Credit Update on Piramal Pharma Limited (Revised)

October 13, 2021

CARE Ratings takes note of the disclosures made by Piramal Enterprises Limited (PEL) regarding the proposed demerger of Piramal Pharma Limited (PPL) into a separate listed entity. PPL's subsidiaries: - Convergence Chemicals Private Limited ('CCPL') and Hemmo Pharmaceuticals Private Limited ('HPPL') will also get amalgamated into PPL. Currently, PEL owns 80% in PPL and the balance 20% is held by Carlyle Group. Post demerger, all pharmaceutical business will get vertically demerged from PEL and consolidated under PPL with the promoters holding 35% stake, other shareholders holding 45% and the investors holding i.e. Carlyle group 20%. CARE Ratings understands that the transaction is subject to approvals from shareholders, creditors, National Company Law Tribunal (NCLT), stock exchanges and other regulatory bodies and may take about a year to complete.

CARE Ratings notes that the demerger is not expected to have any adverse impact on the perceived credit profile of PPL. CARE Ratings will continue to track the progress on this transaction and will update as and when further developments take place.

For detailed press release of PPL, refer to press release dated April 5, 2021, on www.careratings.com.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: *Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3*

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments / Facilities

Ngame of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC		-	-	-	750.00	CARE AA; Stable / CARE A1+
Debentures-Non Convertible Debentures	-	-	Proposed	Proposed	550.00	CARE AA; Stable
Debentures-Non-Convertible Debentures	INE0DK507018	May 6, 2021	Variable. Linked To Kotak Bank 6m Mclr Plus 30 Bps To Be Reset Every 6 Months And Payable Annually	May 6, 2026	200.00	CARE AA; Stable
Commercial Paper-Commercial Paper (Standalone)		-	-	-	500.00	CARE A1+

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Commercial Paper-Commercial Paper (Standalone)	ST	500.00	CARE A1+	-	1)CARE A1+ (30-Mar-21)2)CARE A1+ (16-Mar-21)	-	-
2	Debentures-Non Convertible Debentures	LT	750.00	CARE AA; Stable	1)CARE AA; Stable (05-Apr-21)	-	-	-
3	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST*	750.00	CARE AA; Stable / CARE A1+	1)CARE AA; Stable / CARE A1+ (05-Apr-21)	-	-	-

** Long Term / Short Term*

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable

Annexure 4: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Non Convertible Debentures	Simple
3	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	Simple

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

Contact us

Media Contact
Name: Mradul Mishra
Contact no.: +91-22-6754 3573
Email ID: mradul.mishra@careratings.com

Analyst Contact
Name: Naveen Kumar Dhondy
Contact no.: 9944208330
Email ID: dnaveen.kumar@careratings.com

Relationship Contact
Name: Saikat Roy
Contact no.: +91-98209 98779
Email ID: saikat.roy@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

For detailed Rationale Report and subscription information, please contact us at **www.careratings.com