

10th October, 2019

BSE Limited

1st Floor, New Trading Wing,
Rotunda Bldg, P.J. Towers,
Dalal Street, Fort,
Mumbai - 400 001.

National Stock Exchange of India Ltd.,

Exchange Plaza, 5th Floor,
Plot No. C/1, G. Block,
Bandra-Kurla Complex,
Mumbai – 400 051.

Dear Sir / Madam,

Ref: BSE Scrip code: 500302
NSE Symbol: PEL

Sub: Piramal Enterprises Limited files complaint with Securities and Exchange Board of India (SEBI) regarding misleading rumors about the Company

This is to inform you that we have filed a complaint with SEBI on the captioned subject. The gist of the complaint and update on Company's Financial Services business is enclosed herewith.

Kindly take the above on record and oblige.

Thanking you,

Yours truly,

For **Piramal Enterprises Limited**



Bipin Singh
Company Secretary

Encl.: a/a

Piramal Enterprises Limited

CIN : L24110MH1947PLC005719

Registered Office: Piramal Ananta, Agastya Corporate Park, Opp Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai 400 070 India
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Piramal Enterprises files complaint with Securities and Exchange Board of India (SEBI) regarding misleading rumors about the Company

Mumbai, India, October 10, 2019: There are certain market participants that are spreading false / misleading rumors against the Company's Financial Services business, in an attempt to create panic amongst various stakeholders. In the interest of all our stakeholders, Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) has filed a complaint with SEBI against publishing and spreading misleading rumors about the Company on blogs, social media platforms and WhatsApp.

The Company would like to state the current position of the Financial Services business.

Total Borrowings:

- Total borrowings in the Financial Services business stands at ~INR 39,000 Crores currently, which is ~75% of the loan book

Inflows:

- PEL's Financial Services business received total inflows (including borrowings, asset inflows) of ~INR 45,000 Crores in the past one year, which comprises of ~85% of the loan book as of Sep-2018
 - Raised ~INR 24,000 Crores of long-term funds since Oct-2018, which reflects the confidence of lenders on the quality of the loan book and the underlying assets
 - Received ~INR 19,000 Cr. in the form of repayments / pre-payments from borrowers in the last one year, reflecting our client selection and the consistent trend in their sales:
 - ~INR ~4,000 Crores received in Q3 FY2019
 - ~INR 4,300 Crores received in Q4 FY2019
 - ~INR 5,000 Crores received in Q1 FY2020
 - ~INR 6,000 Crores received in Q2 FY2020 (vs. ~INR 4,100 Crores in Q2 FY2019)
 - Additionally, issued Pass-Through-Certificates (PTCs) of ~INR 2,400 Crores in Sep-2019, which received the 2nd highest rating from CRISIL, making it the first rated securitization instrument of wholesale loan book in the Indian market, reflecting the quality of our underwriting

Outflows:

- Disbursed ~INR 19,000 Crores in the past one year (i.e. between Oct-2018 to Sep-2019), of which ~INR 5,000 Crores was disbursed towards Housing Finance (retail)

- The Company repaid debt obligations of ~INR 30,000 Crores in the past one year, of which ~INR 5,300 Crores was repaid in Q2 FY2020

Change in borrowing mix

- Exposure to CPs (short-term borrowings) has reduced by ~90% to ~INR 1,480 Crores currently from ~INR 18,000 Crores as of Sep-2018
 - CP borrowings from Mutual Funds has been reduced from ~INR 15,600 Crores as of Sep-2018 to ~INR 615 Crores currently
 - Reduction of ~INR 7,900 Crores in CPs during Q2 FY2020
- Bank borrowings constituted 66% in overall borrowings as of Sep-2019, which is significantly higher than 47% as of Sep-2018
 - Borrowed ~INR 3,000 Crores from various large public sector banks in Sep-2019
- Currently, we have relationships with over 100 lenders (including 40 banks)

Loan book mix:

- As of Sep-2019, merely ~48% of the loan book constitutes wholesale residential real estate loans, while the remaining ~52% of the loan book comprises of wholesale commercial real estate (23%), corporate loans (17%) and retail loans (12%)
- The share of retail loans has increased to 12% as of Sep-2019 versus merely 4% a year ago

Asset quality:

- Continue to maintain healthy asset quality, with GNPA below 1% for the last 14 quarters

Leverage and Capital Adequacy:

- PEL's Financial Services business is amongst the least leveraged among major NBFCs / HFCs, with a debt-to-equity multiple of 3.7x (and only 2.1x considering investments in Shriram companies)
- Piramal Capital & Housing Finance's (PCHFL) had a Tier 1 Ratio of 28.8%, well above the minimum regulatory requirement

Equity infusion:

- The Company remains committed to bring in ~INR 8,000-10,000 Crores of equity in the Financial Services business during this financial year, which would further reduce leverage to less than 2x times

Promoter holding:

- Promoter holding in PEL remains at 46% – highest amongst sizeable financial services institutions in India

The above information is provisional and subject to a limited review by the statutory auditors of the Company. We request you to bring the above to the notice of all concerned.
