Disclaimer


These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements.

These risks and uncertainties include, but are not limited to Piramal Enterprise Limited’s ability to successfully implement its strategy, the Company’s growth and expansion plans, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, cash flow projections, exposure to market risks as well as other risks.

Piramal Enterprises Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

These materials are not a prospectus, a statement in lieu of a prospectus, an offering circular, an invitation or an advertisement or an offer document under the Indian Companies Act, 2013 together with the rules and regulations made thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or any other applicable law in India. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States or in any other jurisdiction.

Note: Figures in previous periods might have been regrouped or restated, wherever necessary to make them comparable to current period.
# Piramal Enterprises Limited: Business Overview

## Financial Services
- **FY18 Revenue Contribution:** 47%
- **Wholesale Lending**
  - *Loan Book* of Rs. 46,995 crs ($7 bn)
  - ROE of 19%; GNPA ratio of 0.3%
- **Alternative Asset Management**
  - Marquee partners: CDPQ, APG, Bain, CPPIB
- **Housing Finance**
  - Launched HFC in Sep 2017 and expanded presence to Mumbai, Pune, Delhi-NCR and Bengaluru
- **Diversified Retail Exposure via Shriram**
  - Strong position in CVs, SME, Insurance

## Pharma
- **FY18 Revenue Contribution:** 42%
- **Global Pharma**
  - Strong portfolio of differentiated branded generic products
  - Distribution to 100+ countries
  - Integrated solutions across APIs, formulations and delivery systems
  - 13 sites (9 USFDA inspected) across US, UK and India
- **India Consumer Products**
  - Among the leading Indian OTC players
  - Pan-India distribution network

## Healthcare Insight and Analytics
- **FY18 Revenue Contribution:** 11%
- **Decision Resources Group (DRG)**
  - Serving a large number of healthcare companies
  - Leveraging proprietary data
  - Offers information and analytical insights
  - Global team of over 1,200 eminent industry experts (380+ in India)
  - Recurring revenue model and high client retention

## FY2018 Capital Employed
- **Financial Services:** 58%
- **Pharma:** 25%
- **Healthcare Insight and Analytics:** 17%

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**Note:**
1) As per books. Excludes unallocated portion of capital employed to various business segments; 2) ROE for current reported period Q1FY2019 is considering Cash Tax and other synergies from merger.
Efficient capital allocation over years

Demonstrated track record of delivering value through focus on operating excellence, timely investments as well as disciplined exits

- Loan Book Rs.46,995 Cr (on B/S) & Alternative AUM Rs.7,620 Cr
  - 6 year loan book CAGR: 122%\(^1\)
  - Q1 FY19 ROE: 19%
  - Q1 FY19 GNPA ratio: 0.3%

- Rs.4,583 Crores invested in Shriram Group
  - Around 16% annualized return on STFC and SCUF

- ~Rs.6,652 Crores invested in Pharma
  - 7 Year Revenue CAGR: 16%\(^1\)
  - Q1FY19 Global Pharma EBITDA Margin: 20%
  - 8 acquisitions in last 3 years

- Rs.4,583 Crores invested in Healthcare Insight and Analytics
  - Around 20% appreciation in USD (relative to INR) since investment
  - Peers trading at attractive valuations in US

- ~Rs.5,000 Crores invested in Pharma
  - 7 Year Revenue CAGR: 16%\(^1\)
  - Q1FY19 Global Pharma EBITDA Margin: 20%
  - 8 acquisitions in last 3 years

- Rs.5,680 Cr of capital returned to shareholders since 2010
  - Buyback of Rs.2,508 Cr
  - Annual dividends of Rs.2,568 Cr\(^2\)
  - Special dividend of Rs.604 Cr
  - FY2018 Dividend Payout – 29%

- Over the preceding 30 years, more than 90% of our key capital allocation decision turned out to be successful

- 8 businesses successfully built across multiple sectors, 3 new businesses in building up phase

- Company has made over 50 acquisitions till date. Most of these acquisitions were successful

Note: 1) CAGR is calculated based on reported annual numbers; 2) Excludes any dividend payout upon conversions of CCDs & related Rights till book closure date
Delivering robust growth - track record

**Total Revenues**

- 6 yrs CAGR – 29%

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenues (Rs Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>2,352</td>
</tr>
<tr>
<td>FY13</td>
<td>3,544</td>
</tr>
<tr>
<td>FY14</td>
<td>4,503</td>
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<tr>
<td>FY15</td>
<td>5,123</td>
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<tr>
<td>FY16</td>
<td>6,381</td>
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<tr>
<td>FY17</td>
<td>8,547</td>
</tr>
<tr>
<td>FY18</td>
<td>10,639</td>
</tr>
</tbody>
</table>

**Adjusted Net Profit**

- 6 yrs CAGR – 55%

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted Net Profit (Rs Crores)</th>
<th>Net Profit Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>112</td>
<td>5%</td>
</tr>
<tr>
<td>FY13</td>
<td>(227)</td>
<td>(6%)</td>
</tr>
<tr>
<td>FY14</td>
<td>(501)</td>
<td>(11%)</td>
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<tr>
<td>FY15</td>
<td>421</td>
<td>8%</td>
</tr>
<tr>
<td>FY16</td>
<td>905</td>
<td>14%</td>
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<tr>
<td>FY17</td>
<td>1,252</td>
<td>15%</td>
</tr>
<tr>
<td>FY18</td>
<td>1,351</td>
<td>15%</td>
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</tbody>
</table>

**Note:**
1) FY2016, FY2017 and FY2018 results have been prepared based on IND AS, prior periods are IND GAAP;
2) FY2015 net profit excludes exceptional gain on sale of 11% stake in Vodafone India partly offset by the amount written down on account of scaling back of our investments in NCE research.;
3) FY2018 adjusted net profit excludes synergies on account of merger of subsidiaries in Financial services segment.
## Consistently delivering strong performance

<table>
<thead>
<tr>
<th>Period</th>
<th>Revenues</th>
<th>Net Profits</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Reported Period</td>
<td>Previous Period</td>
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<tr>
<td>Q1FY15</td>
<td>1,182</td>
<td>965</td>
</tr>
<tr>
<td>Q2FY15</td>
<td>1,243</td>
<td>1,131</td>
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<tr>
<td>Q3FY15</td>
<td>1,400</td>
<td>1,286</td>
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<tr>
<td>Q4FY15</td>
<td>1,298</td>
<td>1,121</td>
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<tr>
<td>Q1FY16</td>
<td>1,401</td>
<td>1,182</td>
</tr>
<tr>
<td>Q2FY16</td>
<td>1,504</td>
<td>1,243</td>
</tr>
<tr>
<td>Q3FY16</td>
<td>1,786</td>
<td>1,400</td>
</tr>
<tr>
<td>Q4FY16</td>
<td>1,691</td>
<td>1,298</td>
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<tr>
<td>Q1FY17</td>
<td>1,776</td>
<td>1,401</td>
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<tr>
<td>Q2FY17</td>
<td>1,966</td>
<td>1,504</td>
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<tr>
<td>Q3FY17</td>
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<tr>
<td>Q4FY17</td>
<td>2,463</td>
<td>1,691</td>
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<tr>
<td>Q1FY18</td>
<td>2,254</td>
<td>1,776</td>
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<tr>
<td>Q2FY18</td>
<td>2,536</td>
<td>1,966</td>
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<tr>
<td>Q3FY18</td>
<td>2,858</td>
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<td>Q4FY18</td>
<td>2,991</td>
<td>2,463</td>
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<tr>
<td>Q1FY19</td>
<td>2,902</td>
<td>2,254</td>
</tr>
</tbody>
</table>

1. FY2016, FY2017 and FY2018 results have been prepared based on IND AS, prior periods are IND GAAP;  
2. FY2015 quarterly net profit numbers exclude exceptional gain from Vodafone transaction and exceptional loss from NCE shutdown;  
3. NM – Not measurable;  
4. Q4FY2018 is adjusted net profit excludes synergies on account of merger of subsidiaries in Financial services segment;  
5. Q1FY2019 adjusted net profit excludes Exceptional Item of write off of Imaging assets.
Various business segments growing consistently over years

Metrics showing YoY revenue growth

<table>
<thead>
<tr>
<th>Businesses</th>
<th>FY13 H1</th>
<th>FY13 H2</th>
<th>FY14 H1</th>
<th>FY14 H2</th>
<th>FY15 H1</th>
<th>FY15 H2</th>
<th>FY16 H1</th>
<th>FY16 H2</th>
<th>FY17 H1</th>
<th>FY17 H2</th>
<th>FY18 H1</th>
<th>FY18 H2</th>
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<tbody>
<tr>
<td>Pharma</td>
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<tr>
<td>Healthcare Insight &amp; Analytics</td>
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<td>Before acquisition of DRG</td>
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<tr>
<td>Total Revenues</td>
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</tr>
</tbody>
</table>

- Green > 20%
- Green 11%-20%
- Light Green 1%-10%
- Yellow 0%
- Pink < 0%
- Red <(10%)

Note: * Investment income from treasury operations for various periods has been clubbed under Financial Services to make numbers more comparable.
Board of Directors

**DIRECTORS**

- **DR. SWATI PIRAMAL**
  VICE-CHAIRPERSON
  EMINENT SCIENTIST
  AWARDED PADMA SHRI

- **NANDINI PIRAMAL**
  EXECUTIVE DIRECTOR,
  OTC, HR, QUALITY & RISK
  MBA, STANFORD

- **ANAND PIRAMAL**
  NON-EXECUTIVE DIRECTOR,
  HEADS PIRAMAL REALTY
  MBA, HARVARD

- **VIJAY SHAH**
  EXECUTIVE DIRECTOR,
  25+ YEARS WITH GROUP
  TURNAROUND BUSINESSES

**INDEPENDENT DIRECTORS**

- **AJAY PIRAMAL**
  CHAIRMAN
  AWARDED “ASIA BUSINESS LEADER OF THE YEAR” BY CNBC ASIA
  NON - EXECUTIVE DIRECTOR, TATA SONS LIMITED
  CHAIRMAN, SHRIRAM CAPITAL LIMITED
  CO – CHAIR, UK-INDIA CEO FORUM

- **KEKI DADISETH**
  FORMER CHAIRMAN,
  HINDUSTAN UNILEVER LTD

- **N VAGHUL**
  FORMER CHAIRMAN,
  ICICI BANK

- **PROF. GOVERDHN MEHTA**
  EMINENT SCIENTIST
  FORMER DIRECTOR - IISc
  AWARDED PADMA SHRI

- **S RAMADORAI**
  FORMER VICE-CHAIRMAN,
  TCS

- **SIDDHARTH (BOBBY) MEHTA**
  FORMER PRESIDENT & CEO
  TRANSUNION

- **GAUTAM BANERJEE**
  SENIOR MD & Co-CHAIRMAN,
  ASIA OPERATING COMMITTEE,
  BLACKSTONE, SINGAPORE

- **DR. R MASHELKAR**
  EMINENT SCIENTIST
  FORMER DG, CSIR
  AWARDED PADMA VIBHUSHAN

- **Gautam Banerjee**
  SENIOR MD & Co-CHAIRMAN,
  ASIA OPERATING COMMITTEE,
  BLACKSTONE, SINGAPORE
Robust Governance Mechanism

Board of Directors

Legal, Risk, Quality and Compliance teams are independent and report directly to the Board members

Board Sub-committees

Pharma Operations Board
- Executive Directors
- Key Business CEOs
- External Experts

5 Investment Committees for Real Estate Lending, RE Fund Management, Corporate Finance Transactions, Emerging Corporate Lending and Housing Finance
- Executive Directors
- Independent Directors
- Financial Services CEO
- External Experts
- Business Vertical Heads

Healthcare Insight & Analytics Board
- Independent Director
- Business CEO
- External Expert
Strong performance trend: Financial Services

- PEL’s loan book grew at a CAGR of 122% over last 6 years
- Consistently delivering 60%+ YoY growth in loan book in each of the last 12 quarters
- During Q1FY19 loan Book grew 64% YoY to INR 46,995 Crores
- Company has recorded an ROE of 25%+ over last 10 consecutive quarters prior to the fund raise
- GNPA below 1% since last 10 quarters
- Consistent growth is an outcome of our strong diversification - launched 22 key products across business verticals in last few years
Consistent performance trend: Pharma

### Performance Highlights

**Growth**
- PEL’s Pharma revenue has grown at a CAGR of 16% over last 7 years

**Profitability**
- Global Pharma (accounts for 92% of Pharma revenues) has delivered a strong growth in EBITDA margins from 10% in FY11 to 22% in FY18

**Quality & Compliance**
- Since FY11, PEL successfully cleared 32 USFDA inspections, 106 other regulatory audits and 877 customer audits

**Differentiated Model**
- Our differentiated business model has ensured that we perform better than most of the other Indian Pharma companies

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Note:
1. Pharma Revenue includes Global Pharma & Consumer Products Revenue. Global Pharma revenue accounted for 92% of the Pharma revenue during FY18
Creating significant value for shareholders

Shareholder value creation in less than 3 decades

1. Company raised less than INR 500 Cr during the entire period (includes initial capital invested in the company in 1988)
2. All numbers till 1992 represents book value
3. Analysis carried out based on market information till 15 Jan 2018
4. Value Creation total numbers includes Capital Raised amount

Revenue CAGR for last 30 years: 23%
Net Profit CAGR for last 30 years: 29%
Annualized return to shareholders over last 30 years: 29%*

INR 1 Lac invested in the company in 1988 has generated total value of around INR 20 Cr*

Note:
- Incremental Market cap
- Dividend Paid
- Capital Returned through Buyback
- Capital Raised

<table>
<thead>
<tr>
<th>A. Before Sale of our Domestic Formulation business to Abbott</th>
<th>B. Sale Period</th>
<th>C. Post sale</th>
<th>A+B+C</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY1988</td>
<td>FY1989-1992</td>
<td>FY2010-2011</td>
<td>FY2012-2018</td>
</tr>
<tr>
<td>7</td>
<td>26</td>
<td>50,790⁴</td>
<td>6,974</td>
</tr>
<tr>
<td>387⁴</td>
<td>715⁴</td>
<td>40,802</td>
<td>7,396</td>
</tr>
<tr>
<td>4,064⁴</td>
<td></td>
<td>7,396</td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

Source: Bloomberg
* Assumed dividend reinvested in the stock
Returns to shareholders consistently outperforming all benchmarks

Consistently delivered strong shareholder returns – significantly higher than benchmarked indices¹

<table>
<thead>
<tr>
<th></th>
<th>5 year Annualized Return²</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEL</td>
<td>40%</td>
</tr>
<tr>
<td>Nifty</td>
<td>14%</td>
</tr>
</tbody>
</table>

Notes:
1) Total shareholder returns are as on 30 Apr 2018. Assumes re-investment of dividend in the stock (Source: Bloomberg);
2) Annualized returns are as on 30 Apr 2018;
3) Of the buyback of 41.8 mn shares shown in FY11, buyback of 0.7 mn shares happened in FY12;
4) Capital returned to shareholder through dividends doesn’t include amount paid under Dividend Distribution Tax;
5) Excludes any dividend payout upon conversions of CCDs & related Rights till book closure date

INR 5,680 Cr³⁴⁵ returned to shareholders since sale of Domestic Formulations business in 2010

FY2018 Dividend Payout – 29 %

<table>
<thead>
<tr>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,508</td>
<td>201</td>
<td>302</td>
<td>604</td>
<td>906</td>
<td>345</td>
<td>302</td>
<td>362</td>
<td>452</td>
</tr>
</tbody>
</table>

Notes:
1) Total shareholder returns are as on 30 Apr 2018. Assumes re-investment of dividend in the stock (Source: Bloomberg);
2) Annualized returns are as on 30 Apr 2018;
3) Of the buyback of 41.8 mn shares shown in FY11, buyback of 0.7 mn shares happened in FY12;
4) Capital returned to shareholder through dividends doesn’t include amount paid under Dividend Distribution Tax;
5) Excludes any dividend payout upon conversions of CCDs & related Rights till book closure date
A Billion Dollar Fund Raise

First major fund raise in the history of PEL - Raised ~ INR 7,000 Cr

Raised ~INR 4,996 Cr through QIP of CCDs
- Largest QIP deal by any company (excluding banks) in India
- First QIP of INR denominated CCDs in India
- Widespread participation

Raising INR 1,978 Cr through Rights Issue
- Existing shareholders got an equal opportunity to participate
- Issue was oversubscribed by 1.26x times
- Promoter Group underwritten to an extent of 90%

86% of CCDs were allotted to FIIs

Top 6 investors contributed 63% of allotted CCDs

Investors were spread across geographies

86% of CCDs were allotted to FIIs

63% of allotted CCDs

North America: 50%
Asia: 35%
Europe: 15%
Top Institutional Investors invested in the company
## Strategic partnerships

<table>
<thead>
<tr>
<th>Company</th>
<th>Total AUM/Market Cap</th>
<th>Alliance Partner</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>apg</td>
<td>€479 Bn</td>
<td>Infrastructure Financing</td>
<td></td>
</tr>
<tr>
<td>BainCapital CREDIT</td>
<td>US$37 Bn</td>
<td>Distressed Asset Investing</td>
<td></td>
</tr>
<tr>
<td>CPP Investment Board</td>
<td>C$317 Bn</td>
<td>Real Estate Financing</td>
<td></td>
</tr>
<tr>
<td>Ivanhoé Cambridge</td>
<td>C$60 Bn</td>
<td>Real Estate Financing</td>
<td></td>
</tr>
<tr>
<td>SHRIRAM Group</td>
<td>US$22 Bn</td>
<td>PEL invested in Shriram Group</td>
<td></td>
</tr>
<tr>
<td>Allergan</td>
<td>US$62 Bn</td>
<td>JV Partner</td>
<td></td>
</tr>
<tr>
<td>vodafone</td>
<td>US$66 Bn</td>
<td>PEL had invested in Vodafone India</td>
<td></td>
</tr>
<tr>
<td>Abbott</td>
<td>US$113 Bn</td>
<td>Acquirer – Domestic Formulations Business</td>
<td></td>
</tr>
</tbody>
</table>

Note: Market Capitalisation data as on 2\textsuperscript{nd} Aug 2018. Source: Yahoo Finance
Values Create Value

Partnerships
- Long term partnerships with financial and operational partners
- Pharma business developed through relationships
- Long-standing relationships with global partners including Allergan (JV since 1996), Bain (JV for distressed debt)

Shriram – Shared Vision
- Retail exposure through investments in Shriram Group
- Opportunity to invest in Shriram Group emerged due to matching set of values
- Mr. Ajay Piramal is the Chairman of Shriram Capital

Tenured Leadership
- Professional management team
- Experienced leadership with domain expertise

Alignment with Minority Shareholder Interests
- Largest effective promoter shareholding among Financial Institutions
- No equity investments of Promoters outside of Piramal Group
- No inter-group lending to Piramal Realty
- ESOP program funded by Promoters since 1996

Business Ethics, Integrity and Corporate Governance
- 32 US FDA Inspections cleared since 2011
- High asset quality – GNPA\(^{1}\) of 0.3% in Q1 FY2019
- Reputed and experienced Board

Note:
(1) Based on 90 days past due (DPD)
Financial Services
Diversified exposure across both wholesale and retail financing

Strong portfolio with a total investments, loans and assets under management of over Rs.59,000 Crores
Healthy mix of equity in wholesale and retail businesses

Equity (Book Value) - % split

- Wholesale: 49%
- Retail: 34%
- Synergies from reverse merger: 17%

~INR 10,000 Cr invested in Wholesale Lending business
- Lending
- Alternative AUM

~INR 3,500 Cr Synergies from reverse merger

~INR 7,300\(^1\) Cr equity in Retail lending business
- Housing Finance
- Shriram

Total equity in Financial Services Business is over INR 20,000 Cr

Note: 1) Includes Book Value of Shriram slides
Key Differentiators

- Domain knowledge
- Constant Product innovation
- Relationship based approach
- Diversification enabling lowering of risk profile
- Independent risk & stringent monitoring process
- Leveraging technology & analytics
- High quality talent acquisition & retention

Simple ingredients to our success
Building a robust and scalable financial services platform

Continued scaling up of loan book
(in Rs. Crores)

- Total Loan Book grew 64% YoY to Rs. 46,995 Crores as on 30 June 2018; Rs. 22,400 Crores of loan approved but yet to be disbursed
- Long term debt instruments of PCFHL were rated ‘AA+; Stable’, they were earlier rated ‘AA; Stable’ by CARE Ratings for the erstwhile company
- Robust asset quality:
  - Gross NPAs ratio (based on 90 dpd) remained stable at 0.3% in Q1 FY2019
  - Provisioning maintained at 1.8%

Alternative Assets Under Management was Rs. 7,620 Crores as on 30 June 2018
Our presence – overall Financial Services

Sector agnostic presence across ticket sizes in most of the Tier I cities of India

Real Estate Developer Financing

Corporate Financing

Housing Finance

Emerging Corporate Lending


Legend:
- Existing offices
- Percentage of loan book
- Planned offices

1. Other locations: 6%

19%
17%
37%
10%
6%
10%
Consistently expanding product portfolio

Total no. of products - 22

Note: CF – Construction Finance
Enhancing diversification in the lending portfolio; significantly lowering overall risk profile

Trend of changing portfolio mix (%)

- Mezzanine RE
- RE Lease Rent Discounting
- RE Construction Finance - Residential
- RE Construction Finance - Commercial
- Corporate Finance Group
- Emerging Corporate Lending
- Housing Finance

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<tbody>
<tr>
<td>7,611</td>
<td>17%</td>
<td>15%</td>
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<td>12%</td>
<td>16%</td>
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<td>13%</td>
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<td>17%</td>
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<td>20%</td>
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<td>11,069</td>
<td>76%</td>
<td>65%</td>
<td>59%</td>
<td>53%</td>
<td>44%</td>
<td>45%</td>
<td>38%</td>
<td>35%</td>
<td>29%</td>
<td>30%</td>
<td>29%</td>
<td>24%</td>
<td>15%</td>
<td>19%</td>
</tr>
<tr>
<td>15,998</td>
<td>4%</td>
<td>18%</td>
<td>23%</td>
<td>28%</td>
<td>34%</td>
<td>38%</td>
<td>40%</td>
<td>44%</td>
<td>43%</td>
<td>46%</td>
<td>39%</td>
<td>40%</td>
<td>39%</td>
<td>39%</td>
</tr>
<tr>
<td>22,651</td>
<td>15%</td>
<td>7%</td>
<td>7%</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>6%</td>
<td>9%</td>
<td>9%</td>
<td>10%</td>
<td>7%</td>
<td>6%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>28,648</td>
<td>6%</td>
<td>7%</td>
<td>6%</td>
<td>7%</td>
<td>9%</td>
<td>10%</td>
<td>9%</td>
<td>6%</td>
<td>9%</td>
<td>9%</td>
<td>7%</td>
<td>6%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>38,036</td>
<td>4%</td>
<td>6%</td>
<td>5%</td>
<td>7%</td>
<td>8%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>46,995</td>
<td>20%</td>
<td>19%</td>
<td>12%</td>
<td>16%</td>
<td>12%</td>
<td>15%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
<td>13%</td>
<td>18%</td>
<td>17%</td>
<td>19%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Note: RE – Real Estate; CFG Loan book includes old education loans
Strong trend of growth in income; maturing of the book

Rapidly growing income from Financial Services business (in Rs. Crores)

<table>
<thead>
<tr>
<th></th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>297</td>
<td>389</td>
<td>726</td>
<td>937</td>
<td>1,740</td>
<td>3,352</td>
<td>4,981</td>
</tr>
</tbody>
</table>

6 yrs CAGR 60%

Strong trend of cumulative exits / repayments\(^1,2\) (in Rs. Crores)

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exits</td>
<td>223</td>
<td>830</td>
<td>1,027</td>
<td>2,150</td>
<td>4,799</td>
<td>8,531</td>
<td>13,625</td>
<td>28,948</td>
</tr>
<tr>
<td>Repayments</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Notes:
1. FY2016, FY2017 & FY2018 numbers are as per IND AS and prior period are as per IND GAAP.
2. Excludes our investment in Vodafone India, which was exited during FY2015.
3. Exits from Asset Management business have been included on calendar year basis.

- Effective structuring to ensure timely repayment
- Repayment to an extent of ~50% of the opening loan book during FY2018 – a testament to the health of the loan book even in testing times
- Real Estate: Cashflow driven business – clearly reflected in monthly collections /repayments/prepayments
Consistently expanding loan book across segments

Rapidly growing Real Estate (incl. Housing Finance) loan book (in Rs. Crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 2013</td>
<td>1396</td>
</tr>
<tr>
<td>Mar 2014</td>
<td>1568</td>
</tr>
<tr>
<td>Mar 2015</td>
<td>3,972</td>
</tr>
<tr>
<td>Mar 2016</td>
<td>11,166</td>
</tr>
<tr>
<td>Mar 2017</td>
<td>21,209</td>
</tr>
<tr>
<td>Mar 2018</td>
<td>33,043</td>
</tr>
</tbody>
</table>

5 yrs CAGR 88%

Strong growth in Corporate Finance and ECL portfolio (in Rs. Crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 2015</td>
<td>794</td>
</tr>
<tr>
<td>Mar 2016</td>
<td>2,172</td>
</tr>
<tr>
<td>Mar 2017</td>
<td>3,766</td>
</tr>
<tr>
<td>Mar 2018</td>
<td>9,125</td>
</tr>
</tbody>
</table>

3 yrs CAGR 126%
## Real Estate end-to-end financing model

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Private Equity</th>
<th>Mezzanine Lending</th>
<th>Construction Finance</th>
<th>Lease Rent Discounting</th>
<th>Housing Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stages of lending for a project</strong></td>
<td>Primarily for land purchase</td>
<td>Post land purchase till commencement of construction (Phase of obtaining approvals)</td>
<td>For construction of projects</td>
<td>Lease rental discounting for commercial projects</td>
<td>Providing housing loans to home buyers</td>
</tr>
<tr>
<td><strong>Current Size</strong></td>
<td>Off Balance Sheet (3rd Party Funds with PEL sponsor commitment upto 7.5%)</td>
<td>On Balance Sheet</td>
<td>On Balance Sheet</td>
<td>On Balance Sheet</td>
<td>On Balance Sheet</td>
</tr>
<tr>
<td><strong>Year of commencement</strong></td>
<td>Started in 2006; acquired by PEL in 2011</td>
<td>2011</td>
<td>2015</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Current Size</strong></td>
<td>INR 5,495 Crores*</td>
<td>INR 8,974 Crores</td>
<td>INR 21,561 Crores</td>
<td>INR 4,279 Crores</td>
<td>INR 1,604 Crores</td>
</tr>
<tr>
<td><strong>Yield / IRR</strong></td>
<td>20-24%</td>
<td>14-17%</td>
<td>13-15%</td>
<td>9-11%**</td>
<td>9-11%**</td>
</tr>
<tr>
<td><strong>Tenor</strong></td>
<td>4-6 years</td>
<td>3-5 years</td>
<td>4-6 years</td>
<td>7-15 years</td>
<td>20-30 years</td>
</tr>
</tbody>
</table>

* Includes Ivanhoe commitment  ** To down-sell a portion of the portfolio to maintain ROE
Integrated platform creating significant value for customers

- Marrying distressed partners with others with capabilities to execute
- Asset Monitoring enables on time project completion
- Brickex assists in boosting partner's sales
- Cross sharing of best practices amongst partners across regions
- Plan long term growth strategy for our partners
- Providing insights to partners through proprietary data
- Working closely with regulators to assist in critical industry policies
- Working towards creating a fiduciary platform providing exit opportunities to partners
Our portfolio’s performance against the industry

<table>
<thead>
<tr>
<th>Sr No.</th>
<th>Region</th>
<th>Total No. of Developers</th>
<th>Sales Velocity-6 Months (Lac sq ft)</th>
<th>Market</th>
<th>PEL</th>
<th>%</th>
<th>Market</th>
<th>PEL</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>MMR</td>
<td>2,776</td>
<td>29</td>
<td>1.0%</td>
<td>305</td>
<td>28</td>
<td>9.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Bangalore</td>
<td>2,280</td>
<td>38</td>
<td>1.7%</td>
<td>319</td>
<td>18</td>
<td>5.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>NCR</td>
<td>377</td>
<td>14</td>
<td>2.9%</td>
<td>115</td>
<td>20</td>
<td>17.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Chennai</td>
<td>829</td>
<td>23</td>
<td>2.8%</td>
<td>72</td>
<td>8</td>
<td>11.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Pune</td>
<td>2,058</td>
<td>13</td>
<td>0.6%</td>
<td>158</td>
<td>7</td>
<td>4.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Ahmedabad + Surat</td>
<td>919</td>
<td>5</td>
<td>0.5%</td>
<td>166</td>
<td>2</td>
<td>1.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Hyderabad</td>
<td>1,197</td>
<td>12</td>
<td>1.0%</td>
<td>141</td>
<td>3</td>
<td>2.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,436</strong></td>
<td><strong>134</strong></td>
<td><strong>1.3%</strong></td>
<td><strong>1,276</strong></td>
<td><strong>86</strong></td>
<td><strong>6.7%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Our share of developer relationships: ~1.3% of total developers
- Our share of sales: ~6.7% of owing to superior project performance

Note: All figures are based on internal calculations
Retail Housing Finance
Target segments

- Salaried
- Self Employed: Partial income proof
- Self Employed: Income proof
- Self Employed: No income proof

Increasing interest rates offered:
- Affordable
- Mid Income
- High end

Increasing ticket size:
- Under construction & new sale
- Resale & Balance Transfer
- Currently de-prioritized

Necessary for top line growth
Product Portfolio

**Product offerings**

<table>
<thead>
<tr>
<th>Products</th>
<th>Property type</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Home Loan</td>
<td>1. Residential</td>
</tr>
<tr>
<td>i. Purchase</td>
<td>i. Under-construction</td>
</tr>
<tr>
<td>ii. Balance transfer</td>
<td>ii. Ready to move in</td>
</tr>
<tr>
<td>iii. Top Up</td>
<td>2. Commercial</td>
</tr>
<tr>
<td>2. Loan Against Property</td>
<td>i. Self-occupied</td>
</tr>
<tr>
<td>i. Business expansion</td>
<td>ii. Lease Rental</td>
</tr>
<tr>
<td>ii. Balance transfer</td>
<td></td>
</tr>
<tr>
<td>iii. Top Up</td>
<td></td>
</tr>
<tr>
<td>3. Mid-market Construction Finance</td>
<td></td>
</tr>
</tbody>
</table>

**Product Mix***

- Home Loan: 76%
- Loan Against Property: 19%
- Mid-market Construction Finance: 5%

**Customer Mix***

- Salaried: 54%
- Self-employed: 46%

*As on June 30, 2018*
Strategy to grow rapidly and create a sizeable HFC

Significant opportunity from existing developer relationships

<table>
<thead>
<tr>
<th>Particulars (INR 000' Crores)</th>
<th>Total Value¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total projects financed by PEL</td>
<td>140</td>
</tr>
<tr>
<td>Total projects with developers (PEL customers)</td>
<td>350</td>
</tr>
</tbody>
</table>

Note: 1) Values are based on June 30, 2018

Product innovation, Customised solutions

Product Innovation

- SUPER Loans | Subvention schemes | Bridge Loans
- Proposed: E-Loans | In-principle Loans | Spot Loans

Customised Solutions

- 5 variants of developer schemes launched
- Joint campaigns with developers

Focusing on Tier II and Tier III cities

Targeting 24 branches by 2020

50% Tier I
50% Tier II & III

Leveraging Brickex

- India’s leading B2B aggregation platform focusing on sales & marketing of Real Estate and Financial Services products
- Helps in deal origination
- Network of 10,000+ distributors across geographies

Channel engagement and enhancement

- Develop alternate ‘highways’
- Referral programs
- ONE Team approach
- Activation campaigns
- Trainings

130+ Developers
382+ Projects
HFC: Measures to reduce costs and enhance returns

**Hub and Spoke model (Branch light)**
- Consistency in decision making
- Better control
- Scalability with optimum cost

**Latest technology**
- Leveraging Fintechs, etc.
- Transparency on application status
- Quick turnaround time

**Leveraging group’s shared services**
- Manage non-core activities efficiently
- Greater economies of scale

**Sourcing from developers (B to B to C Model) and Brickex**
- Lower cost compared with DSAs, connectors, etc.
- Properties sold through Brickex will be referred to our HFC for loans – low cost of sourcing

**Usage of data, analytics and bureau insights**
- For setting up credit policy framework
- For early warning signals

**Diversification and expected rating upgrade**
- Improve leveraging capability
- Reduce cost of borrowings
- Enhance ROE for overall Financial Services
Corporate Finance Group
## CFG: Transformation over years

<table>
<thead>
<tr>
<th>FY14 - FY16</th>
<th>What we are today?</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 TEAM</td>
<td>52</td>
</tr>
<tr>
<td>Infra</td>
<td>Infra, Cement, Transmission, Auto Comp, Logistics, Chemicals</td>
</tr>
<tr>
<td>Mezzanine</td>
<td>Mezzanine, Senior Debt, Project Finance, Loan Against Shares</td>
</tr>
<tr>
<td>INR 1,515 Cr</td>
<td>INR 9,302 Cr*</td>
</tr>
<tr>
<td>INR 2,015 Cr</td>
<td>INR 11,137 Cr*</td>
</tr>
</tbody>
</table>

*As of June 30th 2018 and excludes education loans*
Evolution of Sector Coverage
Increased number of sectors with growth in lending platform

- FY 14
  - Book: INR 1,293 Cr
  - Roads
  - Renewable

- FY 15
  - Book: INR 794 Cr
  - Roads
  - Renewable

- FY 16
  - Book: INR 2,172 Cr
  - Roads
  - Renewable
  - Cement

- FY 17
  - Book: INR 3,766 Cr
  - Roads
  - Renewable
  - Cement

- FY 18*
  - Book: INR 8,209 Cr
  - Roads
  - Renewable
  - Cement
  - Auto Ancillaries
  - Transmission
  - Logistics and Warehousing
  - Packaging

Yield range widened to 14-17%

* includes education loans
Key Differentiators

**Sector Focus**
- Sector specific teams
- Alignment of coverage and Investments teams
- Detailed industry analysis and risk assessment

**Solutions Based Approach**
- Provide customised
- Presence across Capital Structure

Equity/Mezzanine Instruments:
- Promoter Financing
- Investor take-out
- Liquidity event linked

Debt Instruments:
- Project Finance
- Loan Against Shares
- Capex Financing
- Acquisition Financing
- Refinancing with term extension

**Faster Turnaround Time**
Faster turnaround of transactions is an outcome of:
- In-depth understanding of sectors
- Continuous engagement with key players
Leveraging our expertise in other sectors as well

- Adopt a relationship approach similar to RE to create long term partnerships
- Approach client problems through innovative solutions

### Evaluate sectors to identify high growth segments
- Understanding of industry cycles
- Understand industry barriers
- Take long term view of the sector

### Cover credit-worthy corporates in identified sectors
- Evaluate company’s fundamentals
- Analyze financial standing – leverage/capital structure

### Identify Opportunities with competitive advantage
- Cover major market participants for leads
- Leverage existing relationships

---

**Internal deal originating team – The Corporate Coverage Group (CCG)**

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Presence</th>
</tr>
</thead>
<tbody>
<tr>
<td>- CCG is engaged with over 50 groups and over 400 companies</td>
<td>- Covering clients from various sectors on a pan India basis</td>
</tr>
<tr>
<td>- Has strong relationship with over 30 Private Equity funds for opportunities</td>
<td>- 12 member strong team with rich credit / underwriting experience combined with wide network of relationships across business groups</td>
</tr>
</tbody>
</table>
Emerging Corporate Lending
Launch and progress of Emerging Corporate Lending

<table>
<thead>
<tr>
<th>Target segments</th>
<th>Financing requirements of emerging and mid-market companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products offered</td>
<td>Senior Debt, Loan against Property, Lease Rental Discounting, Promoter Financing, Structured Debt, Loans against Shares etc.</td>
</tr>
<tr>
<td>Ticket size</td>
<td>Offering solutions with ticket size ranging from Rs.10 Crores to Rs.125 Crores</td>
</tr>
<tr>
<td>Sector-agnostic platform</td>
<td>Funding diverse sectors including auto ancillaries, manufacturing, pharma, services, hospitality, etc.</td>
</tr>
<tr>
<td>Risk profile</td>
<td>Low Risk Portfolio with deals backed by cashflows</td>
</tr>
<tr>
<td>Progress so far</td>
<td>Loan book of Rs.1,163 Crores as on 30 June 2018; disbursed Rs.257 Crores during Q1FY2019</td>
</tr>
<tr>
<td></td>
<td>Set up team of 21 people including underwriting, investment, dedicated business operations, legal and asset management functions</td>
</tr>
<tr>
<td></td>
<td>For deal origination, senior relationship managers are based in Mumbai, Delhi, Chennai, Hyderabad, Pune and Ahmedabad — Bangalore to be staffed in Q2FY2019</td>
</tr>
</tbody>
</table>
Diversified Portfolio backed by cashflows/collateral

- Emerging Corporate Lending as of June 30, 2018 has
  - Loan book of INR 1,163 Cr as of June 30, 2018

Legend:
- LRD - Lease Rental Discounting
- LAP - Loan Against Property
- LAS - Loan Against listed Shares

Average Deal Size of INR 55 Cr
Borrowings
Key highlights

**Rating upgrade**
- Long term rating of **AA+ (Stable)** assigned by CARE Ratings in June 2018 for PCHFL

**ALM update**
- As of June 30, 2018, cash & cash equivalent of ~ **INR 2,500 Cr** and unutilised bank Lines of ~ **INR 3,900 Cr** maintained as liquidity back-up
- **Matching** of Assets and Liabilities to mitigate liquidity and interest rate risk
- Arranged Bank Lines of ~ **INR 19,200 Crores** from 30 Banks

**New Initiatives**
- Setting up of **Syndication Vertical**
- Expanding treasury presence globally: **London Office**
- **Innovative products** for resource mobilisation: Rating Upgrade linked TIER II Bonds
Our ALM complies with the regulatory requirement in respect to prudential gap limits.
Debt Profile

As on June 30, 2018

Total Outstanding debt as of 30th June 2018 of INR 38,400 Cr
Significant increase in share of bank borrowings to overall borrowing mix
Investor Mix

Over 100 investors including Banks, Mutual Funds, FPIs, Insurance Companies, Charitable Trusts, Provident Funds
Asset–Liability Mix and Credit Spread Reduction

- **Assets Mix**
  - 45% Fixed
  - 55% Floating

- **Liabilities Mix**
  - 43% Fixed
  - 57% Floating

**Spread reduction - Borrowing Cost vs G-sec**

Spreads have reduced from around 2% to 0.60%
Improving profitability through Reverse Merger

**Before Merger**

- PEL
- PFL
- PCL
- PHFL

**After Merger**

- PEL
- PHFL

PHFL is now called Piramal Capital & Housing Finance Ltd.

- **Improvement in Credit Rating**
  Due to diversification PCHFL has now been assigned a long term rating of ‘CARE AA+; Stable’

- **Reduction in Borrowing Cost**
  Borrowing cost has gone down by 50 basis points

- **Enhance Lender Base**
  Open up avenues to raise fund from diversified lenders

- **Higher Allocation from MFs**
  Mutual Funds can lend up to 40% to HFCs as compared to 25% to NBFCs

- **Optimum Capital Adequacy**
  To improve returns

- **Improve Profitability & Risk Adjusted Returns**
  Expectation to improve annual ROE by 2-3% in the next few years

**Note:**
PEL – Piramal Enterprises Ltd.
PFL – Piramal Finance Ltd.
PCL – Piramal Capital Ltd.
PHFL – Piramal Housing Finance Private Ltd.
# Performance metrics

PEL Financial Services (excluding Shriram) performance against various parameters

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Q1 FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Loan Book size</td>
<td>Rs. 46,995 Crores</td>
</tr>
<tr>
<td>Total Equity in Loan Book and AUM business</td>
<td>Rs.9,855 Crores</td>
</tr>
<tr>
<td>Average Yield on Loans</td>
<td>13.9%</td>
</tr>
<tr>
<td>Average Cost of Borrowings</td>
<td>8.5%</td>
</tr>
<tr>
<td>Net Interest Margin</td>
<td>7.1%</td>
</tr>
<tr>
<td>Cost to Income Ratio</td>
<td>18.0%</td>
</tr>
<tr>
<td>Total Provisioning</td>
<td>1.8%</td>
</tr>
<tr>
<td>Gross NPA ratio (based on 90 dpd)</td>
<td>0.3%</td>
</tr>
<tr>
<td>ROA</td>
<td>3.6%</td>
</tr>
<tr>
<td>ROA (considering Cash Tax and other synergies from merger)</td>
<td>4.2%</td>
</tr>
<tr>
<td>ROE</td>
<td>17%</td>
</tr>
<tr>
<td>ROE (considering Cash Tax and other synergies from merger)</td>
<td>19%+</td>
</tr>
</tbody>
</table>

*Note: Provisioning numbers are in line with IND AS*
Consistently delivering exceptional performance quarter after quarter

Trend of key ratios

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th></th>
<th></th>
<th></th>
<th>FY2017</th>
<th></th>
<th></th>
<th></th>
<th>FY2018</th>
<th></th>
<th></th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3M</td>
<td>6M</td>
<td>9M</td>
<td>12M</td>
<td>3M</td>
<td>6M</td>
<td>9M</td>
<td>12M</td>
<td>3M</td>
<td>6M</td>
<td>9M</td>
<td>12M</td>
</tr>
<tr>
<td>Loan Book Growth (%)¹</td>
<td>138%</td>
<td>150%</td>
<td>181%</td>
<td>180%</td>
<td>110%</td>
<td>118%</td>
<td>105%</td>
<td>87%</td>
<td>79%</td>
<td>69%</td>
<td>68%</td>
<td>69%</td>
</tr>
<tr>
<td>GNPA Ratio (%)</td>
<td>1.5%</td>
<td>1.1%</td>
<td>1.2%</td>
<td>0.9%</td>
<td>0.6%</td>
<td>0.4%</td>
<td>0.5%</td>
<td>0.4%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.4%</td>
<td>0.3%</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>25%+</td>
<td>25%+</td>
<td>25%+</td>
<td>25%+</td>
<td>25%+</td>
<td>25%+</td>
<td>25%+</td>
<td>25%+</td>
<td>25%+</td>
<td>25%+</td>
<td>21%²</td>
<td>19%²</td>
</tr>
</tbody>
</table>

Note:
1. As on end of reported period
2. ROE calculation also takes into account the capital allocation from recent fund raise. During Q3 FY2018, Rs 2,300 Crores was allocated to financial services. In Q4 FY2018, the entire Rs.5000 crores of estimated allocation got allocated towards financial services business
3. ROE considers cash tax and includes other synergies on account of merger of subsidiaries in Financial services segment
Performing better than the best performing banks and NBFCs of India

Note: Banks and NBFCs includes Bajaj Finance, HDFC Ltd, HDFC Bank, Kotak Bank, IndusInd Bank and Yes Bank
Measures to ensure healthy asset quality
Stringent Controls & Review Mechanism

- Robust business forecasting framework
- 3 stage deal approval - DCC / ECC / IC Framework guided by Economic ROE for each deal
- Investment committee with industry experts

ONBOARDING PROCESS

INDEPENDENT RISK & LEGAL

- Independent risk function
- Periodic portfolio stress test
- Independent legal team
- Unique asset monitoring framework
- Early warning framework
- Best in class provisioning policy

EXTERNAL REVIEW

TWO WAY ENGAGEMENT

- Core committee to focus on operational challenges & solutions
- Pre-Post disbursement audit
- Internal Audit
- Review of processes by external parties
- Regular meeting with customers to get insight of markets & performance – Key inputs for Early Warning Signals
- Regional review exercise in place

DCC: Deal Clearance Committee  ECC: Executive Credit Committee  IC: Investment Committee
Review and governance mechanism

**Board of Directors**

- **Board Sub-committee for Financial Services**
  - This sub-committee comprises of Executive Directors, Independent Directors & External Experts

- **5 Investment Committees for Real Estate Lending, RE Fund Management, Corporate Finance Transactions, Emerging Corporate Lending and Housing Finance**
  - These investment committees comprise of Executive Directors, Managing Director, Independent Directors, External Experts and Business Heads

- **Deal Clearance Committee**
  - Independent Risk Management Team
  - Independent Legal Team
  - Asset Management Team
  - Finance & compliance
  - Brickex

**Legal and Risk teams are independent and report directly to the Board members**
## Stringent controls across stages of lending

### Controls at Pre-qualification stage

<table>
<thead>
<tr>
<th>Control</th>
<th>Details</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presence in only Tier 1 cities</td>
<td>Real Estate lending in Tier I cities of Mumbai, Pune, Bengaluru, Hyderabad, Chennai and NCR</td>
<td>98%</td>
</tr>
<tr>
<td>'Grade A' developers having strong track record</td>
<td>Portfolio comprising of Grade A Developers</td>
<td>70%+</td>
</tr>
</tbody>
</table>

### Controls at Pre-approval stage

<table>
<thead>
<tr>
<th>Control</th>
<th>Details</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensitivity analysis not just based on sales and cost but also based on velocity</td>
<td>Deals with underwriting assumptions based also on delay in velocity by 6 to 12 months</td>
<td>100%</td>
</tr>
<tr>
<td>Proprietary risk scoring system to avoid bias</td>
<td>Deals with Escrow A/C</td>
<td>100%</td>
</tr>
<tr>
<td>Structuring each transaction uniquely to address any specific risks associated with the project</td>
<td>Deals with a ‘Minimum Selling Price’ clause ensuring collection of sales value into our Escrow A/C</td>
<td>100%</td>
</tr>
<tr>
<td>Strategic alliances with global funds serving as external validation of underwriting and reassures investment thesis</td>
<td>Deals with fixed IRR &amp; obligation to pay without any linkage to market performance or sales realization</td>
<td>62%</td>
</tr>
<tr>
<td>Security and cash cover of 1.5x-2x based on conservative underwriting assumptions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Constant asset monitoring ensuring healthy asset quality

- Constant monitoring by local teams in each city and dedicated asset monitoring team
- Monthly / Quarterly site visits to assess the project progress
- Monthly performance review with regard to sales units, value & price, collections and various costs
- Computation of monthly cash cover to ensure adherence to stipulated cash cover

- Gross NPA ratio of 0.3%

<table>
<thead>
<tr>
<th>Developers</th>
<th>130+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactions</td>
<td>239+</td>
</tr>
<tr>
<td>Projects pan India</td>
<td>382+</td>
</tr>
</tbody>
</table>

- Site Visits / month: 190+
- Developer sales MIS monitored per month: 100%
- Project escrow Accounts monitored per month: 100%
- Transaction coverage in Early Warning Signal Meetings: 100%
- Projects under construction stage / completed: 80%
Asset Monitoring – Real Estate
What does the Asset Monitoring team do?

**Physical Presence at Site**

- **‘Ears to the ground’ approach**
  - Periodic site visits (Monthly/quarterly)
  - Construction status
  - Real time feedback to Team
  - Micro Market Analysis

**Operating Performance**

- **Adherence to Business Plan**
  - Actual v/s Budget (Sales Velocity, Selling Price, Collection, Costs)
  - Cash Cover Ratio (Actual v/s Budget)
  - Sales Trend Analysis
  - NOC issuance

**EWS Meetings**

- **‘Early Warning Signals’ identified**
  - Project performance
  - Key issues highlighted
  - Action items
  - Market trends
  - Regulatory developments

**Key Statistics**

- Localised Asset Managers with Techno-financial background: 18
- Escrow Accounts monitored: 800+
- Projects pan India: 380+
- NOCs issued per month: 1,000+
- Micro markets tracked: 100+
- Team of CA / Civil Engineers having worked at Developers / Consultants /NBFCs: 190+
- Site Visits / month: 190+
- In-house technology platform for data capturing and operational scalability
- Data analytics for exception reporting and highlighting trends
Residential project – Central Mumbai

- Sep’16 – 5th Floor completed
- Dec’16 – 9th Floor Completed
- Oct’17 – Finishing near completion

Monthly construction progress monitored
## Sample of Site Visit Report

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Labours on site</td>
<td></td>
<td>400 - 425</td>
<td>400 - 425</td>
<td>400-425</td>
<td>430-450</td>
<td>360-380</td>
<td>310-330</td>
</tr>
<tr>
<td>Tower 1 : 4B + G + 22 Flr.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Block Work</td>
<td>Jun, 2017</td>
<td>12th floor in progress.</td>
<td>9th floor in progress.</td>
<td>6th floor in progress.</td>
<td>4th floor in progress.</td>
<td>3rd floor in progress.</td>
<td>2nd floor in progress.</td>
</tr>
<tr>
<td>Plastering / Gypsum</td>
<td>Sep, 2017</td>
<td>Gypsum started on 1st and 2nd floor.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Flooring</td>
<td>Dec, 2017</td>
<td>Awaiting for material to start with flooring in next week.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Finishes</td>
<td>Jun, 2018</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Dashboard of site visits and stalled projects separately highlighted to the MD on a monthly basis
Asset Monitoring – Non Real Estate
Replicating best practices of Real Estate monitoring to Corporate Lending

Client Engagement

‘Ears to the ground’ approach
- Site visits
- PMC & Board Meetings
- Engagement with Lender’s Engineer
- Sector Updates

Performance Review

Adherence to Business Plan
- Actual v/s Budget
- Operating and financial analysis
- NOC issuance
- Escrow statement

Deliverables

‘Early Warning Signals’ identified
- EWS meetings
- Portfolio review with Color coding
- APG Portfolio Updates

6 member team of CA/ MBAs
Total exp of ~50 years in Banks, NBFCs, Fund
Multi-sectoral and multi-product expertise

Sectors Tracked (nos) 10 +
Projects managed pan India (nos) 200 +
Renewable Energy Portfolio (In MW) 6000 +

Learning’s incorporated in new deals

Asset Management
29 Dec. 2017 11:53
Wind project site visit photos: Andhra Pradesh

Operating wind turbines along with 33 kV lines

33 kV line connecting with the sub-station

20 operating turbines each of 2 MW
Auto component site visit photos: Tamil Nadu

Furnace where iron scrap is melted

Molten metal is poured in moulds for casting
Sample of overall Portfolio Performance Review Sheet

AUM Summary (INR Cr)

<table>
<thead>
<tr>
<th>Category</th>
<th>No. of Deals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– No major concerns</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yellow</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Closely monitor for next 6 months</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amber</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Envisage stress over next 6 months</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Red</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Overdue</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Key parameters for colour coding
1. Site visit findings
2. Approval timelines
3. Construction cost
4. Sales Velocity in terms of units, area and value
5. Pricing – per sq ft and ticket size
6. Collections
7. Cover computation
8. Ability to meet principal and interest obligations
9. Discussions with developers/promoters

Teams spend significant time post disbursement to detect and react to early warning signals (EWS)
High quality talent acquisition and retention
Team Strength

Financial Services

Wholesale business

Real Estate 76
CFG 30
ECL 17
Partner Functions 211

Retail business

Housing Finance 438

Partner Functions includes Risk Management, Asset Monitoring, Legal, Treasury, Brickex, Human Resources, Information Technology etc.
Creating a great place to work

**Every employee is a partner**
- Entrepreneurial approach empowering each employee as a partner

**Incentive structure**
- Carry scheme covering all employees across levels ensuring collaboration to get best deal for the platform
- Leadership team shares a part of their earnings with employees in lower bands
- Incentives are also linked to overall platform performance

**High retention**
- Create internal leadership through various employee development programs – most of our senior positions are fulfilled from within
- Extend support for individual growth & care based on our values

Recognized as one of the Great Mid-Size Workplaces by Great Place to Work Institute® 2 years in a row – Ranked No. 1 in 2018
Distressed Investment Opportunity
Distressed Investment Opportunity

**Industry Overview**

**Stressed Loans (% of Bank Loans in India)**

<table>
<thead>
<tr>
<th>Year</th>
<th>GNPA</th>
<th>Restructured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar '13</td>
<td>9.1%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Mar '18</td>
<td>12.5%</td>
<td></td>
</tr>
</tbody>
</table>

- India must resolve its NPL problem (~USD 220-250 Bn) to fund new asset creation (key for maintaining 6-7% GDP growth); 11 banks placed in PCAP³
- RBI firm on ensuring that Debt Restructuring schemes are viable (rated investment grade), else pushing banks to recover via IBC/cash settlement
- Stress lies in industrial sectors (power, steel, cement), export businesses (textiles, pharma) & domestic underfed sectors (hospitals, hotels)
- Enforcement via IBC has been slower than anticipated due to litigations & delays in hearing; however both these issues are getting addressed

**Overview of India Resurgence Fund**

- **Product**
  - Investment across the capital stack (debt and equity) & across all sectors (other than real estate), with a view to drive control and restructuring with active participation in turnaround
- **Partner**
  - Partnership with Bain Capital Credit, a multi-asset alternative investment firm with AUM of USD 37 Bn²

**Our Differentiated Positioning and Strategy**

**Progress so far**

- Active pipeline of ~USD 1 Bn of debt (to be acquired through IBC/directly from banks) across various sectors such as cement, chemicals, steel, etc.
- The fund has received SEBI AIF approval for investing
- The partnership has also received in-principal approval from the RBI for setting up an Asset Reconstruction Company

**Note 1:** Source: RBI Financial Stability Report
**Note 2:** Data estimated as of January 1, 2018. Bain Capital Credit AUM includes Bain Capital Credit, LP, its subsidiaries and credit vehicles managed by its AIFM affiliate.
**Note 3:** PCAP stands for RBI’s Prompt Corrective Action Plan under which various restrictions were imposed on certain banks by RBI (including on lending), with the objective of restoring their financial health.
Partnership with Shriram – Strategic in nature
Partnership with Shriram – Strategic in nature

- Market capitalization of c. Rs. 443 bn (US$6.6bn) for listed entities\(^1\,\^2\)
- US$ 21.8 bn\(^3\) of assets under management
- 3,500+ branches\(^3\)
- Customer base of 19.9+ mn\(^3\)
- Exposure to retail financing segments including: Used and New CVs, Small and Medium Enterprises, Consumer and Gold loans, Life Insurance and General Insurance
- Leading player in used Commercial Vehicle and Micro, Small and Medium Enterprises financing

Share Price Performance since investments (Rs. per share)

<table>
<thead>
<tr>
<th>Company</th>
<th>Share Price</th>
<th>% Change</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shriram Transport Finance</td>
<td>723</td>
<td>+93%</td>
<td>10 May 2013(^4)</td>
</tr>
<tr>
<td>Shriram City Union Finance</td>
<td>1,393</td>
<td></td>
<td>2 Aug 2018</td>
</tr>
<tr>
<td>Shriram Transport Finance</td>
<td>1,200</td>
<td>+60%</td>
<td>5 Jun 2014(^4)</td>
</tr>
<tr>
<td>Shriram City Union Finance</td>
<td>1,922</td>
<td></td>
<td>2 Aug 2018</td>
</tr>
</tbody>
</table>

Note: FX rate: 1 USD= Rs. 65
\(^1\) Listed entities include Shriram Transport Finance and Shriram City Union Finance \(^2\) As of 2nd Aug, 2018 \(^3\) As of 31st March, 2018 \(^4\) PEL’s purchase price on the respective date of investment - Doesn’t include related costs in acquiring these stakes
Well-positioned to cater to the significant opportunity that country expected to offer in next few years

- India set to become the 3rd largest economy in next few years
- Lower penetration implies Financial Services to grow faster than GDP
- Public sector banks facing asset quality issue
- Private Sector Institutions (i.e. Private Banks, NBFCs & HFCs) expected to support this rapid growth
- Few serious players in private sectors with high effective promoter stake
Opportunity in Wholesale Lending

- Bank Lending to Industry as proportion to their overall lending has gone down significantly.
- Retail lending by banks has increased over the last few years

### Outstanding amount lent by banks (in %)

- **2009**: 22% Industrial, 40% Retail
- **2013**: 18% Industrial, 46% Retail
- **2018**: 25% Industrial, 43% Retail

### Loan outflows per year (in %)

- **FY09**: 10% to Industry, 49% to Retail
- **FY13**: 20% to Industry, 59% to Retail
- **FY18**: 3% to Industry, 49% to Retail

- Industrial Lending as a proportion of non-food credit
- Retail lending as a proportion of non-food credit
- Proportion of lending to Industry during the year
- Proportion of lending to retail during the year
Future Roadmap: On track to create one of the largest well-diversified Financial Services businesses of India

**Building an Integrated Financial Services Business**

- **Continue to grow real estate loan book** by launching relevant, innovative and customized solutions
- **Further growing the recently launched products** such as commercial construction finance and LRD
- **Continue to diversify loan book** through focus on non – real estate space through Corporate Finance Group and Emerging Corporate Lending Group
- **Scale up Housing Finance** through:
  - Developer relationships through point of presence loan origination
  - Brickex network
  - Enter into tier I and tier II cities
- **Set up Asset Aggregation platforms** across renewables, roads and REIT Platforms
- **Generate fee income** through down-selling and syndication
- **Maintain focus on asset quality while generating higher risk adjusted ROEs**
- **Contribute in taking Shriram to the next level**
- **Optimize liability franchise**
  - Further deepen and diversify funding sources
  - Target credit rating improvement
- **Continue to enhance technology usage** to improve efficiency through:
  - Use of analytics for decision making
  - Automation of system and processes to improve Turnaround Time (TAT)
Pharma
Pharma business portfolio delivering strong growth within and outside India

**Piramal Pharma**

FY2018 Rev: Rs.4,513 Crores

**Global Pharma**

FY2018 Rev: Rs.3,976 Crores

- End-to-end manufacturing capabilities
- 13 manufacturing facilities
- Portfolio of niche branded generic products
- Distribution to >100 countries

**India Consumer Products**

FY2018 Rev: Rs.537 Crores*

- Strong portfolio of OTC brands
- 8 brands among top 100 OTC brands
- Large distribution network
- Among top 5 OTC players

Note * Includes Allergan JV Revenue
Eight value accretive acquisitions to boost growth

**Global Pharma**

- **Coldstream (Injectables)**
- **Ash Stevens (HPAPI)**
- **Injectable anaesthesia & pain management products**
- **Intrathecal severe spasticity & pain management products**

**India Consumer Products**

- **4 brands from Pfizer**
- **5 brands from Organon India & MSD BV**
- **Baby-care brand - Little’s**
- **Digeplex and associated brands**

**Growing largely organically since Abbott deal**

Pharma Revenues* (in Rs. Crores)

<table>
<thead>
<tr>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,605</td>
<td>1,988</td>
<td>2,440</td>
<td>2,819</td>
<td>3,122</td>
<td>3,632</td>
<td>4,054</td>
<td>4,513</td>
</tr>
</tbody>
</table>

Notes: *Includes Allergan JV revenues

7 yrs CAGR 16%
Global Pharma
Global Pharma: How are we rapidly moving up the value chain?

1. Acquired global businesses to enter into niche capabilities

<table>
<thead>
<tr>
<th>Injectable</th>
<th>HPAPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Injectable Image]</td>
<td>![HPAPI Image]</td>
</tr>
</tbody>
</table>

2. Expanding manufacturing capacities in niche areas

<table>
<thead>
<tr>
<th>ADC</th>
<th>Injectable</th>
<th>Inhalation Anaesthesia</th>
<th>Drug Discovery</th>
</tr>
</thead>
<tbody>
<tr>
<td>![ADC Image]</td>
<td>![Injectable Image]</td>
<td>![Inhalation Anaesthesia Image]</td>
<td>![Drug Discovery Image]</td>
</tr>
</tbody>
</table>
Global Pharma: How are we rapidly moving up the value chain?

3. Adding differentiated hospital branded generic products organically and inorganically

- Leverage global distribution network by adding differentiated products
- Differentiated offerings – Niche branded generics and controlled substances

4. Strong product portfolio to leverage global distribution network

- Entry barrier – Complex to manufacture, sell and distribute resulting in limited competition
- Expands addressable market size from US$ 1 bn Inhalation Anaesthesia market to US$20 bn generic hospital product market

Our strategy of moving up the value chain will enable us boost growth and enhance margins significantly
Creating a solid product portfolio

Product Portfolio

Inhalation Anaesthesia
- Desflurane
- Sevoflurane
- Isoflurane
- Halothane

Injectable Anaesthesia / Pain Management
- Sublimaze*
- Sufenta*
- Rapifen*
- Dipidolor*
- Hypnomidate

Intrathecal Severe Spasticity / Pain Management
- Gablofen®
- Products under development

Other Products
- Generics API
- Vitamins & Premixes

Differentiated branded hospital generics

* Controlled substances

Acquired from Mallinkrodt LLC in Mar 2017
Acquired from Janssen Pharmaceutica in Oct 2016

To be launched in FY19
Integrated in capabilities: Discovery – Clinical Development - Commercialisation

- Discovery
  - Ahmedabad, India
- Preclinical
  - Early Phase API (including high Potency)
    - Ennore, India | Aurora, Canada | Riverview, USA
- Phase 1
  - Early Phase Formulation
    - Mumbai, Ahmedabad – India
    - Lexington, KY
    - Grangemouth (ADC), UK
- Phase 2
  - Late Phase API (including high Potency)
    - Digwal, India
    - Ennore, India
    - Morpeth, UK
    - Riverview, USA
- Phase 3
  - Late Phase API
    - Aurora, Canada
    - Morpeth, UK
- Launch
  - Late Phase Formulation (OSD’s & Steriles (Injectables & FFS))
    - Pithampur, India | Morpeth, UK | Lexington, KY | Grangemouth (ADC), UK

Special services

- Antibody Drug Conjugates (ADC) Grangemouth (UK)
- High Potent (HPAPIs) Riverview (USA)
- Clinical Trial Supplies Morpeth (UK)
- Regulatory, Patents, Pharma co-vigilance Mumbai
- Vitamins & Nutrition Solutions Mahad (India)
13 manufacturing facilities both in East and West – All key sites US FDA inspected

- **LEXINGTON**: High potent injectable development and manufacturing (USFDA)
- **RIVIERVIEW**: HPAPI Development & Manufacturing (USFDA)
- **AURORA**: API Development & Manufacturing (USFDA, MHRA)
- **GRANGEMOUTH**: ADC Manufacturing (USFDA, MHRA)
- **MORPETH**: API & Formulation Development & Manufacturing (USFDA, MHRA)
- **MUMBAI**: API & Formulations Development (USFDA, MHRA)
- **MAHAD**: Vitamins & Minerals Premixes (USFDA*, WHO-GMP)
- **AHMEDABAD**: 2 Sites:
  - Drug Discovery
  - Formulation Development
- **CHINA**: Sourcing Office
- **PITHAMPUR**: Formulations Manufacturing (USFDA, MHRA)
- **BETHLEHEM**: Anaesthesia Manufacturing (USFDA, MHRA)
- **ENNORE**: API Development & Manufacturing
Global Pharma: Strengthening presence in key geographies

**Strong presence in North America**
- Aurora: API Development & manufacturing
- Lexington: Sterile Development & Manufacturing
- Riverview: HPAPI Development & Manufacturing
- Bethlehem: Anaesthesia Manufacturing

**Expanding presence in Europe**
- Grangemouth: ADC Manufacturing
- Morpeth: API & Formulation Development & Manufacturing

<table>
<thead>
<tr>
<th></th>
<th>% Global Business Revenues (as on 31st Mar 2018)</th>
<th>% Global Business Assets (as on 31st Mar 2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>38%</td>
<td>29%</td>
</tr>
<tr>
<td></td>
<td>24%</td>
<td>43%</td>
</tr>
</tbody>
</table>

**Distribution Presence**
- 30% market share in US in Inhalation Anaesthesia
- Expanding presence in key countries including UK, Italy, Germany, etc.

**Distribution Model**
- Through direct sales force
- Through direct sales force and distributors
Global Pharma: Strengthening presence in key geographies

Strong presence in India

- Manufacturing facilities in India
  - Mumbai: API & Formulations Development
  - Digwal: API Development & Manufacturing and Anaesthesia Manufacturing
  - Pithampur: Formulations Manufacturing
  - Ahmedabad: Drug Discovery and Formulations Development
  - Ennore: API Development & Manufacturing
  - Mahad: Vitamins & Minerals Premixes

- 33% of Total Assets of Global business is in India

Expanding Presence in Japan

- One of the two approved generics in the market for Sevoflurane, with leading market share
- Leading market share for Fentanyl with the only currently approved generic in the market
How are we performing in the areas of compliance, quality and reliability?

Since 2011, cleared all inspections:

- 32 USFDA inspections
- 106 other regulatory inspections
- 877 customer audits

Recognized at reputed global forums:

- Global Pharma Services won the **CMO Leadership Award 2018** in all six categories in March 2018 at New York
- PEL won the ‘manufacturing Supply Chain Operational Excellence in Pharmaceuticals” at 7th **Manufacturing Supply Chain Awards** in Mumbai - February 2018
- PEL won the ‘Regulatory Procedures and Compliance’ award at **CPhI Pharma Awards (2017)** in Germany in Oct 2017
Global Pharma: Growth Strategy

- **Continue to add more products** both organically and inorganically to leverage our strong sales and distribution network
  - Continue to look for acquisition opportunities in complex products
  - Launching latest generation Inhalation Anaesthesia i.e. Desflurane
  - Integrate the acquired products and generate synergies

- **Leverage and expand our end to end manufacturing and service delivering capabilities** (especially in niche capabilities i.e. injectable, HPAPI, ADC etc.)
  - Good traction for development business and integrated offerings
  - Injectable and HPAPI acquisitions will enhance cross selling opportunities
  - Undergoing capex worth over USD 85 mn to expand capacities and capabilities across facilities

- **Further expand our presence in strong markets** including US, Europe, Japan etc.

- **Continue to maintain focus on quality and compliance**

### Strong revenue growth track record
(In Rs. Crores)

- **7 yrs CAGR 16%**

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (Rs. Crores)</td>
<td>1,409</td>
<td>1,768</td>
<td>2,169</td>
<td>2,506</td>
<td>2,765</td>
<td>3,206</td>
<td>3,517</td>
<td>3,976</td>
</tr>
</tbody>
</table>

Continue to actively look for organic and inorganic opportunities to enhance growth
Global Pharma: Enhancing EBITDA Margin

- Acquired high margin products
- Introduction and growth of high margin products (including Desflurane etc.)
- Manufacturing at facilities with niche high-end capabilities
- Higher capacity utilization
- Backward integration for raw materials
- Further leverage global distribution
- Optimise yields and manufacturing processes
- Cost improvement initiatives

EBITDA Margins to significantly improve in coming years
Why can we create a large and profitable global pharma business?

- Significant market opportunity
- End-to-end manufacturing capabilities with niche offerings
- Investing to move up the value chain
- Strong focus on compliance, quality and reliability
- Potential to grow rapidly and expand margins
- Offering complete pool of services to large & mid sized Pharma Companies
- Strong portfolio of niche products and services
- Growing organically and inorganically
- Large distribution network reaching >100 countries

Well-positioned to create a large, well-diversified and profitable global pharma business.
India Consumer Products
Strong product portfolio

Eight brands among India’s top 100 OTC brands

Most brands are among the top two in their respective representative market
Developed a large India-wide distribution network

Wide Distribution Network

<table>
<thead>
<tr>
<th></th>
<th>FY2008</th>
<th>FY2012</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of towns present</td>
<td>16</td>
<td>481</td>
<td>2000</td>
</tr>
<tr>
<td>Total Outlet presence</td>
<td>24,000</td>
<td>200,000</td>
<td>420,000</td>
</tr>
<tr>
<td>Chemist Outlet presence</td>
<td>16,000</td>
<td>100,000</td>
<td>220,000</td>
</tr>
<tr>
<td>Field Force</td>
<td>80</td>
<td>800</td>
<td>2,100</td>
</tr>
</tbody>
</table>

Our chemist coverage is now comparable with the top 3 OTC players.
Adding products organically and inorganically

**Products added organically**

- Instant pain relieving mouth ulcer gel
- A non-drowsy anti-allergy OTC brand
- Oil Balance Face Wash & Face Scrub
- A sore throat pain relief product
- A pregnancy test kit
- Paan flavoured antacid
- Detoxifies the after effects of socializing, etc.
- Ovulation test kit
- Educational game Jungle Magic Garden Scienz

**Product portfolios added through acquisition**

- 4 brands from Pfizer Ltd
- 5 brands from Organon India & MSD BV
- Baby-care brand ‘Little’s’
- Digeplex and associated brands
Strong growth track record

India Consumer Products revenues
(In Rs. Crores)

- **Consumer Products**
- **Total Revenue**
- **JV with Allergan\(^1\)**
- **Ranks**

9 yrs CAGR 18%

FY09: 124 (Consumer Products: 76), 177 (Total Revenue), 196 (JV with Allergan\(^1\))
FY10: 125 (Consumer Products: 125), 177 (Total Revenue), 196 (JV with Allergan\(^1\))
FY11: 128 (Consumer Products: 128), 196 (Total Revenue), 196 (JV with Allergan\(^1\))
FY12: 138 (Consumer Products: 138), 220 (Total Revenue), 220 (JV with Allergan\(^1\))
FY13: 170 (Consumer Products: 170), 271 (Total Revenue), 313 (JV with Allergan\(^1\))
FY14: 209 (Consumer Products: 209), 313 (Total Revenue), 357 (JV with Allergan\(^1\))
FY15: 243 (Consumer Products: 243), 426 (Total Revenue), 537 (JV with Allergan\(^1\))
FY16: 261 (Consumer Products: 261), 537 (Total Revenue), 537 (JV with Allergan\(^1\))
FY17: 375 (Consumer Products: 375), 537 (Total Revenue), 537 (JV with Allergan\(^1\))
FY18: 346 (Consumer Products: 346), 537 (Total Revenue), 537 (JV with Allergan\(^1\))
FY20E: 1000 (Total Revenue), 1000 (Ranks)

- Integration of acquired portfolios
- Continue to add products both organically (including brand extensions) and through acquisitions
- Reduced stock-outs
- Tap e-commerce, rural, exports & alternate opportunities
- Addition of new products or brands will leverage the distribution network; and help fixed cost amortisation resulting in higher margins

Note: 1. Allergan JV revenue includes only PEL's revenue share of 49%
How Consumer Products business can become a significant play for us?

- Significant market opportunity
- Strong product portfolio
- Significant margin expansion
- Asset Light model
- Strong track record
- Leveraging large India-wide distribution network
- Launching new products and extensions
- Acquiring leading brands or brands with potential to become #1

Well-positioned to create a large, well-diversified and profitable India Consumer Products business focusing on niche areas of routine disruption.
Overall
Our differentiated business model enabling better performance vs. peers

### Revenue Growth Rates of Top Pharma companies

<table>
<thead>
<tr>
<th>Top Pharma Companies</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sun Pharma</td>
<td>4%</td>
<td>11%</td>
<td>(14%)</td>
</tr>
<tr>
<td>Lupin</td>
<td>12%</td>
<td>23%</td>
<td>(9%)</td>
</tr>
<tr>
<td>Aurobindo Pharma</td>
<td>15%</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>Cipla</td>
<td>22%</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>Dr. Reddy’s Lab</td>
<td>5%</td>
<td>-9%</td>
<td>1%</td>
</tr>
<tr>
<td>Cadila Healthcare</td>
<td>11%</td>
<td>0%</td>
<td>24%</td>
</tr>
<tr>
<td>Glenmark Pharma</td>
<td>17%</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>Jubilant Lifesciences</td>
<td>1%</td>
<td>2%</td>
<td>26%</td>
</tr>
<tr>
<td>Peers Average</td>
<td>11%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>PEL Overall Pharma business</strong></td>
<td><strong>16%</strong></td>
<td><strong>12%</strong></td>
<td><strong>11%</strong></td>
</tr>
</tbody>
</table>

*Source: Companies reported numbers, Stock Exchange Filings*
Healthcare Insight & Analytics
Historically viewed as a syndicated healthcare market research company, Decision Resources Group (DRG) has transformed itself into a data-driven, technology enabled, healthcare insights business.

We assist our clients in the Pharma, MedTech, Insurance (Payer), and Provider sectors, addressing many of the most pressing questions in the healthcare industry:

- Where to invest?
- How to get approved, contracted and paid?
- How to prove value?
- How to drive commercial success?

We do this by leveraging a large team of area experts, Real World Health Data, sophisticated analytics tools and data science to deliver:

- Market Research
- Services
- Data
- Analytics

We are increasingly:

- Embedded in our clients’ workflows
- Delivering critical client solutions, which have a bespoke front end, but which are based upon a series of common back-end algorithms
## Answering our clients’ most pressing questions

<table>
<thead>
<tr>
<th>LIFE SCIENCES</th>
<th></th>
<th>PAYER/PROVIDER</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market Assessment</strong></td>
<td>• Which therapeutic markets have the highest potential?</td>
<td><strong>Market Assessment</strong></td>
<td>• What are my competitors doing?</td>
</tr>
<tr>
<td></td>
<td>• What should healthcare organizations do as healthcare shifts to a value focus?</td>
<td></td>
<td>• How is the market unfolding? Who is winning and losing?</td>
</tr>
<tr>
<td><strong>Market Access</strong></td>
<td>• What is the best evidence to support my access and reimbursement argument?</td>
<td><strong>Performance Improvement</strong></td>
<td>• Where can I improve my hospital’s performance? In Revenue Cycle Management? In IT? In Supply Chain?</td>
</tr>
<tr>
<td></td>
<td>• How will the key payers in the future make decisions about my product?</td>
<td></td>
<td>• How do I benchmark relative to hospital peers?</td>
</tr>
<tr>
<td><strong>Commercial Optimization</strong></td>
<td>• What levers can I pull to improve my brands’ volume?</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• How is my product being perceived in market relative to competition?</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Digital Innovation</strong></td>
<td>• Where should my digital spend be targeted?</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• How can I segment and target segments uniquely?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

- Leaders Interview
- Hospital Audit
- Health Plan Data
- Proprietary Survey Data
- Analytical Tools
- Market Forecasts
- Customized Services
- Proprietary Databases
- Our Business
Strong positioning with high long term revenue visibility

Key Business Highlights

- Serves major Developed and Emerging Markets
- FY2018 Revenue - US$186 mn
- Capabilities across customer’s product life cycle
- 17 offices across 6 locations globally
- 1,200+ employees globally (386 employees in India)

Significant revenue visibility

- DRG serves nearly all leading life sciences companies
- Over 70% of revenue is recurring in nature
- 96% client retention by value
  - 100% among top 50 customers

<table>
<thead>
<tr>
<th>Customer</th>
<th># of Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>AstraZeneca</td>
<td>&gt;10 yrs</td>
</tr>
<tr>
<td>Bayer</td>
<td>&gt;10 yrs</td>
</tr>
<tr>
<td>Boehringer Ingelheim</td>
<td>&gt;10 yrs</td>
</tr>
<tr>
<td>Johnson &amp; Johnson</td>
<td>&gt;10 yrs</td>
</tr>
<tr>
<td>Merck &amp; Co</td>
<td>&gt;10 yrs</td>
</tr>
<tr>
<td>Novartis</td>
<td>&gt;10 yrs</td>
</tr>
<tr>
<td>Novo Nordisk</td>
<td>&gt;10 yrs</td>
</tr>
<tr>
<td>Pfizer</td>
<td>&gt;10 yrs</td>
</tr>
<tr>
<td>Roche</td>
<td>&gt;10 yrs</td>
</tr>
<tr>
<td>Takeda</td>
<td>&gt;10 yrs</td>
</tr>
</tbody>
</table>

Top 10 Relationships Comprise <30% of Revenue

- 48 of the top 50 life sciences companies
- 17 of the top 20 medical device companies
- 8 of the top 10 US payers and top US health systems
Expanding into New Markets

Source: Based on proprietary market research and internal DRG estimation

Feb 2016 - Acquired Adaptive Software
- Leading Solutions for Health Plans and Pharmacy Benefit Managers
- Marks Company’s entry into payer space

May 2015 – Acquired HBI
- Trusted provider of best practice research, training & services to >1,400 hospitals in US
- Marks Company’s entry into provider space
Established offices in India to drive margin improvement

- DRG launched a new initiative to transform its global talent pool by expanding to India. Business opened offices in Bengaluru (Jan 2015) and Gurugram (Feb 2016) with 386 positions on boarded (i.e. 31% of DRG’s headcount).

- Scaling India operations to:
  - Improve customer delight, delivery, and response times through building 24/7 capabilities
  - Access a large pool of educated professionals with substantial expertise
  - Establish new international offices in a key growth market
  - Accelerate DRG’s profit growth through the cost-effective expansion of teams
Strategic **DECISION** making is easier when you have access to proprietary data and expert **RESOURCES** from an integrated **GROUP** of best-in-class companies.
## Comparable Company Analysis

### Public Company Peer Valuation Trading Multiples

<table>
<thead>
<tr>
<th>DRG Peers</th>
<th>2018 Multiples</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EV / Revenue</td>
</tr>
<tr>
<td>Gartner</td>
<td>4.3x</td>
</tr>
<tr>
<td>Healthstream</td>
<td>6.5x</td>
</tr>
<tr>
<td>IHS Markit Ltd.</td>
<td>3.8x</td>
</tr>
<tr>
<td>Medidata solutions</td>
<td>3.8x</td>
</tr>
<tr>
<td>Omnicell</td>
<td>6.2x</td>
</tr>
<tr>
<td>Median</td>
<td>4.3x</td>
</tr>
</tbody>
</table>

*Source: CapIQ, Wall Street equity research, SEC Filings*

*Note: Financial information per the latest financial filings as of March 31, 2018. Trading information as of July 13, 2018.*
## Comparable Transaction Analysis

### Sector M&A Valuation Multiples

<table>
<thead>
<tr>
<th>Target</th>
<th>Buyer / Investors</th>
<th>Transaction Value (USMM)</th>
<th>Transaction Value / LTM Revenue</th>
<th>Transaction Value / LTM EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>iHealth</td>
<td>Connolly</td>
<td>1,200</td>
<td>7.5x</td>
<td>14x</td>
</tr>
<tr>
<td>Heartbeat Experts</td>
<td>Truven Health</td>
<td>136</td>
<td>5.2x</td>
<td>22x</td>
</tr>
<tr>
<td>Vitruvian</td>
<td>CRF</td>
<td>374</td>
<td>4.5x</td>
<td>18x</td>
</tr>
<tr>
<td>IMS Health</td>
<td>Quintiles</td>
<td>13,346</td>
<td>4.4x</td>
<td>15x</td>
</tr>
<tr>
<td>Altegra</td>
<td>Emdeon</td>
<td>910</td>
<td>4.3x</td>
<td>16x</td>
</tr>
<tr>
<td>Truven Health</td>
<td>IBM Watson Health</td>
<td>2,600</td>
<td>4.2x</td>
<td>17x</td>
</tr>
<tr>
<td>Merge Healthcare</td>
<td>IBM Watson Health</td>
<td>1,000</td>
<td>4.2x</td>
<td>24x</td>
</tr>
<tr>
<td>WebMD</td>
<td>KKR</td>
<td>2,800</td>
<td>4.0x</td>
<td>15x</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td></td>
<td><strong>2,800</strong></td>
<td><strong>4.4x</strong></td>
<td><strong>17x</strong></td>
</tr>
</tbody>
</table>

*Source: CapIQ, Wall Street equity research, SEC Filings;  ND – Not Disclosed*
Future Roadmap: Growing business and improving margins

- Continuously expanding our capabilities, geographic presence and addressable market through strategic acquisitions
  
  - *Expanded market access capabilities* by acquisition of Abacus International (FY13)

  - *Enhanced analytics* by acquisition of RELAY (FY14), Activate Networks (FY15), HealthHiWay (FY16)

  - *Entry into provider and payer space* by acquisition of HBI (FY16), AdaptiveSoftware (FY16)

  - *Access to European hospital data* by acquisition of Walnut Medical (FY18), Context Matters (FY18)

- Continue to *transform our customer offering towards higher end value-added insights and solutions* by leveraging proprietary data and analytics tools and deploying user-centric, technology-driven applications

- Further invest into developing our consulting skills and talent pool

- Selectively enter new high growth markets

- Improve margins by leveraging our India base

*Continue to pursue a carefully crafted strategy of leveraging the significant opportunity in high-end data analytics through our strong customer positioning and by leveraging our India presence*
Financials
Q1 FY2019 Financials
## Diversified Revenue Mix

<table>
<thead>
<tr>
<th>Net Sales break-up</th>
<th>Quarter I ended</th>
<th>% Change</th>
<th>% Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30-Jun-18</td>
<td>30-Jun-17</td>
<td></td>
</tr>
<tr>
<td>Financial Services</td>
<td>1,559</td>
<td>1,084</td>
<td>43.7%</td>
</tr>
<tr>
<td>Pharma</td>
<td>1,043</td>
<td>887</td>
<td>17.6%</td>
</tr>
<tr>
<td>Global Pharma</td>
<td>979</td>
<td>845</td>
<td>15.8%</td>
</tr>
<tr>
<td>India Consumer Products</td>
<td>64</td>
<td>42</td>
<td>54.6%</td>
</tr>
<tr>
<td>Healthcare Insight and Analytics</td>
<td>278</td>
<td>252</td>
<td>10.5%</td>
</tr>
<tr>
<td>Others</td>
<td>23</td>
<td>31</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,902</strong></td>
<td><strong>2,254</strong></td>
<td><strong>28.8%</strong></td>
</tr>
</tbody>
</table>

Note:

1. Foreign Currency denominated revenue in Q1 FY2019 was Rs.1,181 Crores (41% of total revenue)
## Consolidated P&L

(In Rs. Crores or as stated)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>30-Jun-18</th>
<th>30-Jun-17</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>2,902</td>
<td>2,254</td>
<td>29%</td>
</tr>
<tr>
<td>Non-operating other income</td>
<td>14</td>
<td>84</td>
<td>(83%)</td>
</tr>
<tr>
<td>Total income</td>
<td>2,917</td>
<td>2,338</td>
<td>25%</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>1,376</td>
<td>1,192</td>
<td>15%</td>
</tr>
<tr>
<td>OPBIDTA</td>
<td>1,541</td>
<td>1,146</td>
<td>35%</td>
</tr>
<tr>
<td>Interest Expenses</td>
<td>909</td>
<td>673</td>
<td>35%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>129</td>
<td>123</td>
<td>5%</td>
</tr>
<tr>
<td>Profit before tax &amp; exceptional items</td>
<td>503</td>
<td>350</td>
<td>44%</td>
</tr>
<tr>
<td>Exceptional items (Expenses)/Income</td>
<td>(452)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Income tax

- Current Tax and Deferred Tax                         | 181       | 102       | 77%      |
- Deferred Tax on account of merger of subsidiaries    | -         | -         | -        |
- Profit after tax (before MI & Prior Period items)    | (130)     | 247       | (153%)   |
- Minority interest                                    | -         | -         | -        |
- Share of Associates¹                                  | 60        | 55        | 10%      |
- Net Profit after Tax                                 | (70)      | 302       | (123%)   |
- Net Profit Margin %                                  | (2%)      | 13%       | -        |
- Adjusted Net Profit²                                 | 382       | 302       | 27%      |
- Adjusted Net Profit Margin %                         | 13%       | 13%       | -        |
- EPS (Rs./share)                                      | (3.5)     | 17.5      | (120%)   |
- Adjusted EPS (Rs./share)²                            | 19.3      | 17.5      | 11%      |

**Notes:**
1) Income under share of associates primarily includes our share of profits at Shriram Capital and our share of profit under JV with Allergan, as per the new accounting standards;
2) Adjusted Net Profit after Tax for Q1FY2019 excludes exceptional items of write off of Imaging assets
Q4 & FY2018 Financials
## Diversified Revenue Mix

(In Rs. Crores or as stated)

<table>
<thead>
<tr>
<th>Net Sales break-up</th>
<th>Quarter IV ended</th>
<th>% Change</th>
<th>% Sales</th>
<th>Full Year Ended</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31-Mar-18</td>
<td>31-Mar-17</td>
<td></td>
<td>31-Mar-18</td>
<td>31-Mar-17</td>
</tr>
<tr>
<td>Financial Services</td>
<td>1,395</td>
<td>999</td>
<td>39.6%</td>
<td>46.8%</td>
<td>3,976</td>
</tr>
<tr>
<td>Pharma</td>
<td>1,330</td>
<td>1,214</td>
<td>9.6%</td>
<td>40.6%</td>
<td>4,322</td>
</tr>
<tr>
<td>Global Pharma</td>
<td>1,245</td>
<td>1,103</td>
<td>12.9%</td>
<td>-</td>
<td>3,976</td>
</tr>
<tr>
<td>India Consumer Products</td>
<td>85</td>
<td>111</td>
<td>(23.3%)</td>
<td>-</td>
<td>346</td>
</tr>
<tr>
<td>Healthcare Insight and Analytics</td>
<td>234</td>
<td>227</td>
<td>2.9%</td>
<td>11.4%</td>
<td>1,209</td>
</tr>
<tr>
<td>Others</td>
<td>32</td>
<td>23</td>
<td>-</td>
<td>1.2%</td>
<td>127</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,991</strong></td>
<td><strong>2,463</strong></td>
<td><strong>21.5%</strong></td>
<td><strong>100%</strong></td>
<td><strong>10,639</strong></td>
</tr>
</tbody>
</table>

**Note:**

1. Foreign Currency denominated revenue in Q4 FY2018 was Rs.1,377 Crores (46% of total revenue) and in FY2018 was Rs.4,907 Crores (46% of the total revenue)
## Consolidated P&L

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quarter IV Ended</th>
<th>Full Year Ended</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31-Mar-18</td>
<td>31-Mar-17</td>
<td>% Change</td>
</tr>
<tr>
<td>Net Sales</td>
<td>2,991</td>
<td>2,463</td>
<td>21%</td>
</tr>
<tr>
<td>Non-operating other income</td>
<td>36</td>
<td>86</td>
<td>(58%)</td>
</tr>
<tr>
<td>Total income</td>
<td>3,028</td>
<td>2,549</td>
<td>19%</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>1,610</td>
<td>1,430</td>
<td>13%</td>
</tr>
<tr>
<td>OP-BIDTA</td>
<td>1,417</td>
<td>1,119</td>
<td>27%</td>
</tr>
<tr>
<td>Interest Expenses</td>
<td>831</td>
<td>590</td>
<td>41%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>115</td>
<td>122</td>
<td>(5%)</td>
</tr>
<tr>
<td>Profit before tax &amp; exceptional items</td>
<td>471</td>
<td>407</td>
<td>16%</td>
</tr>
<tr>
<td>Exceptional items (Expenses)/Income</td>
<td>-</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>Income tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Tax and Deferred Tax</td>
<td>189</td>
<td>103</td>
<td>83%</td>
</tr>
<tr>
<td>Deferred Tax on account of merger of subsidiaries</td>
<td>(3,569)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit after tax (before MI &amp; Prior Period items)</td>
<td>3,851</td>
<td>296</td>
<td>1,201%</td>
</tr>
<tr>
<td>Minority interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Share of Associates¹</td>
<td>92</td>
<td>15</td>
<td>534%</td>
</tr>
<tr>
<td>Net Profit after Tax</td>
<td>3944</td>
<td>311</td>
<td>1169%</td>
</tr>
<tr>
<td>Net Profit Margin %</td>
<td>132%</td>
<td>13%</td>
<td>-</td>
</tr>
<tr>
<td>Normalised Net Profit²</td>
<td>375</td>
<td>311</td>
<td>21%</td>
</tr>
<tr>
<td>Normalised Net Profit Margin %</td>
<td>13%</td>
<td>13%</td>
<td>-</td>
</tr>
<tr>
<td>EPS (Rs./share)³</td>
<td>203.6</td>
<td>17.9</td>
<td>1,035%</td>
</tr>
<tr>
<td>Normalised EPS (Rs./share)³</td>
<td>19.3</td>
<td>17.9</td>
<td>8%</td>
</tr>
</tbody>
</table>

**Notes:**

1) Income under share of associates primarily includes our share of profits at Shriram Capital and profit under JV with Allergan, as per the new accounting standards;  
2) Normalised Net Profit after Tax excludes synergies on account of merger of subsidiaries in Financial services segment;  
3) Basic and diluted EPS for 3M ended Dec 31, 2017, Mar 31, 2018 & year ended Mar 31, 2018 have been restated for effect of Rights Issue
## Consolidated Balance Sheet

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 Mar 2018</th>
<th>31 Mar 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Share Capital</td>
<td>36</td>
<td>35</td>
</tr>
<tr>
<td>Other Equity</td>
<td>26,409</td>
<td>14,848</td>
</tr>
<tr>
<td>Non Controlling Interests</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Borrowings (Current &amp; Non Current)</td>
<td>44,161</td>
<td>30,451</td>
</tr>
<tr>
<td>Deferred Tax Liabilities (Net)</td>
<td>29</td>
<td>31</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>1,901</td>
<td>2,675</td>
</tr>
<tr>
<td>Provisions</td>
<td>135</td>
<td>187</td>
</tr>
<tr>
<td>Total</td>
<td>72,683</td>
<td>48,239</td>
</tr>
<tr>
<td>PPE, Intangibles (Under Development), CWIP</td>
<td>5,740</td>
<td>5,425</td>
</tr>
<tr>
<td>Goodwill on Consolidation</td>
<td>5,633</td>
<td>5,427</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment</td>
<td>23,527</td>
<td>21,717</td>
</tr>
<tr>
<td>Others</td>
<td>21,287</td>
<td>5,887</td>
</tr>
<tr>
<td>Other Non Current Assets</td>
<td>437</td>
<td>399</td>
</tr>
<tr>
<td>Deferred Tax Asset (Net)</td>
<td>4,244</td>
<td>625</td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>774</td>
<td>723</td>
</tr>
<tr>
<td>Trade receivable</td>
<td>1,355</td>
<td>1,108</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents &amp; Other Bank balances</td>
<td>2,467</td>
<td>1,541</td>
</tr>
<tr>
<td>Other Financial &amp; Non Financial Assets</td>
<td>7,219</td>
<td>5,387</td>
</tr>
<tr>
<td>Total</td>
<td>72,683</td>
<td>48,239</td>
</tr>
</tbody>
</table>

Note: The above numbers have been regrouped from IND AS Financial Statements for Presentation purposes only.
Appendix
Delivering robust growth - track record

### Total Revenues

- Q1FY15: 1,182
- Q1FY16: 1,401
- Q1FY17: 1,776
- Q1FY18: 2,254
- Q1FY19: 2,902

4 yrs CAGR – 25%

### Adjusted Net Profit

- Adjusted Net Profits
- Adjusted Net Profit Margin %

#### 4 yrs CAGR – 62%

- Q1FY15: 55
- Q1FY16: 169
- Q1FY17: 231
- Q1FY18: 302
- Q1FY19: 382

5% 12% 13% 13% 13%

Note:
1. FY2016, FY2017 and FY2018 results have been prepared based on IND AS, prior periods are IND GAAP;
2. Q1 FY2015 net profit excludes exceptional gain on sale of 11% stake in Vodafone India partly offset by the amount written down on account of scaling back of our investments in NCE research;
3. Q1FY2019 adjusted net profit excludes Exceptional Item of write off of Imaging assets
Diversification into retail – Housing Finance

Key Strategies

- Use latest technology & analytics to build on key competitive parameters
- Work on a B2B2C model with existing developer partners
- Leverage existing network of 10,000+ distributors of Brickex
- Bring in innovative products to fill the gap in the HFC business

9 month journey: Sep’17 to Jun’18

- Loan book + Sanctioned: INR 2,691 crores
- 86 developers, 230 projects
- Branches in Mumbai, Pune, NCR & Bengaluru
- 2800 logins, 1100 channel partners
- Innovative products – e.g. Super loans
Diversification into small & mid-size lending - ECL

Key Strategies

- Leverage CFG business model
- Leverage learnings from RE financing
- Focus on small & medium enterprises (SMEs)
- Expand into Tier II & Tier III cities

9 month journey: Sep’17 to Jun’18

- Loan book+ Sanctioned: INR ~1500+ crores
- Team size: 22; Deals: 27
- Lending to multiple sectors across 10 locations
- Offering senior debt, LAP, LRD, Promoter financing & Structured debt, etc.
# Accounting treatment of the merger of Financial Services business

<table>
<thead>
<tr>
<th>Impact on Profit and Loss Statement and Balance Sheet</th>
<th>Impact on Cash Flow Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q4 and full year FY2018</strong></td>
<td>No impact on Cash Flows</td>
</tr>
<tr>
<td>The profit for the Q4 and full year FY2018 has gone up by Rs. 3,569 Crore due to recognition of Deferred Tax Asset in the balance sheet on account of the merger.</td>
<td></td>
</tr>
<tr>
<td><strong>Future Years</strong></td>
<td></td>
</tr>
<tr>
<td>The Deferred Tax Asset is expected to get reversed proportionately in each year over the next few years, resulting in to effective tax rate of 35% over reported Profit and Loss account.</td>
<td>- The cash flow statement is expected to reflect a lower tax outgo (as compared to reported tax expense in profit &amp; loss Account) over next few years resulting in cumulative lower cash outflow of Rs.3,569 Crore.</td>
</tr>
<tr>
<td></td>
<td>- Hence, Cash profit is expected to be higher as compared with the normalised net profit (excluding exceptional items) generated by the company over next few years</td>
</tr>
</tbody>
</table>
## Financial Services: Focus areas of key functions

<table>
<thead>
<tr>
<th>Asset Management Team</th>
<th>Risk Management Team</th>
<th>Legal Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Regular Site Visits</td>
<td>- Independent &amp; unbiased assessment of risk</td>
<td>- Identifying legal risks</td>
</tr>
<tr>
<td>- Monitoring the project</td>
<td>- Provide insights using portfolio analytics</td>
<td>- Ensuring adequate risks</td>
</tr>
<tr>
<td>- Providing real time feedback</td>
<td>- Analyse &amp; benchmark deal based on proprietary risk ratings model</td>
<td>- Transaction structuring &amp; compliance</td>
</tr>
<tr>
<td>- Micro-market analysis</td>
<td>- Recommend changes to enhance the Risk-Reward pay-off</td>
<td>- Legal Checks and Balances</td>
</tr>
<tr>
<td>- Performance review</td>
<td></td>
<td>- Due diligence and documentation</td>
</tr>
<tr>
<td>- Ensuring adequate cash cover at all time</td>
<td></td>
<td>- Legal recourse in the event of default</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Finance &amp; Compliance Team</th>
<th>Brickex</th>
<th>Technology Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Budgeting and forecasting</td>
<td>- Micro market research to assist price and velocity assumptions</td>
<td>- End-to-end technology solutions</td>
</tr>
<tr>
<td>- Continuous tracking of ROE</td>
<td>- Support developer in achieving sales velocity</td>
<td>- Reduce turnaround time</td>
</tr>
<tr>
<td>- Proactive monitoring of overdue accounts and exits</td>
<td>- Sourcing new deals through wide channel partner network</td>
<td>- Centralised analytical capabilities</td>
</tr>
<tr>
<td>- Audits, compliances &amp; internal controls</td>
<td>- To Support Retail Housing Finance</td>
<td>- Standardisation and efficiency in process</td>
</tr>
<tr>
<td>- Co-investment and down selling opportunities</td>
<td></td>
<td>- Streamline processes</td>
</tr>
</tbody>
</table>

- Micro market research to assist price and velocity assumptions
- Support developer in achieving sales velocity
- Sourcing new deals through wide channel partner network
- To Support Retail Housing Finance

- End-to-end technology solutions
- Reduce turnaround time
- Centralised analytical capabilities
- Standardisation and efficiency in process
- Streamline processes
Corporate Finance Group
Renewable Power
Coverage across major players with multiple products

Mezzanine Finance with Large Developers

Project Finance

Acquisition Finance

Offering multiple products to the same set of clientele
Logistics & Warehousing

Made inroads in Logistics/Warehousing sector in 2017

- Deep-dive into Logistics and Warehousing sector for a year before first transaction
- Deployed ~ INR 1,100 Cr across 5 transactions in last 18 months
- Across multiple situations including Capex, Promoter Funding, Acquisition Financing and Refinancing of Existing Term Loans
# Key Exits

<table>
<thead>
<tr>
<th>Deal Size (INR Cr)</th>
<th>Investment Timeline</th>
<th>Exit Timeline</th>
<th>Returns (IRR)</th>
<th>Brief</th>
</tr>
</thead>
<tbody>
<tr>
<td>425</td>
<td>Mar 2013</td>
<td>June 2017</td>
<td>20.8%</td>
<td>• Mezzanine financing for under-construction infrastructure projects</td>
</tr>
<tr>
<td>200</td>
<td>Sep 2015</td>
<td>June 2017</td>
<td>18.5%</td>
<td>• Funding against operations &amp; maintenance receivables against installed equipment</td>
</tr>
<tr>
<td>120</td>
<td>Aug 2016</td>
<td>Aug 2017</td>
<td>20.5%</td>
<td>• Funding for capex pan India</td>
</tr>
<tr>
<td>325</td>
<td>Mar 2016</td>
<td>Apr 2018</td>
<td>18.0%</td>
<td>• Funding to enable the Company to come out of Corporate Debt Restructuring</td>
</tr>
<tr>
<td>120</td>
<td>July 2016</td>
<td>Sep 2017</td>
<td>15.7%</td>
<td>• Acquisition funding to increase scale / geographical presence</td>
</tr>
</tbody>
</table>

Consistently achieved successful exits across multiple investments, spanning across various sectors
Retail Housing Finance
HFCs & the Home Loan market

HFCs/NBFCs growing faster than the home loan market

Total home loans CAGR: 16%  
HFCs/NBFCs loans CAGR: 21%

Banks  
HFCs/NBFCs

5,477  6,252  7,421  8,824  10,433  12,384  14,405

HFCs/NBFCs market share in home loans is growing

31%  33%  35%  35%  36%  36%  37%

HFCs/NBFCs loans CAGR: 21%

However, very few sizable HFCs

(in INR Cr)  No. of HFCs based on Retail AUM
100,000+  2
70,000 – 100,000  1
40,000 – 70,000  2
10,000 – 40,000  4
< 10,000  80

Source: Company analysis
Data as on 31st March 2017
The journey so far….

- **Received NHB licence**
  - Thane, Goregaon - Mumbai
  - Employee Strength: 100+

- **Q2 FY18**
  - **Product launch**
    - Customers: 130+
    - Employees: 350+
    - Assets Under Management: INR 490+ Cr

- **Q3 FY18**
  - INR 1325+ Cr
  - 560+
  - Pune, Bangalore, NCR
  - Employee Strength: 260+

- **Q4 FY18**
  - ~1600+ Cr
  - 1900+
  - 430+
  - 1100+
  - 86 Developers, 230 projects

- **Q1 FY19**
  - PMAY Launch
Performance trend

**Assets Under Management (INR Cr)**

<table>
<thead>
<tr>
<th></th>
<th>Sep-17</th>
<th>Dec-17</th>
<th>Mar-18</th>
<th>Jun-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>West</td>
<td>202</td>
<td>491</td>
<td>1,326</td>
<td>1,604</td>
</tr>
<tr>
<td>North</td>
<td>12%</td>
<td>15%</td>
<td>12%</td>
<td>0.8%</td>
</tr>
<tr>
<td>South</td>
<td>73%</td>
<td>92%</td>
<td>1604%</td>
<td>651%</td>
</tr>
</tbody>
</table>

**Zone-wise Loan Book (INR Cr)**

- West: 12%
- North: 15%
- South: 73%

**Log-in Trends**

<table>
<thead>
<tr>
<th></th>
<th>Sep-17</th>
<th>Dec-17</th>
<th>Mar-18</th>
<th>Jun-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>West</td>
<td>92</td>
<td>155</td>
<td>292</td>
<td>651</td>
</tr>
<tr>
<td>North</td>
<td>10.8</td>
<td>4.9</td>
<td>0.7</td>
<td>0.8</td>
</tr>
</tbody>
</table>

**Home Loans Average Ticket Size (INR Cr)**

<table>
<thead>
<tr>
<th></th>
<th>Sep-17</th>
<th>Dec-17</th>
<th>Mar-18</th>
<th>Jun-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>West</td>
<td>10.8</td>
<td>4.9</td>
<td>0.7</td>
<td>0.8</td>
</tr>
<tr>
<td>North</td>
<td>85.9</td>
<td>4.9</td>
<td>0.7</td>
<td>0.8</td>
</tr>
<tr>
<td>South</td>
<td>73%</td>
<td>92%</td>
<td>1604%</td>
<td>651%</td>
</tr>
</tbody>
</table>
Risk Management
Risk Governance Framework

**Board Risk Committee Charter**
- Portfolio performance + Stress Testing
- Emerging risks assessment
- Large exposure review
- Limits and tolerance levels
- ALM/Liquidity assessment
- Underwriting criteria / guidelines
- Risk budgeting
- Compliance risk
- Ops risk
- Technology risk

**Board Risk Committee**
- Ms Nandini Piramal
- Mr N Vaghul
- Mr Deepak Satwalekar
- Mr Siddharth Mehta
- Dr Deven Sharma (Invitee)

**Risk Steering Committee Charter**
- New product approvals
- Assessment and implementation of:
  - Limits
  - Provisioning
  - Returns thresholds
  - Portfolio analytics
- Review of existing risk processes
- Review of concept relevance

**Transaction Approving Committees**
- Financial Services Approving Committee (incl Board members)
- Executive Credit Committee

**Risk Management Group**
Experienced individuals primarily from rating agencies, leading private, foreign and boutique investment banks

**Risk Steering Committee**
- Ms Nandini Piramal
- Mr Khushru Jijina

**Asset Liability Committee**
- Mr Khushru Jijina
- Invitees from PEL Board
Evolution of the Risk Management Group

2014
ERM policy and framework
Proprietary Risk models for non-Real Estate structured transactions
ALM Policy & framework

2015
ALCO formation
Proprietary Risk models for all real estate transactions
Risk registers for non-FS businesses
Asset class wise team allocation

2016
Portfolio Revaluation - Analysis and Advisory
Proprietary Model development for new FS products
ALM Analytics
Geography wise team allocation

2017
Enhanced Portfolio Revaluation Advisory
Prudential Limits framework
Product-wise provisioning matrix
Corporate Governance policy and framework
Retail Housing Credit Policy & Framework

2018
Initiated Macro-economic Stress Testing
Sectoral limits framework
Credit Approval Authorisation Matrix
New model development for new products
Transfer Pricing framework
Risk based capital and asset allocation framework

Risk Architecture structurally designed for a multi-asset large financial institution
Risk Assessment & Measurement: Transaction Assessment Approach

- Identify primary risk drivers: Industry / Company
- Cash flow modelling using severe stress case scenario
- Security risk: Adequacy & enforceability
- Promoter risk: Track record, Management strength
- Exit risk: Refinanceability, capital markets, liquidity event

Output: Risk adjusted Return, Risk Rating, Commentary

- Quantitative & score-cards based rating methodology
- Scoring of around 40+ parameters
- Comparability across transactions
- Clear record of transitional matrices
- Amenable to analytics
Risk Assessment & Measurement: Pre-disbursement Process

**INPUT**

- **Credit Team**
  - Structure the deal
  - Provide the structure along with supporting data to Risk for inputs

- **Other Key Inputs**
  - Inputs about market conditions/sector and business viability
  - Market feedback about Borrower from FIs/Brokers
  - Site Visit by Risk team
  - External Due Diligences

**RISK TEAM**

- Does the structure best address inherent risks?
- Provide initial observations
- Revised Proposal
- Incorporate the suggestions
- Release the final rating and/or risk assessment
- Prepare and provide Risk note to approving committee

**OUTPUT**

- **Approving Committee**
- Discussion Forum
  - Deliberation on deal
  - Modifications to deal terms (DCC), if any
- Deal Rejected
Risk Assessment & Measurement – Post Disbursement Portfolio Analysis

- Early Warning Indicator System
  - Project progress & performance
  - Reassessment of market/sector
  - Views of Asset Management Team

- Transaction
  - Problem recognition
  - Action plan
  - Emerging Risks
    - Under-writing feedback
  - Capital Allocation
  - Origination Strategy
  - Risk Attribution
  - Limits Review
Legal
Legal Team : Financial Services

Focus Area

- Integrated legal set-up for Financial Services
- Regional set-up with local expertise
- Centralised Dispute Resolution & Litigation Team for recovery & security enforcement
- In- house Trusteeship company
- Regulatory Committee to make representations before Govt. authorities

Team Structure

Recognised as “One of the best In-House Legal Team” in BFSI Sector by “The Legal 500 GC Power List: India” in 2017
Legal Team – Financial Services

### Presence across Deal Lifecycle

**Origination**
- **Structuring**: Robust and Ring Fenced Structuring
- **Term Sheet**: Vetting & Providing relevant Inputs
- **Deal Clearance Committee**: Strategic Advise

**Closure**
- **Law Firms**: Appointed by Legal Team
- **Due Diligence, Documentation & Negotiations**: Internal expertise coupled with top law firms
- **Legal Sign Off Process**: Disbursement & Deviations

**Post Closure**
- **Post closure Compliances**: Along with external auditors
- **Dispute Management**: Participation in EWS meeting
- **Exit Facilitation**: Legal inputs on potential exits

### Serving all Internal Stakeholders

- **Asset Monitoring**
  - EWS Support
  - Standardised escrow

- **Finance & Treasury**
  - Structuring

- **Compliance**
  - NHB/HFC regime

- **Investment**
  - Transaction Closing

- **Risk**
  - Security related rating
Security Interest Mechanism & Enforcement

**Security Cover**
- Covers Loan Outstanding
- Adhere to minimum cash cover prescribed
- Mortgage
- Share Pledge

**Escrow on Cash flows**
- Secures Debt Servicing
- Hypothecation of Receivables / Charge on Project Escrow Account
- Obtain end use certificates from auditors
- Monthly monitoring and tally

**CG / PG / PDC / DPN**
- Additional Mitigation Mechanisms
- Corporate Guarantee – Holding Company
- Personal Guarantee – All Individual Promoters
- Post-dated Cheques /Demand Promissory Notes – To be collected post disbursement

**Continued Monitoring via Contractual Rights**
- Identification of Early Warning Signals
- Affirmative rights on key decisions
- Form and participate in Project Management Committee (for RE deals)
- Active role in key commercial decision
- Events of Default Consequences: Right to appoint Directors, Management & Project Step-in Rights

Note: CG – Corporate Guarantee, PG – Personal Guarantee, PDC – Post-dated Cheques, DPN – Demand Promissory Notes
Litigation and Dispute Management - Case Study

**Sri Harsh**  
*(Funding against Apartments)*
- Economic Offences Wing (Criminal Proceeding)
- Section 138 proceedings (Cheque Dishonour)
- Civil Suit Proceedings (Bombay High Court)

**SES**  
*(Education Sector Funding)*
- Recovery Suit (Bombay High Court)
- Contempt of Court Proceedings route to avoid lengthy enforcement process
- Attachment of Personal Properties/Assets

**C&C**  
*(Healthcare PE Funding)*
- Contractual Enforcement of Put Option
- Arbitral Award making Promoters Personally Liable
- Enforcement of Arbitral Award and attachment thorough asset tracing

No litigation in the current portfolio till date, other than Pre-2014 legacy transactions

- INR 80 Cr recovered against Principal of INR 60 Cr
- Obtained attachment of moveable & immovable assets of the promoter
- Recovered 2x of investment - INR 108 Cr against INR 50 Cr
Technology & Analytics as business enablers
Technology

Initiatives in technology have played a pivotal role in create customer centric advancements

- **Customer-Centric**
  - Constant re-invention
  - Low-cost operating model
  - Sustainable differentiators

<table>
<thead>
<tr>
<th>Journey so far</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Core lending platform for Wholesale RE</td>
</tr>
<tr>
<td>• Initiated building of NextGen platform for Retail HFC</td>
</tr>
<tr>
<td>• Data warehouse, single source of data to help drive insights, analytics, cross selling, dashboards across financial services</td>
</tr>
<tr>
<td>• Initiated Robotic Process Automation for business processes</td>
</tr>
<tr>
<td>• IT compliance enabling data leakage prevention, advanced threat protection etc.</td>
</tr>
</tbody>
</table>

Piramal Connect – a one of its kind technological initiative to bring our partners closer
## Financial Services: Illustration 1 - How we closed our largest FS deal?

<table>
<thead>
<tr>
<th>Facility Amount</th>
<th>Developer Proposal</th>
<th>Our Deal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs 1,500 Crores</td>
<td>Rs.2,320 Crores</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Towards Lender A exit</th>
<th>Rs.820 Cr – Towards takeover of existing loans on Project A and Project B (quality projects)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>• Rs.1,500 Cr – Towards Lender A exit</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Proposed Security</th>
<th>2nd charge on Project C</th>
<th>1st charge on Project A and Project B (Takeover of existing loans to have full control on escrow)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>• 2nd charge on Project X &amp; Project Y</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 2nd charge on Project W cashflows</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 1st charge on Plot A (10 Acres)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 2nd charge on unutilised FSI of Project C</td>
</tr>
</tbody>
</table>

| Disbursement      | Full amount upfront    | Linked to sales milestones of projects (ability to back test our sales assumptions) |

| Deal Type         | General Corporate Purpose | Receivables discounting + Takeover of Construction Finance establishing full escrow control |

---
## Financial Services: Illustration 2 - How we resolved an old NPA case?

### Project X

- Rs.60 Crores facility disbursed in Sep 2012
- Security of multiple apartments consisting of 3BHKs & Duplex
- Account was classified as NPA in March 2014

### Resolution

<table>
<thead>
<tr>
<th>Legal</th>
<th>Brickex (our in-house real estate advisory arm)</th>
<th>Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Pressure building through legal proceedings including mortgage enforcement</td>
<td>• Sourcing and engaging with customer for sales of security units</td>
<td>• Bridging the gap of Customer and Developer expectation</td>
</tr>
<tr>
<td>• Filed criminal complaint with Economic Offence Wing (EOW) and Crime Branch</td>
<td>• Continuous dialogue with developers</td>
<td>• Multiple meetings with EOW and Crime Branch</td>
</tr>
<tr>
<td></td>
<td>• Structuring transaction</td>
<td></td>
</tr>
</tbody>
</table>

### Outcome

- Recovered entire Principal with interest of Rs.20 Crores, whereas other lenders are yet to recover even their principal.
# Financial Services: Illustration 3 - Resolving a stressed deal

## Key Project Details
- Projects located in prime locations of NCR
- Commercial component has excellent market potential

## Problem Statement
- Project sales got impacted due to ban on Construction by NGT and overall market slow down in NCR
- Leading to opening of working capital gaps

## Solutions being explored
- We leveraged our relationships with both regional and national developers to take over and execute the project
- Win-win for both:
  - Developer: Takes care of existing liabilities from lenders, authorities and customers
  - Ecosystem: Provides other development partners an opportunity to these prime projects
Global Pharma : Acquisitions of two niche branded hospital generic products

<table>
<thead>
<tr>
<th>Products Acquired</th>
<th>Acquisition from Janssen</th>
<th>Acquisition from Mallinckrodt</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Five injectable anaesthesia &amp; pain management products - Sublimaze, Sufenta, Rapifen, Dipidolor, and Hypnomidate</td>
<td></td>
<td>• Gablofen® (baclofen) - Intrathecal spasticity management product and two pain management products under development</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Acquisition Highlights</th>
<th>Acquisition from Janssen</th>
<th>Acquisition from Mallinckrodt</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Brand names and all related IP associated with products</td>
<td></td>
<td>• Gablofen® is for patients who do not get relief / have intolerable side effects from oral baclofen</td>
</tr>
<tr>
<td>• Know-how to make both API &amp; finished products</td>
<td></td>
<td>• Currently marketed in the US; approved for launch in 8 European Countries</td>
</tr>
<tr>
<td>• Marketing Authorisations in &gt;50 countries</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consideration</th>
<th>Acquisition from Janssen</th>
<th>Acquisition from Mallinckrodt</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Upfront - US$155 mn</td>
<td></td>
<td>• Upfront - US$171 mn</td>
</tr>
<tr>
<td>• Up to US$20 mn, if the product portfolio achieves agreed financial milestones over the next 30 months</td>
<td></td>
<td>• Up to US$32 mn payable based on financial performance of acquired assets over next 3 years</td>
</tr>
</tbody>
</table>
Global Pharma: What makes these two acquisitions attractive for us?

**Access to niche markets with entry barriers**
- Enhance our access to niche markets of controlled substances and differentiated products
- Entry barriers are high due to complex selling and distribution of these niche products, resulting in limited competition
  — For instance, limited alternate treatments are available for severe spasticity — Gablofen. It is the only Baclofen drug in prefilled syringes & vials currently.

**Leverage global distribution**
- Maximize value from existing sales infrastructure and partner network into hospitals
- Significantly expands our presence in US, EU, Japan, large EMs, etc.

**Significantly expands the addressable market size**
- Entered the US$20 bn global generic hospital drug market, from US$1.1 bn Inhalation Anaesthesia market earlier

High EBITDA margin of the acquired portfolios to improve the overall profitability
Global Pharma: Large global distribution network reaching to over 100 countries

- Presence in 118 countries
- Serving over 6,000 hospitals in the world

**Both product acquisitions:**
- Strengthen presence in US, EU, Japan & EMs
- Enable higher fixed cost amortisation to improve margins

Larger product portfolio will significantly leverage our global distribution capabilities
First major fund raise in the history of PEL - ~Rs.7,000 Crores

Successfully raised ~Rs.4,996 Crores through CCDs

- Largest QIP deal by any company (excluding banks) in India
- First QIP of INR denominated CCDs in India - a milestone deal in the history of Corporate India - a benchmark for future fund raising deals in India
- Widespread participation: from FII long only investors, global university endowment fund, domestic institutions and alternative asset managers comprising over 30 institutional investors
- Provides benefit of both debt (downside protection) and equity (upside opportunity) instruments

Successfully raising Rs.1,978 Crores through Rights Issue

- Existing shareholders of PEL got an equal opportunity to participate in the fund raising
- Rights issue size of Rs.1,978 Crs includes Rs.190 Crs of entitlement reserved for the CCD holders
- Issue was oversubscribed by 1.26x times excluding the CCD holders reservation
- CCD holders will be entitled to subscribe to rights issue portion of their entitlement as and when they convert CCD into shares over the next one year
The structure of the deal to set a benchmark for the future fund raising deals in India

A win-win for both Investors and PEL

For Investors

- Protects from the down-side (investors will get the interest coupon for next 18 months)
- Gives all upside (CCDs can be converted into pure equity at any time in future)
- Provides the benefits of both debt and equity instruments
- Listing of CCDs should bring liquidity to the instrument

For PEL

- Interest coupon is nearly same / lower than the cost of the borrowing for PEL
- Equity base to get enhanced progressively in next 18 months in line with business requirements
- Attracted a large number of the top institutional investors
For Investors:

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Phone: +91 22 3046 6306