	[ICRA]A1+; withdrawn	16-May-24	[ICRA]A1+	31-Oct-23	[ICRA]A1+	-	-	-	-	
				-	-	24-Nov-23	[ICRA]A1+	-	-	-	-	
				-	-	29-Dec-23	[ICRA]A1+	-	-	-	-	
PP-MLD programme	LT	500	[ICRA]AA (Stable)	16-May-24	[ICRA]AA (Stable)	28-Apr-23	[ICRA]AA (Stable)	29-Apr-22	[ICRA]AA (Stable)	30-Dec-21	[ICRA]AA&	
				-	-	05-Jul-23	[ICRA]AA (Stable)	-	-	-	-	
				-	-	31-Oct-23	[ICRA]AA (Stable)	-	-	-	-	
				-	-	24-Nov-23	[ICRA]AA (Stable)	-	-	-	-	
				-	-	29-Dec-23	[ICRA]AA (Stable)	-	-	-	-	
Subordinated bonds (Tier II)	LT	1,500	[ICRA]AA (Stable)	16-May-24	[ICRA]AA (Stable)	28-Apr-23	[ICRA]AA (Stable)	29-Apr-22	[ICRA]AA (Stable)	30-Dec-21	[ICRA]AA&	
				-	-	05-Jul-23	[ICRA]AA (Stable)	-	-	-	-	
				-	-	31-Oct-23	[ICRA]AA (Stable)	-	-	-	-	
				-	-	24-Nov-23	[ICRA]AA (Stable)	-	-	-	-	
				-	-	29-Dec-23	[ICRA]AA (Stable)	-	-	-	-	
Long-term fund-based/Non-fund based bank lines – Others	LT/ST	7,550	[ICRA]AA (Stable)	16-May-24	[ICRA]AA (Stable)	28-Apr-23	[ICRA]AA (Stable)	29-Apr-22	[ICRA]AA (Stable)	30-Dec-21	[ICRA]AA&	
				-	-	05-Jul-23	[ICRA]AA (Stable)	-	-	-	-	
				-	-	31-Oct-23	[ICRA]AA (Stable)	-	-	-	-	

Instrument	Current (FY2025)				Chronology of rating history for the past 3 years						
	Type	Amount rated (Rs. crore)	Dec 26, 2024	FY2025		FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
				-	-	24-Nov-23	[ICRA]AA (Stable)	-	-	-	-
				-	-	29-Dec-23	[ICRA]AA (Stable)	-	-	-	-

Note – The above rating history pertains to DHFL, which was renamed PCHFL; & Rating on Watch with Developing Implications; LT – Long term; ST – Short term

Rating history for past three years (erstwhile PCHFL)

Instrument	Current (FY2025)				Chronology of rating history for the past 3 years						
	Type	Amount rated (Rs. crore)	Dec XX, 2024	FY2025		FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
NCD	LT	-	-	-	-	-	-	-	-	28-Dec-21	[ICRA]AA (Stable); withdrawn
				-	-	-	-	-	-	14-Oct-2021	[ICRA]AA&
				-	-	-	-	-	-	13-Aug-21	[ICRA]AA&
Retail NCD	LT	-	-	-	-	-	-	-	-	28-Dec-21	[ICRA]AA (Stable); withdrawn
				-	-	-	-	-	-	14-Oct-2021	[ICRA]AA&
				-	-	-	-	-	-	13-Aug-21	[ICRA]AA&
PP-MLD programme	LT	-	-	-	-	-	-	-	-	28-Dec-21	[ICRA]AA (Stable); withdrawn
				-	-	-	-	-	-	14-Oct-2021	[ICRA]AA&
				-	-	-	-	-	-	13-Aug-21	[ICRA]AA&
Subordinated bonds (Tier II)	LT	-	-	-	-	-	-	-	-	28-Dec-21	[ICRA]AA (Stable); withdrawn
				-	-	-	-	-	-	14-Oct-2021	[ICRA]AA&
				-	-	-	-	-	-	13-Aug-21	[ICRA]AA&
Long-term bank lines (fund-based/CC)	LT	-	-	-	-	-	-	-	-	28-Dec-21	[ICRA]AA (Stable); withdrawn
				-	-	-	-	-	-	14-Oct-2021	[ICRA]AA&
				-	-	-	-	-	-	13-Aug-21	[ICRA]AA&
Long-term bank lines (term loan)	LT	-	-	-	-	-	-	-	-	28-Dec-21	[ICRA]AA (Stable); withdrawn
				-	-	-	-	-	-	14-Oct-2021	[ICRA]AA&
				-	-	-	-	-	-	13-Aug-21	[ICRA]AA&

& Rating on Watch with Developing Implications

Complexity level of the rated instruments

Instrument	Complexity Indicator
NCD	Simple
Retail NCD	Simple
PP-MLD	Complex
Subordinated bonds (tier II)	Simple
Long-term fund-based/Non-fund based bank lines – Others	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
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)
INE516Y07246	NCD	Nov 03, 2020	9.32%	Nov 01, 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)
INE516Y07485	NCD	Nov 22, 2023	Linked to 3M T-Bill	Feb 21, 2025	600	[ICRA]AA (Stable)
INE516Y07485	NCD	Jan 30, 2024	Linked to 3M T-Bill	Feb 21, 2025	200	[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	2,122.47	[ICRA]AA (Stable)
INE516Y07352	Retail NCD	Jul 23, 2021	8.25%	Jul 23, 2024	1.38	[ICRA]AA (Stable); withdrawn
INE516Y07402	Retail NCD	Jul 23, 2021	8.50%	Jul 23, 2024	154.26	[ICRA]AA (Stable); withdrawn
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)
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)	Sep 20, 2017	9.55%	Mar 08, 2027	500	[ICRA]AA (Stable)
NA	Subordinated bonds (Tier II) (proposed)	Sep 20, 2017	NA	NA	1,000	[ICRA]AA (Stable)
NA	Long-term fund-based/Non-fund based bank lines	Sep 20, 2017	NA	NA	7,550	[ICRA]AA (Stable)
NA	MLD (PP) programme (proposed)	Nov 03, 2020	NA	NA	500	PP-MLD[ICRA]AA (Stable)

Source: PCHFL; ISIN details as on December 19, 2024

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Piramal Enterprises Limited	Holding Company	-
Piramal Capital & Housing Finance Limited	100%	Full Consolidation
DHFL Advisory and Investment Private Limited	100%	Full Consolidation
DHFL Holdings Limited	100%	Full Consolidation
DHFL Investments Limited	100%	Full Consolidation
PRL Agastya Offices Private Limited (formerly PRL Agastya Private Limited)	100%	Full Consolidation
Piramal Fund Management Private Limited	100%	Full Consolidation
INDIAREIT Investment Management Co.	100%	Full Consolidation
Piramal Alternatives Private Limited	100%	Full Consolidation
Piramal Investment Advisory Services Private Limited	100%	Full Consolidation
Piramal Investment Opportunities Fund	100%	Full Consolidation
Piramal Securities Limited	100%	Full Consolidation
Piramal Systems & Technologies Private Limited	100%	Full Consolidation
Piramal Technologies SA	100%	Full Consolidation

Company Name	Ownership	Consolidation Approach
PEL Finhold Private Limited	100%	Full Consolidation
Piramal Corporate Tower Private Limited (formerly Piramal Consumer Products Private Limited)	100%	Full Consolidation
Virdis Infrastructure Investment Managers Private Limited	100%	Full Consolidation
Piramal Finance Sales & Services Private Limited	100%	Full Consolidation
Piramal Payment Services Limited	100%	Full Consolidation
Piramal Alternatives Trust	100%	Full Consolidation
Piramal Alternatives India Access Fund	100%	Full Consolidation
Piramal Phytocare Limited Senior Employees Option Trust (w.e.f. May 30, 2024)	100%	Full Consolidation
Pramerica Life Insurance Limited	50%	Equity Method
India Resurgence ARC Private Limited	50%	Equity Method
India Resurgence Asset Management Business Private Limited	50%	Equity Method
India Resurgence Fund - Scheme 2	50%	Equity Method
Piramal Structured Opportunities Fund	50%	Equity Method
Asset Resurgence Mauritius Manager	50%	Equity Method
India Resurgence Fund - Scheme 4	50%	Equity Method
DHFL Ventures Trustee Company Private Limited	40%	Equity Method

Source: Company; As on September 30, 2024

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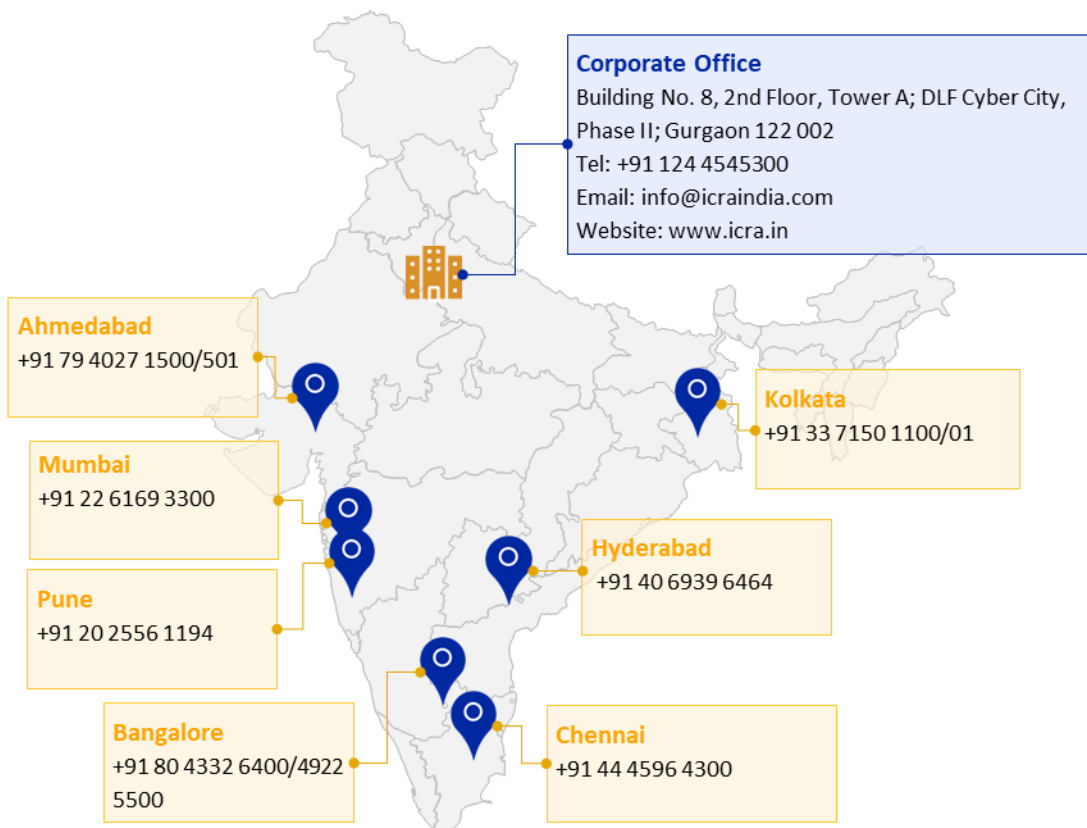
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