

Piramal Enterprises Limited

Investor Presentation

August 2017



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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.

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Note: Figures in previous periods might have been regrouped or restated, wherever necessary to make them comparable to current period.

Three Phases of our Evolution

1988

Nicholas Laboratories

- Entered the pharma space through the acquisition of Nicholas Laboratories in 1988
- Series of M&As, JVs and Alliances and various organic initiatives

2010

Piramal Healthcare

Domestic Formulations

Pharma Solutions

Critical Care

OTC

India NCE

Diagnostic Services

- Created one of the leading Indian Pharmaceutical Companies over 22 years
- Sold the Domestic Formulations business to Abbott in 2010 for US\$3.8 billion
- Sold Diagnostic Services to Super Religare Laboratories

2017

Piramal Enterprises

Global Pharma

Consumer Products

Healthcare Insight and Analytics

Wholesale Lending

Alternative AUM

Investments in Shriram

Housing Finance Company

- Built a large and well diversified Financial Services business
- Created a leading real estate developer financing platform
- Received license for Housing Finance license in Sep 2017
- Acquired a stake of 20% in SCL, ~10% in STFC and ~10% in SCUF
- Sold Stake in Vodafone for Rs. 8,900 crores (IRR of 19% p.a.)
- Scaled up the remaining pharma businesses
- Entered the US-based Healthcare Insight and Analytics business

Note: SCL – Shriram Capital Limited, STFC – Shriram Transport Finance Corporation, SCUF – Shriram City Union Finance. NCE – New Chemical Entity.

Piramal Enterprises Limited: Business Overview



Piramal Enterprises

FY17 Revenues:
Rs. 8,547 crs (\$1.3bn)

Financial Services

FY17 Revenue Contribution: 39%

Wholesale Lending

- **Loan Book** of Rs. **28,648 crs** (\$3.8bn)¹
- **End-to-end** financing solutions
- ROE of **25%+¹**; GNPA's of **0.2%^{1,2}**

Alternative Asset Management

- Marquee partners: CDPQ, APG, Bain, Ivanhoe Cambridge

Housing Finance

- Received HFC license in Sep 2017

Diversified Retail Exposure via Shriram

- **Strong position** in CVs, SME, Insurance

Q1FY2018 Capital Employed ⁵: 51%

Pharma

FY17 Revenue Contribution: 47%

Global Pharma

- Strong portfolio of **differentiated branded generic products**
- **Distribution to 100+ countries¹**
- Integrated solutions across APIs, formulations and delivery systems
- **13 sites (9 USFDA approved)** across US, UK and India

India Consumer Products

- Among the **leading Indian OTC players**
- Pan-India distribution network

Q1FY2018 Capital Employed ⁵: 26%

Healthcare Insight and Analytics

FY17 Revenue Contribution: 14%

Decision Resources Group (DRG)

- Serving a large number of healthcare companies
- **Leveraging proprietary data**
- Offers **information** and **analytical insights**
- Global team of 1,000+ eminent industry experts (250+ in India)¹
- Recurring revenue model and high client retention

Q1FY2018 Capital Employed ⁵: 23%

Key Business Highlights

- **~30%** annualized return over the last 29 years
- **~24%** and **~29%** Revenue and Net Profit CAGR respectively over the last 29 years ³
- **Consistently improving financial performance** (Revenue and Net Profit)⁴
- **Presence in high growth sectors and geographies** (USA, India)
- **Robust Corporate Governance** and **Quality** management team
- **Conglomerate structure** allows for **flexibility** and **disciplined capital allocation**

Note: FX rate: 1 USD = Rs. 65 (source: RBI website as of May 19, 2017). CV = Commercial Vehicle; (1) As of March 31, 2017 (2) Based on 90 Days Past Due (DPD) (3) 1988 revenue and PAT numbers were for the year ending June 30, 1988. 1988 numbers are as per Indian GAAP; FY17 numbers are reported as per IndAS. (4) Last 3 financial years; (5) As per books. Excludes unallocated portion of capital employed to various business segments

Domestic Formulations

- Sold Domestic Formulations business to Abbott
- Series of M&As and JVs to develop business
- Acquired Nicholas Laboratories

1988

2010

Financial Services Business

- Created one of the leading financial services platform
- Building businesses using domain expertise
- Integrated equity and debt financing platforms
- Entered Financial Services post 2008 crisis

2011

2017

Healthcare Insight and Analytics

- Transformed into high-end data analytics platform
- Expanded capabilities through Acquisition
- Acquired DRG

2012

2017

Investment in Vodafone

- Sold Vodafone stake for Rs. 8,900 crores
- Acquired stake in Vodafone for Rs. 5,864 crores

2012

2015

Efficient capital allocation over years

Over the preceding 29 years, more than 90% of our key capital allocation decision turned out to be successful

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

Invested Rs.28,648 Crores (on B/S) & Rs.6,727 Crores (off B/S) in FS

Average yields on loan - 16%

RoE in FS business – 25%+

Rs.4,583 Crores invested in Shriram Group

Investments strategic in nature

Mr. Ajay Piramal is the Chairman of Shriram Capital (Holdco)

~Rs.6,400 Crores invested in Pharma

6 Year Revenue CAGR - ~17%

7 value accretive acquisitions in last 2 years

~Rs.4,750 Crores invested in Healthcare Insight and Analytics

Business, geographic, currency diversification

Investing in new areas i.e. payers and providers

Rs.5,228 Crores of capital returned to shareholders

Buyback of Rs 2,508 Crores

Annual dividends of Rs 2,116 Crores & Special dividend of Rs. 604 Crores

Demonstrated track record of delivering value through focus on operating excellence, timely investments as well as disciplined exits: 8 businesses successfully built across multiple sectors, 2 new businesses in building up phase

Pharma Business

🔥 7 acquisitions over the last 2 years

Businesses developed:

- 🔥 Domestic Formulations (Nicholas Labs)
- 🔥 Critical Care
- 🔥 OTC
- 🔥 Pharma Solutions
- 🔥 Diagnostic Services

Exits:

- 🔥 Domestic Formulations (sold to Abbott)
- 🔥 Diagnostics Services (sold to Super Religare Laboratories)
- 🔥 Drug Discovery (exited business)

Financial Services

Wholesale and Retail businesses :

- 🔥 Real Estate Lending
- 🔥 Received HFC license in Sep 2017
- 🔥 Asset Management business
- 🔥 Corporate Finance Group (CFG)
- 🔥 Distressed Asset Investment Fund
- 🔥 Retail exposure through strategic investments in Shriram Group
- 🔥 FY17 ROE of 25%+







Exits:

- 🔥 Sold stake in Vodafone for Rs. 8,900 crs in 2015 (acquired for Rs. 5,864 crs in 2011)
- 🔥 Loan Repayments of Rs.20,895 crs (as on June 30, 2017)

Healthcare Insight and Analytics

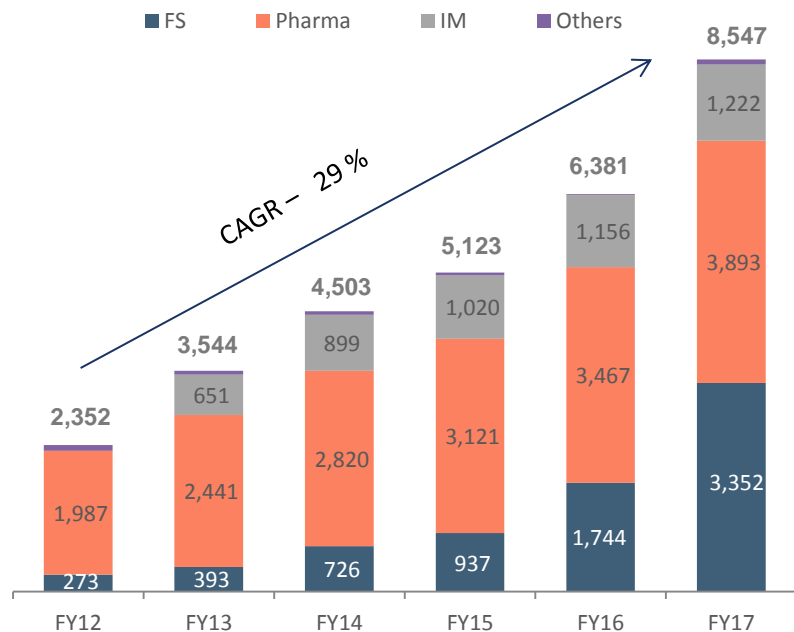
- 🔥 Acquired DRG in 2012 for US\$661.5 mn
- 🔥 Expanded market access capabilities by acquisition of



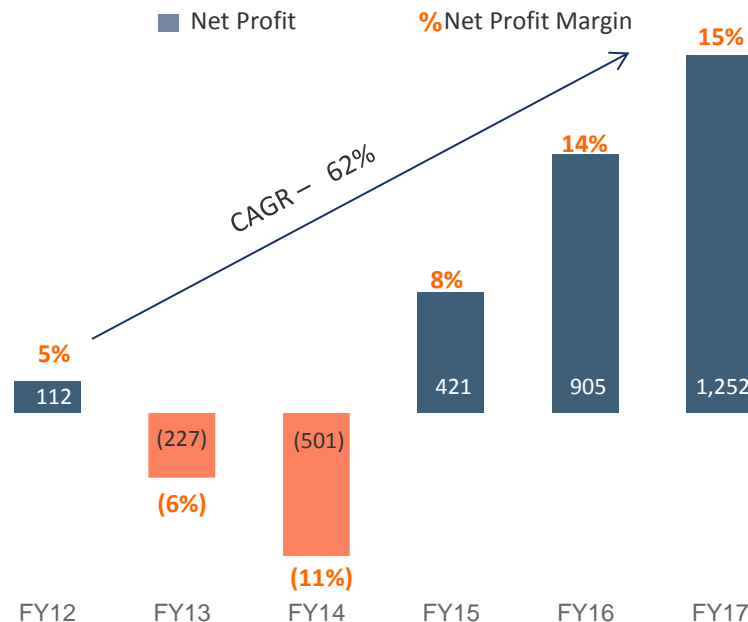
- 🔥 Multiple acquisitions over last few years:
 - Analytics capabilities
 -  (FY14)
 -  (FY16)
 -  (FY15)
 - Entry into provider space
 -  (FY16)
 - Entry into payer space
 -  (FY16)
 - Access to European hospital data
 -  (FY18)

Delivering robust performance over last many years

Business-wise Revenue Trend



Net profit & Margin Trend



In Rs. Crores

Note:

1. 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.
2. FY2017 results have been prepared based on IND AS & FY2016 results have been reinstated to make them comparable with the reported period. Prior period numbers are as reported in their respective period.

Consistently delivering strong performance since last many quarters

Period	Revenues			Net Profits		
	Reported Period (Rs. Cr)	Previous Period (Rs. Cr)	% Change	Reported Period (Rs. Cr)	Previous Period (Rs. Cr)	% Change
Q1FY15	1,182	965	+22%	55	(147)	NM
Q2FY15	1,243	1,131	+10%	41	(32)	NM
Q3FY15	1,400	1,286	+9%	224	(11)	NM
Q4FY15	1,298	1,121	+16%	100	(311)	NM
Q1FY16	1,401	1,182	+19%	169	55	+206%
Q2FY16	1,504	1,243	+21%	235	41	+473%
Q3FY16	1,786	1,400	+28%	307	224	+37%
Q4FY16	1,691	1,298	+30%	193	100	+93%
Q1FY17	1,776	1,401	+27%	231	169	+36%
Q2FY17	1,966	1,504	+31%	306	235	+30%
Q3FY17	2,342	1,786	+31%	404	307	+32%
Q4FY17	2,463	1,691	+46%	311	193	+61%
Q1FY18	2,254	1,776	+27%	302	231	+31%

Overall top line growth has been higher than 25%
in each of the last seven quarters

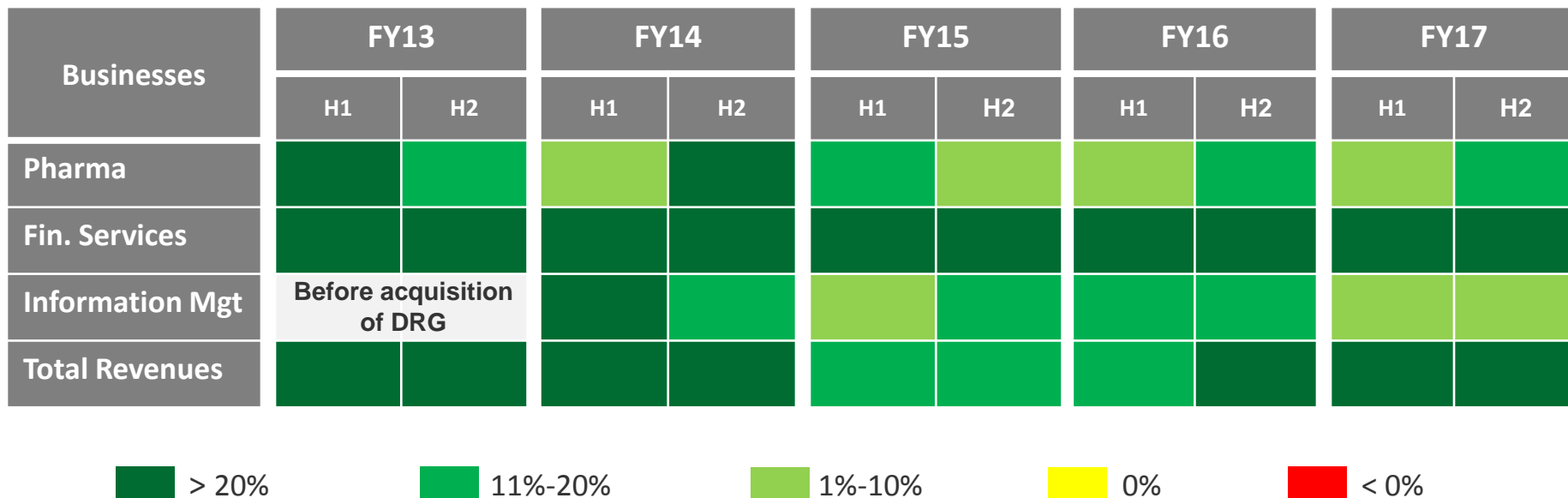
Our normalised net profit has grown over 30%
in each of the last 9 quarters

Note:

1. All periods of FY2017 and Q1 FY2018 results have been prepared based on the Ind AS and all the results of the corresponding periods of the previous year have been reinstated to make it comparable with the reported period. Prior period numbers are as reported in their respective period.
2. FY2015 quarterly net profit numbers exclude exceptional gain from Vodafone transaction and exceptional loss from NCE shutdown
3. NM – Not measurable

Various business segments growing consistently over years

Metrics showing YoY revenue growth



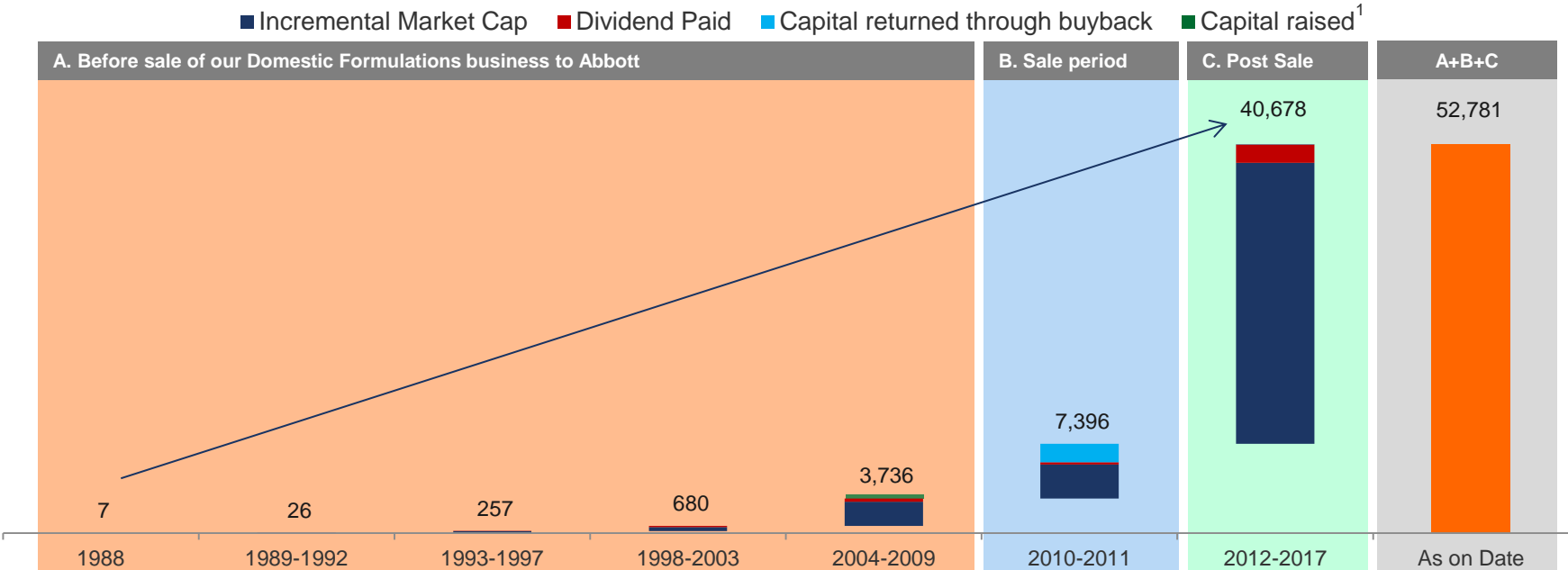
* Investment income from treasury operations for various periods has been clubbed under Financial Services to make numbers more comparable

Creating significant value for shareholders



Shareholder value creation in less than 3 decades

(In Rs. Crores)



Note:

1. Company raised less than Rs.500 Crores 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 31 Aug 2017

24%

Revenue CAGR for last 29 years

29%

Net Profit CAGR for last 29 years

30%*

Annualized return to shareholders over last 29 years

Rs. 1 Lac invested in the company in 1988 has generated total value of over **Rs.21 Crores***

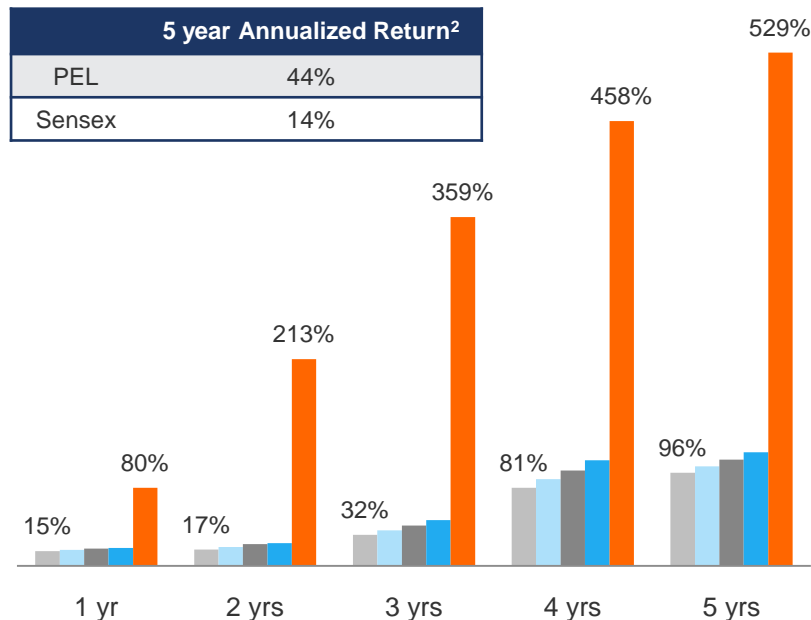
Source : Bloomberg

* Assumed dividend reinvested in the stock

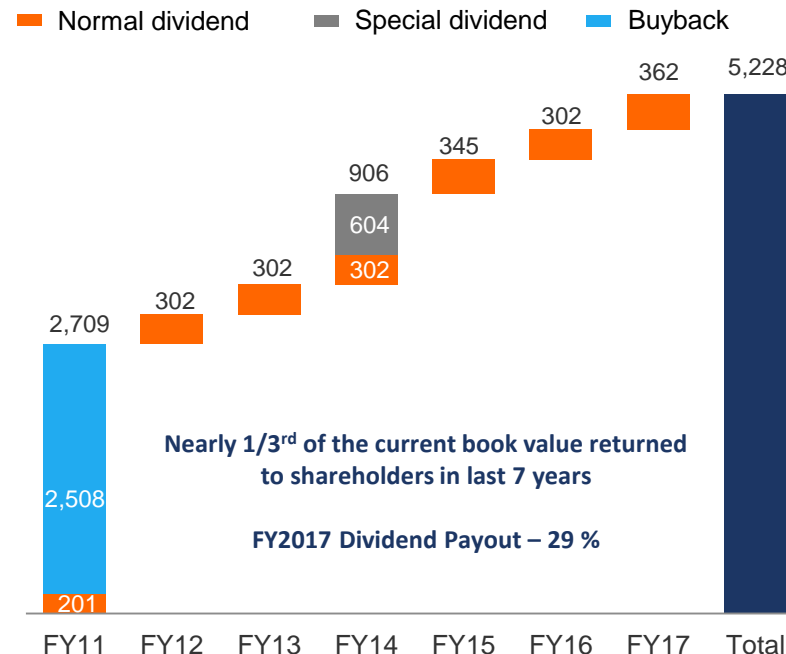
Returns to shareholders consistently outperforming all benchmarks

Consistently delivered strong shareholder returns – significantly higher than benchmarked indices¹

■ Sensex ■ Nifty ■ BSE100 ■ BSE200 ■ PEL



Rs.5,228 Crores^{3,4} returned to shareholders since sale of Domestic Formulations business in 2010



Notes:

1. Total shareholder returns are as on 9 Aug 2017. Assumes re-investment of dividend in the stock (Source : Bloomberg)

2. Annualized returns are as on 9 Aug 2017



3. Of the buy back 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

PEL among best performing companies in terms of revenue and profitability growth

- PEL among top 5 companies (within BSE 100 Index) in terms of 5 years revenue CAGR
- PEL among top 5 companies (within BSE 100 Index) in terms of 5 years Net Profit CAGR
- Very few companies are currently delivering similar / better track record of consistent growth in revenue and net profit over last so many quarters

PEL's relative positioning in terms of 5 year revenue and net profit CAGR among BSE 100 companies

BSE-100	3Yr Revenue CAGR	3Yr Net Profit CAGR
Quartile 1 Top 25 companies		
Quartile 2 26-50 companies		
Quartile 3 51-75 companies		
Quartile 4 76-100 companies		

Source : Factset

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**



Knowledge Action Care Impact

Tenured Leadership

- 🔥 Professional management team
- 🔥 Experienced leadership with domain expertise

Alignment with Minority Shareholder Interests

- 🔥 Large Promoter shareholding (51.4% as of June 30, 2017) ¹
- 🔥 No monetization of PEL shares by Promoters
- 🔥 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

- 🔥 28 USFDA Inspections cleared since 2011
- 🔥 High asset quality – GNPA² of 0.2% in Q1FY18
- 🔥 Reputed and experienced Board

Note:

(1) Bombay Stock Exchange (2) Based on 90 DPD

Board of Directors



AJAY PIRAMAL

CHAIRMAN

AWARDED "ENTREPRENEUR OF THE YEAR" BY UK TRADE & INVESTMENT COUNCIL

AWARDED "CEO OF THE YEAR" BY WORLD STRATEGY FORUM

AWARDED "GLOBAL LEADER OF TOMORROW" BY WORLD ECONOMIC FORUM

CO – CHAIR, UK-INDIA CEO FORUM

MEMBER OF THE NATIONAL COUNCIL OF CONFEDERATION OF INDIAN INDUSTRY

DIRECTORS



DR. SWATI PIRAMAL

VICE-CHAIRPERSON

EMINENT SCIENTIST

AWARDED PADMA SHRI



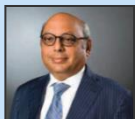
NANDINI PIRAMAL

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



N VAGHUL

FORMER CHAIRMAN,
ICICI BANK



KEKI DADISETH

FORMER CHAIRMAN,
HINDUSTAN UNILEVER LTD



PROF. GOVERDHAN MEHTA

EMINENT SCIENTIST
FORMER DIRECTOR - IISc
AWARDED PADMA SHRI



DEEPAK M SATWALEKAR

FORMER MD & CEO,
HDFC STANDARD LIFE



DR. R MASHELKAR

EMINENT SCIENTIST

FORMER DG, CSIR

AWARDED PADMA VIBHUSHAN



S RAMADORAI

FORMER VICE-CHAIRMAN,
TCS



SIDDHARTH (BOBBY) MEHTA

FORMER PRESIDENT & CEO
TRANSUNION



GAUTAM BANERJEE

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

Board and Board-Sub Committees with majority Independent Directors

Business Boards / Investment Committees : Operating our business segments as three virtual companies

PHARMA

FINANCIAL SERVICES

HEALTHCARE INSIGHT & ANALYTICS

Pharma Operations Board	Investment Committee for Real Estate Lending	Investment Committee for RE Asset Management	Investment & Advisory Committees for Structured Finance transactions	Information Management Board
<ul style="list-style-type: none"> Executive Directors External Experts Key Business CEOs 	<ul style="list-style-type: none"> Executive Director Independent Director External Experts Business CEO 	<ul style="list-style-type: none"> Executive Director External Experts Business CEO 	<ul style="list-style-type: none"> Executive Directors Independent Directors External Expert Business Heads 	<ul style="list-style-type: none"> Independent Director External Expert Business CEO

Independent Directors and External Experts who are members of Business Boards/ Investment Committees

Niraj Bhukhanwala	<ul style="list-style-type: none"> Worked with Mckinsey and Intel MBA from INSEAD, France 	Deepak M. Satwalekar	<ul style="list-style-type: none"> Former MD & CEO, HDFC Standard Life Former consultant to the World Bank and ADB
Ashish Dalal	<ul style="list-style-type: none"> Ex. Partner with PWC Practicing in M&A 	Bharat D. Shah	<ul style="list-style-type: none"> Chairman, HDFC Securities Advisor HDFC Bank
Shitin Desai	<ul style="list-style-type: none"> Ex. Vice Chairman of DSP Merrill Lynch Member of SEBI and RBI Committees 	R A Shah	<ul style="list-style-type: none"> Solicitor and senior partner at M/s Crawford Bayley & Co
Harish Engineer	<ul style="list-style-type: none"> Former ED & Head-Wholesale Banking, HDFC Bank Worked for 26 years in Bank of America 	N. Vaghul	<ul style="list-style-type: none"> Former Chairman, ICICI Bank
Rajesh Khanna	<ul style="list-style-type: none"> Founder & CEO of Arka Capital Advisors; Former MD of Warburg Pincus 	Shikhar Ghosh	<ul style="list-style-type: none"> Professor of Entrepreneurial Management at HBS Founder and CEO/Chairman of eight companies
Suhail Nathani	<ul style="list-style-type: none"> Among panel of lawyers for SEBI, CCI and WTO Panel for the Government of India 	Raman Uberoi	<ul style="list-style-type: none"> Former President & Business Head of CRISIL Ratings Director on the board of Receivables Exchange of India Ltd
Deepak Maheshwari	<ul style="list-style-type: none"> Former Head - Wholesale Credit Risk function at HDFC Bank 		

Strong partnerships



Total AUM - €452 Bn

Alliance Partner –
Infrastructure Financing



Total AUM - US\$34 Bn

Alliance Partner –
Distressed Asset Investing



Total AUM - C\$317 Bn

Alliance Partner –
Real Estate Financing



Total AUM - C\$55 Bn

Alliance Partner –
Real Estate Financing



Total AUM – US\$18.7 Bn

PEL invested in
Shriram Group



Market Cap - US\$83 Bn

JV Partner



Market Cap - US\$77 Bn

PEL had invested
in Vodafone India



Market Cap - US\$84 Bn

Acquirer – Domestic
Formulations Business

Note: Market Capitalisation data as on 29th June 2017. Source: Yahoo Finance



Financial Services

Diversified exposure across both wholesale and retail financing

Financial Services

Wholesale business

Lending

Loan Book –
Rs. 28,648 Cr

Real Estate

Loans -
Rs.24,924 Cr

CFG

Loans –
Rs.3,584 Cr

ECL

Loans –
Rs.140 Cr

Alternative AUM

AUM –
Rs. 6,727 Cr

Real Estate

AUM –
Rs.5,757 Cr

CFG

AUM –
Rs. 970 Cr

Retail business

Lending

Announced entry in
housing finance in Jan'17

HFC

Received HFC
license

Investments in Shriram

Total investments –
Rs. 4,583 Cr

SCL

20% stake

STFC

10% stake

SCUF

10% Stake

CFG – Corporate Finance Group; ECL – Emerging Corporate Lending; HFC – Housing Finance Company; SCL – Shriram Capital Limited; STFC – Shriram Transport Housing Finance; SCUF – Shriram City Union Finance

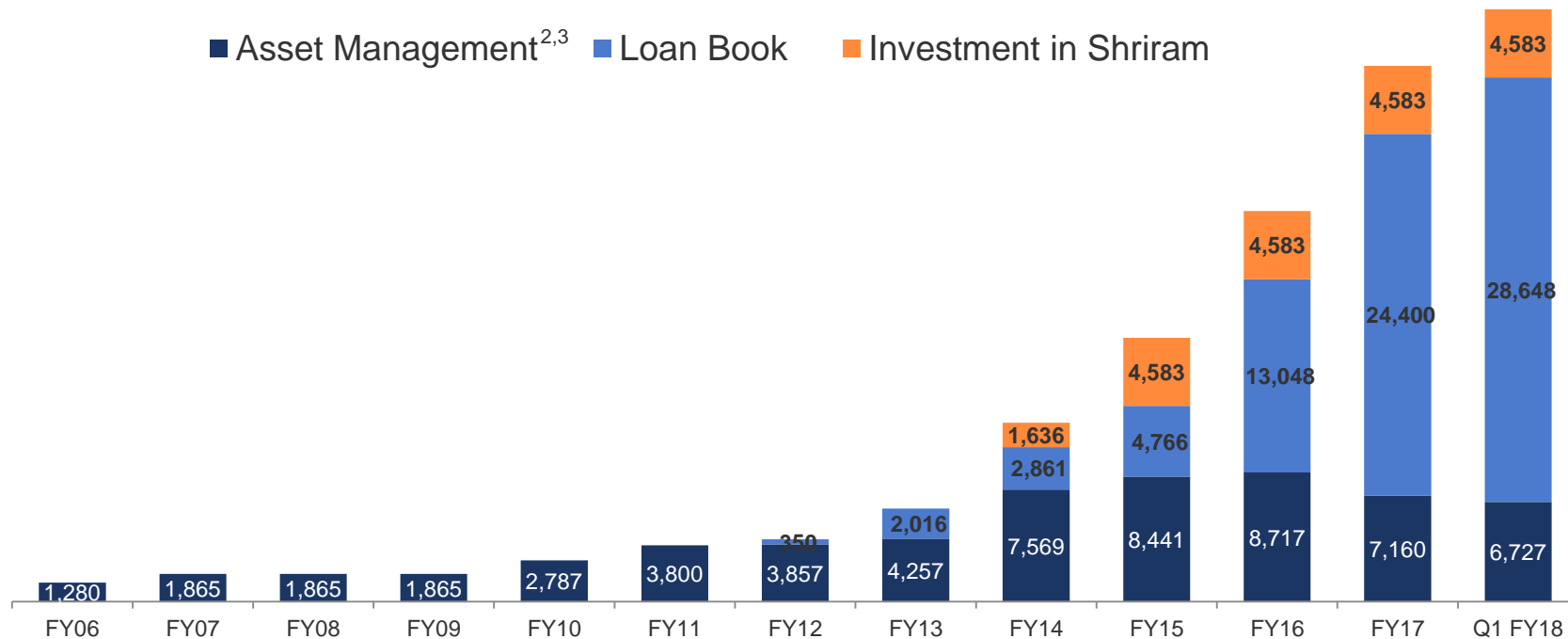
Strong portfolio with a total investments, loans and assets under management of Rs.39,958 Crores

Built a robust and scalable financial services platform

Rapidly growing financial services portfolio¹

(in Rs. Crores)

■ Asset Management^{2,3} ■ Loan Book ■ Investment in Shriram

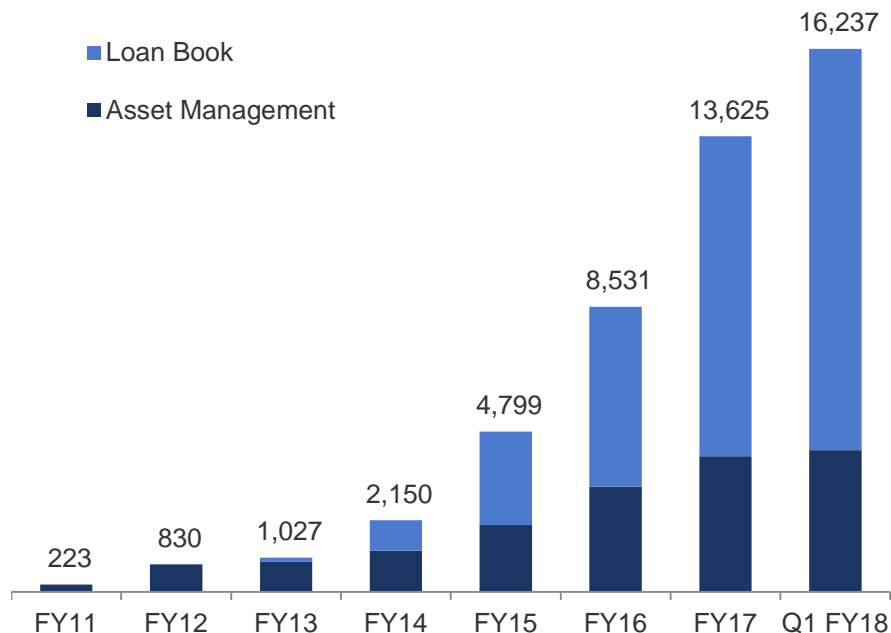


Notes:

1. Excludes our investment in Vodafone India, which was exited during FY2015
2. Exits from Asset Management business have been included on calendar year basis
3. AUM from FY2006 to FY2011 represents INDIAREIT numbers

Built a robust and scalable financial services platform

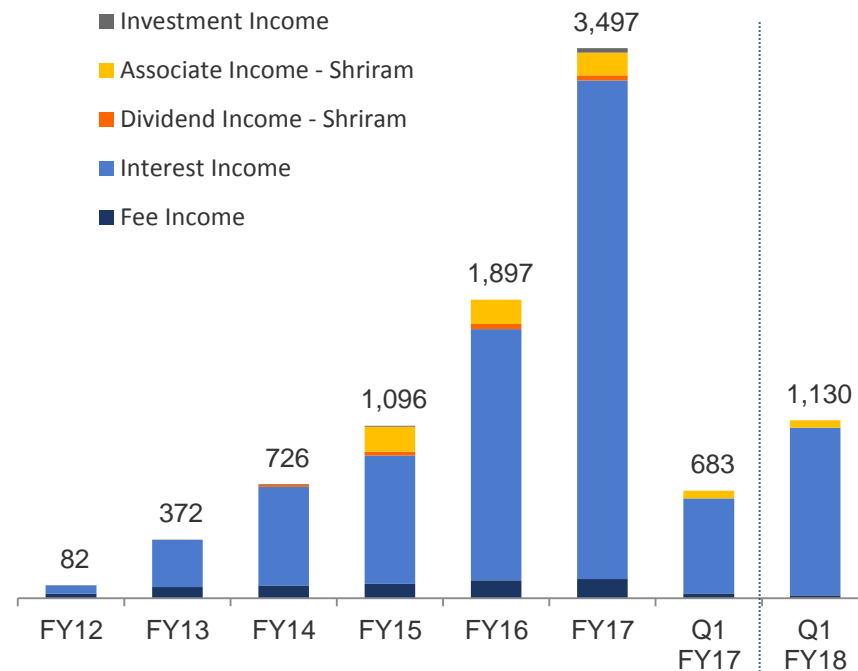
Strong trend of cumulative exits / repayments^{1, 2} (in Rs. Crores)



Notes:

1. Excludes our investment in Vodafone India, which was exited during FY2015
2. Exits from Asset Management business have been included on calendar year basis

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



Significantly diversified exposure : Consistently expanding product portfolio

Product Portfolio				
Wholesale Financing	Real Estate	Corporate Finance	Emerging Corporate Lending ^{NEW}	Alternative Asset Management
	Mezzanine	Mezzanine	Senior Debt ^{NEW}	Real Estate Funds
	Construction - Residential	Senior lending	Loan Against Property ^{NEW}	JV with CPPIB JV with CDPQ ^{NEW}
	Construction - Commercial	Acquisition funding	Promoter Financing ^{NEW}	JV with APG
	Lease Rental Discounting ^{NEW}	Loan Against Share	Structured Debt ^{NEW}	JV with Bain Capital (Distressed Asset Investments)
Retail Financing	Housing Finance ^{NEW}	Investments in Shriram Group		
	Received HFC Licence in Sep 2017	~10% stake in STFC	~20% stake in SCL	~10% stake in SCUF
		Commercial Vehicle Finance	Small Enterprise Finance	Retail Stock Broking
		Life Insurance	General Insurance	Financial Product Distribution
		Personal Loans	Two-wheeler Financing	Chit Funds

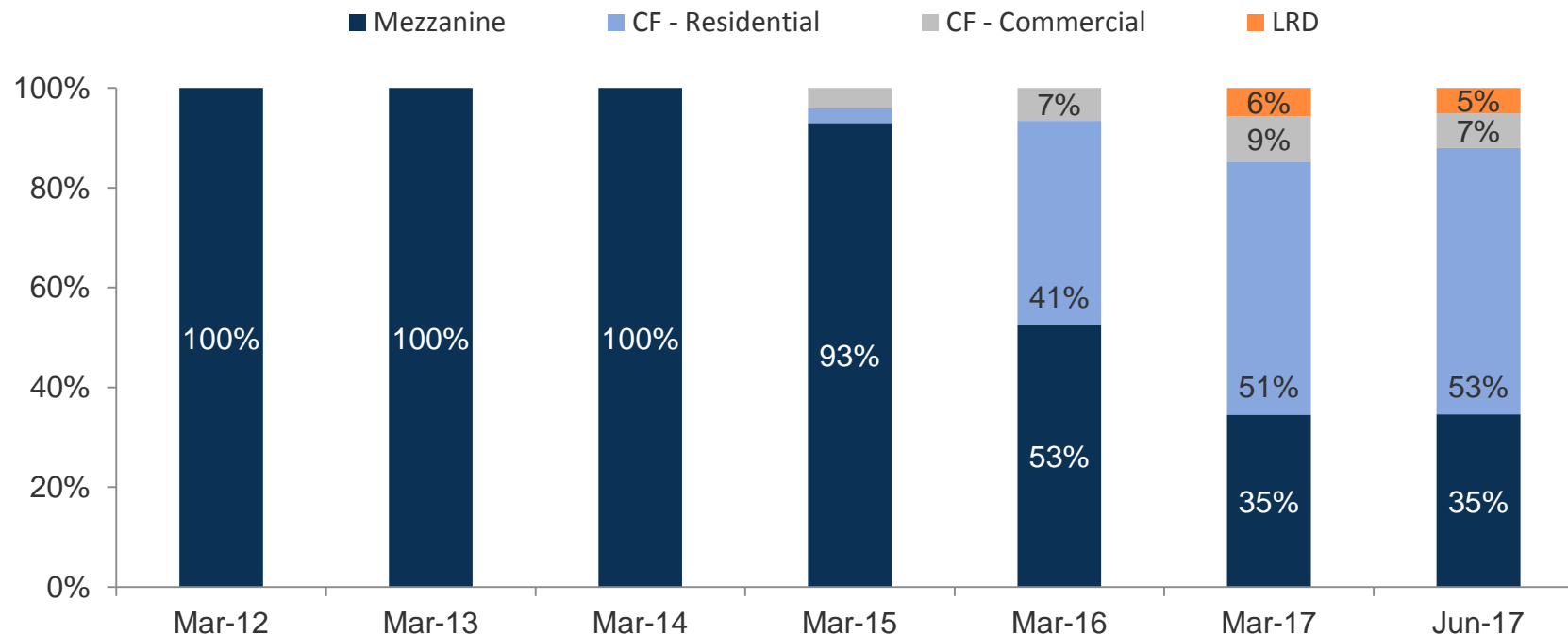
Real Estate end-to-end financing model

Particulars	Private Equity	Mezzanine Lending	Construction Finance	Lease Rent Discounting	Housing Finance
Stages of lending for a project	Primarily for land purchase	Post land purchase till commencement of construction (Phase of obtaining approvals)	For construction of projects	Lease rental discounting for commercial projects	Announced our entry in Housing Finance in Jan 2017. Received HFC license in Sep 2017
Current Size	Off Balance Sheet (Third Party Funds with PEL sponsor commitment upto 7.5%)	On Balance Sheet	On Balance Sheet	On Balance Sheet	
Year of commencement	Started in 2006; acquired by PEL in 2011	2011	2015	2016	
Current Size	Rs.6,727Crores	Rs.8,621 Crores	Rs.15,046 Crores	Rs.1,257 Crores	
Average Yield / IRR	20-24%	13-20%	12-16%	9-12%*	
Tenor	4-6 years	3-5 years	4-6 years	9-12 years	

* To down-sell a portion of the portfolio to maintain RoE

Significantly diversifying the Real Estate lending portfolio; lowering overall risk profile

Changing product mix (in %)



LRD and HFC to further improve this diversification and lower the risk profile

India Advantage

- Huge untapped potential - Market size of Rs.24 trillion growing at a healthy CAGR of 20%
- Strong India demographics and increased affordability
- Government initiatives like Housing for all by 2020, Pradhan Mantri Awas Yojana, development of 100 smart cities etc.
- Govt. focus to increase employment avenues – Real Estate among the highest employment generating sector

Leveraging our strengths

- Strong reach – Funding 340+ projects of 100+ developers in top 6 cities
- Understanding of 91+ micro markets through proprietary data generated over last 10 years
- Deep understanding of Real Estate space over more than a decade
- Deep understanding of the ever changing external market environment
- Extensive use of technology, analytics and world class processes to give us competitive advantage

What we plan to do ?

- Current outlay of Rs.1,000 Crores
- Will provide customized solutions
- Expect to grow rapidly leveraging our strengths
- Striving for return in a range from mid to high teens
- Intend to provide turn-key solution to our customers by providing additional services such as home search, tie-up with interior decorator, real estate advisory etc.

Differentiated Approach and Domain Expertise to help drive Growth



Leveraging the strong relationship with top developers, focusing on B to B to C model instead of only B to C model



Leverage understanding of micro markets and large repository of proprietary primary data



Leverage Brickex (captive distributor base of ~10,000 agents) for sourcing and facilitating retail loans and inventory clearance for builders; and originating small ticket Construction Finance



Using technology, analytics and world-class processes to provide quick turnaround times (TATs) in underwriting and disbursement



Extending loans beyond salaried class to cover the self-employed as well – an underserved segment

Progress till date

- Completed Market research and identified target segment
- Completed market mapping , segmentation and product plan
- Build-out of systems, processes, credit policy and technology underway
- Engaging with leading industry experts in India and globally
- Working closely with various ecosystem participants including developers to formulate products and business delivery mechanism
- Planning underway for launch of first set of branches in next few months
- Key Management team in place
- Received HFC license in Sep 2017

Despite large number of market players, there are few players of scale¹

Note:

(1) Source: National Housing Board.

Type of product	<ul style="list-style-type: none"> Structured financing solutions for situations like last mile funding, promoter financing, cashflow mismatches, acquisition financing, etc.
Nature of security	<ul style="list-style-type: none"> Mostly first charge & escrow on existing / future revenues, fixed / movable assets, pledge of shares, corporate guarantee, etc.
Tenure	<ul style="list-style-type: none"> Fixed tenure of around 5-6 years with lock in period for 1-2 years
Security cover	<ul style="list-style-type: none"> 1.5-2x times

Sector Agnostic Structured Finance Transactions	Renewables	Infra	Cement	E'tainment	Services	Telecom	Auto Component	Others
Senior lending			✓	✓			✓	
Promoter funding	✓	✓						✓
Loan against shares		✓				✓		
Mezzanine lending	✓				✓			
Stressed asset funding	Launched an India focused distress fund with Bain Capital Credit for investing debt / equity in distress companies in sectors other than real estate							

Why can CFG be a big play for us?

What has changed ?	Earlier	Now and going forward
Loan book size	Rs. 1,951 Crores as on Jun 2016	Rs.3,584 Crores as on Jun 2017
Sectors covered	Infrastructure and allied sectors	Sector agnostic lending
Products offered	Mezzanine lending	Senior lending Mezzanine lending Loan against shares Promoter funding
Yield range	Narrow range from 17% to 20%	Wide range from 13% to 20%

Senior lending which is now 46% of CFG portfolio is an outcome of realignment of focus to move down risk curve

Target segments

- ✓ Financing requirements of emerging and mid-market companies

Products offered

- ✓ Senior Debt, Loan against Property, Lease Rental Discounting, Promoter Financing, Structured Debt, etc.

Ticket size

- ✓ Offering solutions with ticket size ranging from Rs.10 Crores to Rs.100 Crores

Sector-agnostic platform

- ✓ Funding diverse sectors including auto ancillaries, manufacturing, pharma, services, hospitality, etc.

Portfolio diversification

- ✓ Complementing the existing loan portfolio with granular loans in diverse sectors

Risk profile

- ✓ Low Risk Portfolio with deals backed by cashflows

Progress so far

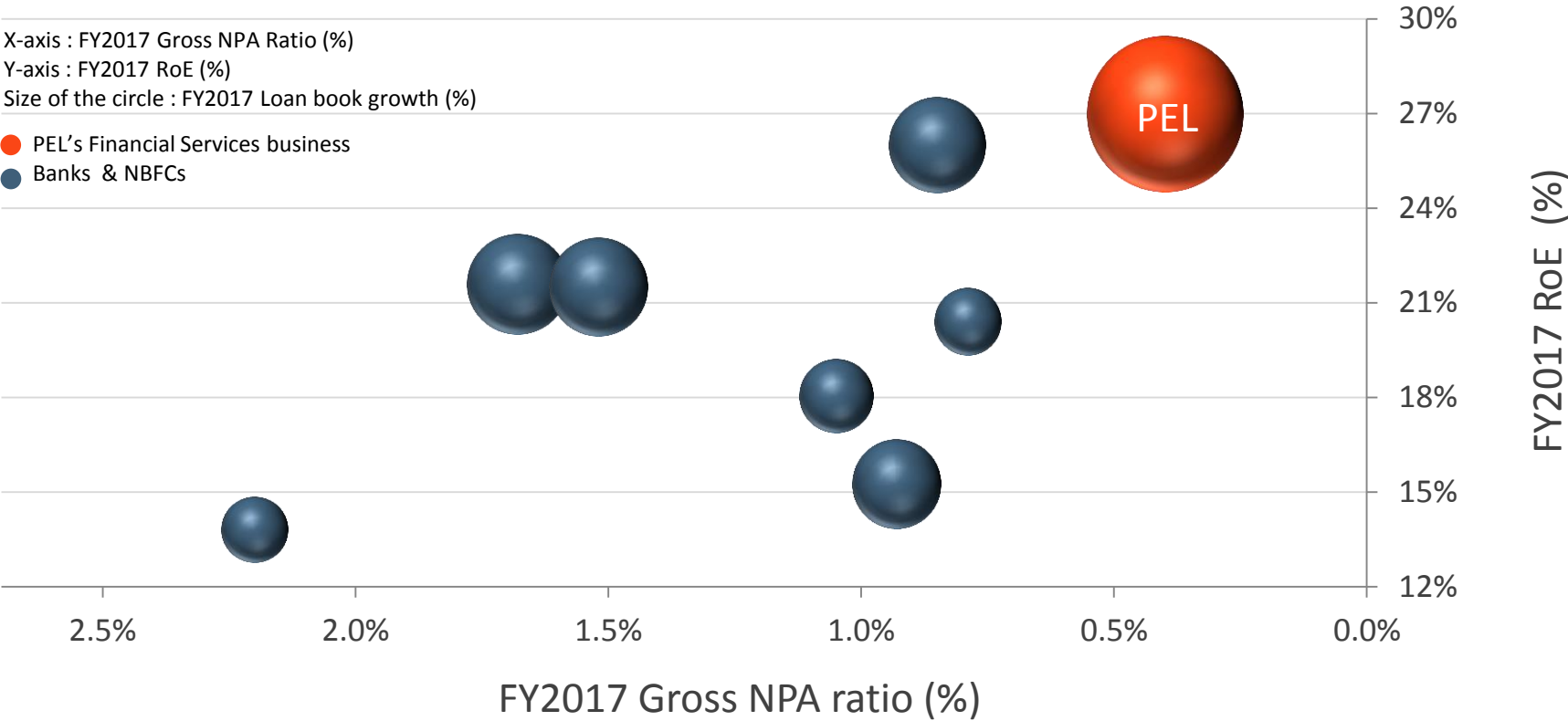
- ✓ Rs.400 Crores of commitments made across 8 transactions; Rs.140 Crores disbursed in Q1 FY2018

Loan book performance against key parameters

Particulars	Q1 FY2018
Total Loan Book size	Rs.28,648 Crores
Average Yield on Loans	15.5%
Average Cost of Borrowings	8.5%
Cost to Income Ratio	12.3%
Gross NPA ratio (based on 90 dpd)	0.2%
Total Provisioning	2.0%
ROA	4.5%
ROE	25%+

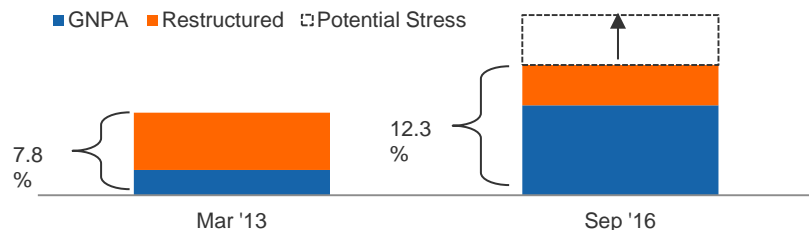
	Q4 FY15	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	Q1 FY18
Loan book growth (%)	67%	138%	150%	181%	174%	112%	113%	105%	87%	79%
GNPA ratio %	1.9%	1.5%	1.1%	1.2%	0.9%	0.6%	0.4%	0.5%	0.4%	0.2%
RoE%	21%	25%+	25%+	25%+	25%+	25%+	25%+	25%+	25%+	25%+

Performing better than the best performing banks and NBFCs of India



Note: Banks and NBFCs includes Bajaj Finance, HDFC Ltd, Indiabulls Housing Finance, HDFC Bank, Kotak Bank, IndusInd Bank and Yes Bank

Stressed Loans (% of Bank Loans in India)¹



- India growth story with strong government commitment to long term asset creation
- Rising bank NPLs putting strain on capital adequacy and credit growth
- Lenders and corporates running out of options – stress lies in sectors like power, steel, construction, textiles, etc.
- ‘Resolution’ has been elusive so far but regulatory push evident from New Insolvency and Bankruptcy Code (IBC) and recent RBI ordinance

Note:

(1) Source: RBI, Economic Survey 2016

Overview of Distressed Asset Fund Segment

Product

Debt and / or equity in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround

Partner

Partnership with Bain Capital Credit, a multi-asset alternative investment firm

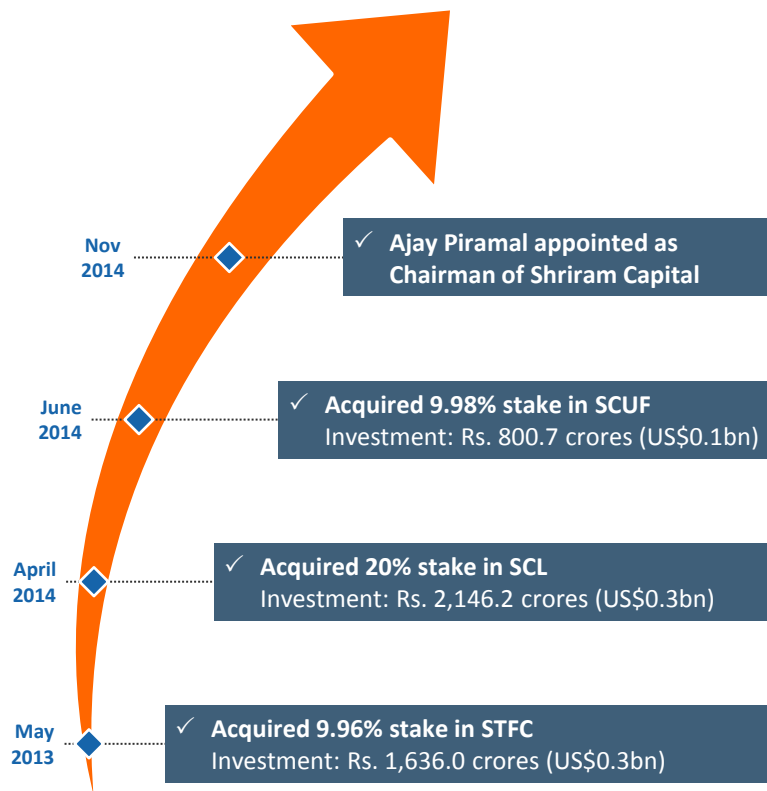
Our Differentiated Positioning and Strategy





Partnership with Shriram – Strategic in nature

Partnership with Shriram – Strategic in nature



- Market capitalization of c. **Rs. 377 bn** (US\$5.8bn) for listed entities^{1,2}
- **3,300+** branches³
- Manpower strength of **67,500+**³
- Customer base of over **21.3+ 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 financing³

Note: FX rate: 1 USD= Rs. 65

(1) Listed entities include Shriram Transport Finance and Shriram City Union Finance (2) As of 6th Sep, 2017 (3) As of 31st March, 2017



Measures to ensure healthy asset quality

How we ensure healthy asset quality?



Controls at pre-qualification stage



- Presence only in Tier 1 cities



- Focus on select micro-markets having intrinsic and end-user demand



- Grade 'A' developers having strong track record



- Presence in the real estate for a long time period



Controls at pre-approval stage



- **Sensitivity analysis** not just based on sales and cost but also based on velocity



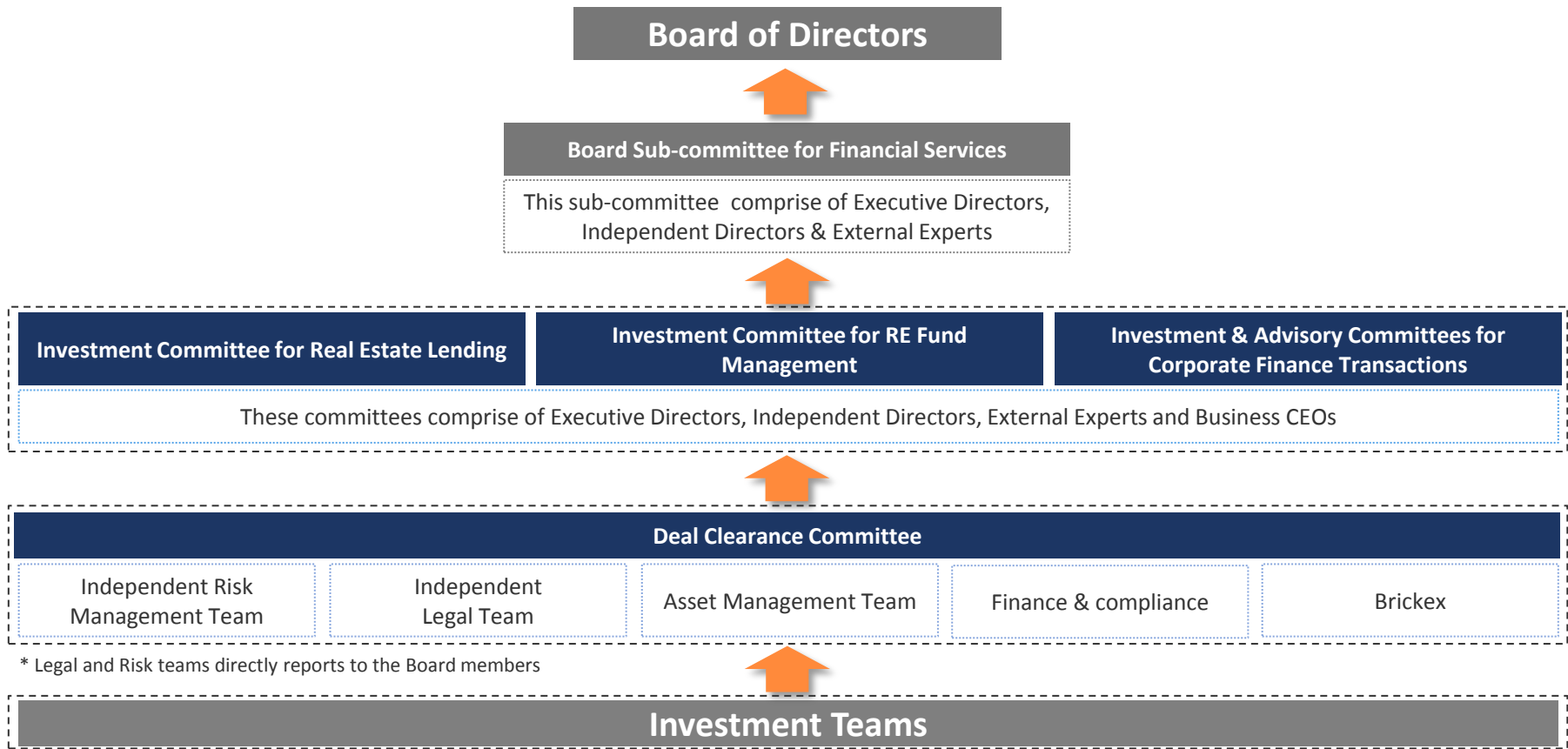
- **Structures each transaction uniquely** to address any specific risks associated with the project



- **Proprietary risk scoring system** to avoid bias



- **Strategic alliances with global funds** serves as external validation of underwriting and re-assures the investment thesis



Focus areas of key functions

Asset Management Team

- Regular Site Visits
- Monitoring the project
- Providing real time feedback
- Micro-market analysis
- Performance review
- Ensuring adequate cash cover at all time

Risk Management Team

- Independent & unbiased assessment of risk
- Provide insights using portfolio analytics
- Analyse & benchmark deal based on proprietary risk ratings model
- Recommend changes to enhance the Risk-Reward pay-off

Legal Team

- Identifying legal risks
- Ensuring adequate mitigants
- Transaction structuring & compliance
- Legal Checks and Balances
- Due diligence and documentation
- Legal recourse in the event of default

Finance & Compliance Team

- Budgeting and forecasting
- Continuous tracking of ROE
- Proactive monitoring of overdue accounts and exits
- Audits, compliances & internal controls
- Co-investment and down selling opportunities

Brickex

- 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

Technology Team

- End-to-end technology solutions
- Reduce turnaround time
- Centralised analytical capabilities
- Standardisation and efficiency in process
- Streamline processes

Constant asset monitoring to ensure healthy asset quality



- **Local team** in every city where we operate to assess the performance right from investment to exit stage



- **Monthly / Quarterly site visits** to assess the project progress



- **Dedicated asset monitoring team** of financial and techno-commercial professionals that acts as check and balance



- **Monthly performance review** with regard to sales units, value & price, collections and various costs

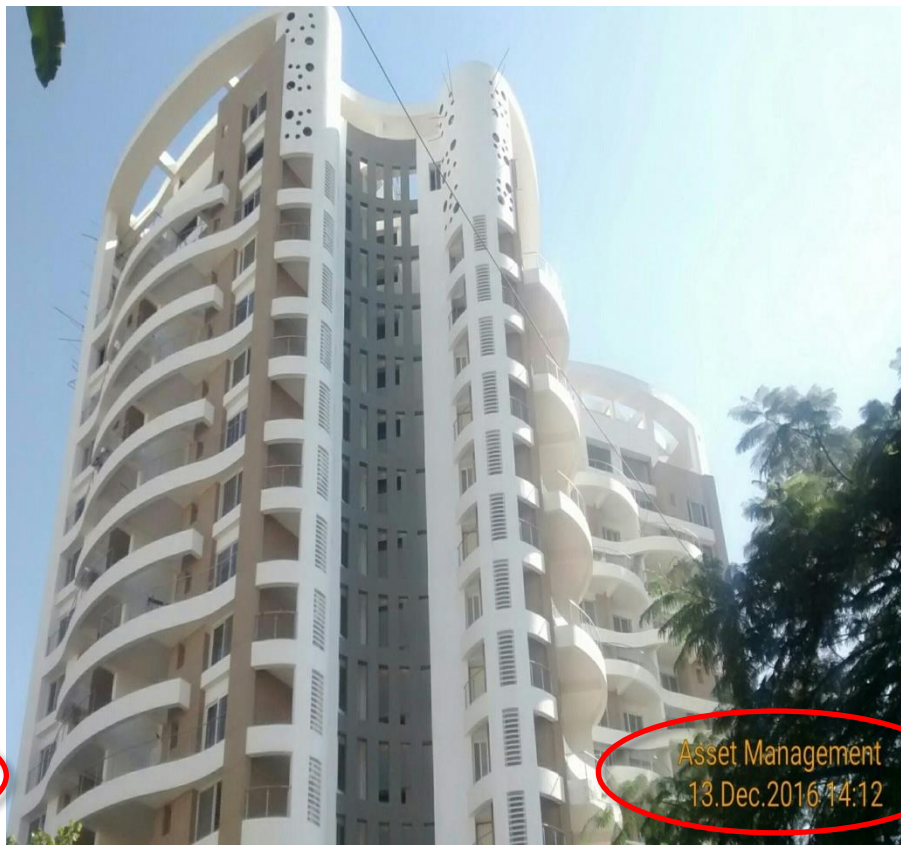


- Both investment and asset management team spend significant time post disbursement to **detect and react to early warning signals**



- **Computation of monthly cash cover** to ensure adherence to stipulated cash cover

Sample images of the construction sites - Proof of site visits with date and time



Sample of Site Visit Report

Tower Name	Expected completion date	Dec 07, 2016	Nov 23, 2016	Oct 20, 2016	Sep 20, 2016	Aug 16, 2016	Jul 18, 2016
No. of Labours on site		400 - 425	400 - 425	400-425	430-450	360-380	310-330
Tower 1 : 4B + G + 22 Flr.							
RCC	Mar, 2017	Work in progress on 18 th and 19 th floors	Work in progress on 18 th floor.	Work in progress on 14 th & 15 th floor.	Work in progress on 12 th & 13 th floors.	Work in progress on 9 th & 10 th floors.	Work in progress on 6 th & 7 th floors.
Block Work	Jun, 2017	12 th floor in progress.	9 th floor in progress.	6 th floor in progress.	4 th floor in progress.	3 rd floor in progress.	2 nd floor in progress.
Plastering / Gypsum	Sep, 2017	Gypsum started on 1 st and 2 nd floor.	-	-	-	-	-
Flooring	Dec, 2017	Awaiting for material to start with flooring in next week.	-	-	-	-	-
Finishes	Jun, 2018	-	-	-	-	-	-

Dashboard of site visits and stalled projects separately highlighted to the MD on a monthly basis

Sample of overall Portfolio Performance Review Sheet

O/s Summary (Rs crs)

Category	No. of Deals	Mumbai	Pune/Ahd	Bang/Hyd	NCR	Chennai	Total
Green – No Issue over next 6 months							
Yellow – No issue ; however, closely monitor for next 6 months							
Orange – Envisage stress over next 6 months							
Red – Default							
Total							

Note: Colour coding is done after factoring in the project performance vis-à-vis budget on the following parameters

1. Sales Velocity in terms of units, area and value
2. Pricing – per sq ft and ticket size
3. Collections
4. Approval timelines
5. Construction cost incurred
6. Cash cover
7. Ability to meet principal and interest obligations
8. Site visit findings

Future Roadmap: On track to create one of the largest well-diversified Financial Services businesses of India

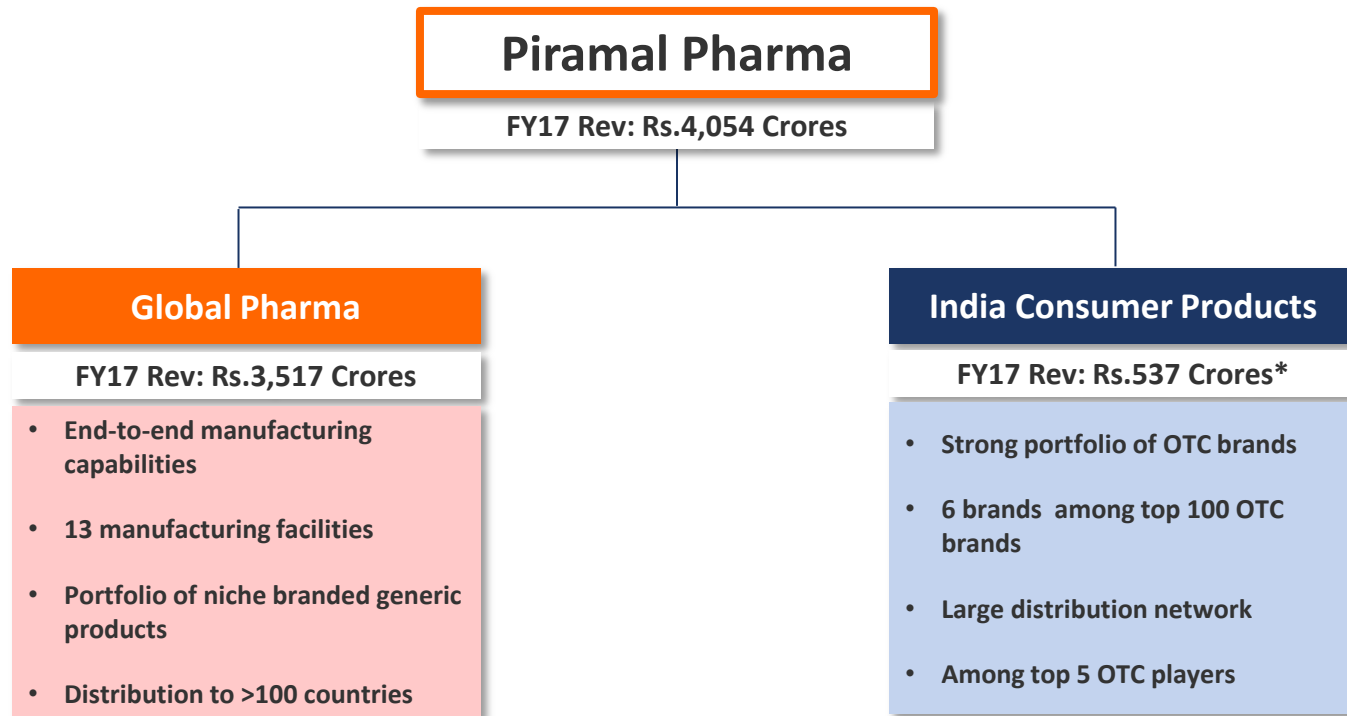


Building an Integrated Financial Services Business

- 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 Corporate Finance Group (non real estate) space
- **Scale up Housing Finance** through:
 - Developer relationships through point of presence loan origination
 - Brickex network
- **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



*Note * Includes Allergan JV Revenue*

Seven 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 Ltd



5 brands from Organon India & MSD BV

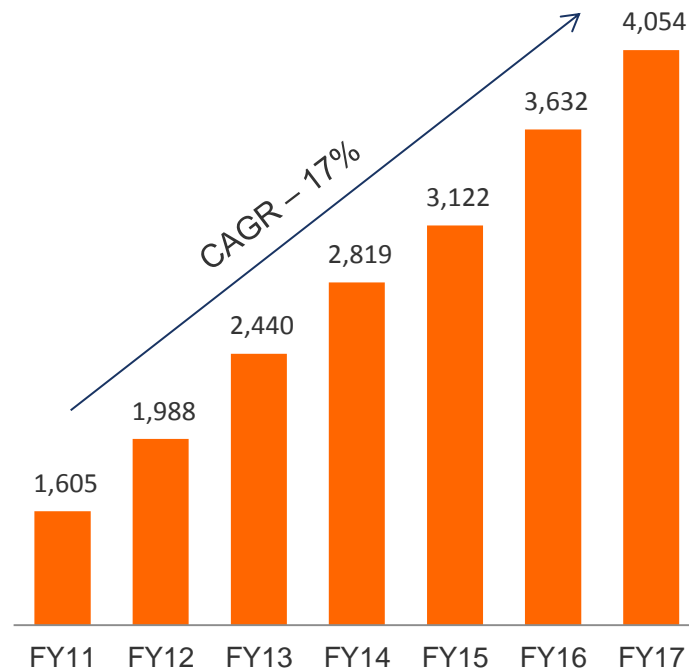


Baby-care brand-Little's



Growing largely organically since Abbott deal

Pharma Revenues* (in Rs. Crores)



Notes: * Includes Allergan JV revenues

Global Pharma: Investments made in building our Infrastructure

Leveraging our strong domain knowledge and experience to replicate our successful value creation strategy

Retained small product portfolio and select manufacturing facilities post sale to Abbott

- Growth potential
- Scope for value addition

Strategy in place for the Future

- Moving up the value chain
- Improving margins via operating leverage
- Increased capacity utilization
- Continue opportunistic acquisitions

2011

Current

	2011-14	Last 3 years
Organic	<ul style="list-style-type: none"> • Enhanced capacity utilization • Capacity expansion: Bethlehem • Sevoflurane launched in Europe 	<ul style="list-style-type: none"> 🔥 Further improved capacity utilization 🔥 Sevoflurane launched in Japan, Germany and EMS 🔥 Strengthen investments in R&D, EHS, quality systems and processes
Inorganic	<p>🔥 No major investments</p>	<ul style="list-style-type: none"> 🔥 Entry into niche capabilities via Ash Stevens and Coldstream 🔥 Adding differentiated high margin hospital branded generic products <ul style="list-style-type: none"> — Janssen : Injectable anaesthesia and pain management portfolio — Mallinckrodt : intrathecal spasticity management product

Well-positioned to create a large, diversified and profitable India Consumer Products business focusing on niche areas of routine disruption



Value Creation Activities:

	2010 - 14	Last 3 years
Organic	<ul style="list-style-type: none">Launched new products / extensionsIncreased field force to 800 in FY14Minimal distribution expansion	<ul style="list-style-type: none">Actively launched new brandsFurther increased field force to 2,000+Further expanded distribution to 420K retail outlets, 220K chemist outlets, 2,000 towns
Inorganic	<ul style="list-style-type: none">No major inorganic investments	<ul style="list-style-type: none">Brand Acquisitions:<ul style="list-style-type: none">Pfizer: 4 brandsMSD: 5 brandsLittle's baby-care brand



Global Pharma

Global Pharma : How are we rapidly moving up the value chain ?

1 Acquired global businesses to enter into niche capabilities

Injectable



HPAPI



2 Expanding manufacturing capacities in niche areas

ADC



Injectable



Inhalation Anaesthesia



Drug Discovery



Global Pharma: How are we rapidly moving up the value chain ?

3 Adding differentiated hospital branded generic products organically and inorganically

Controlled substances



Injectable Anaesthesia



Desflurane



Intrathecal



- **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

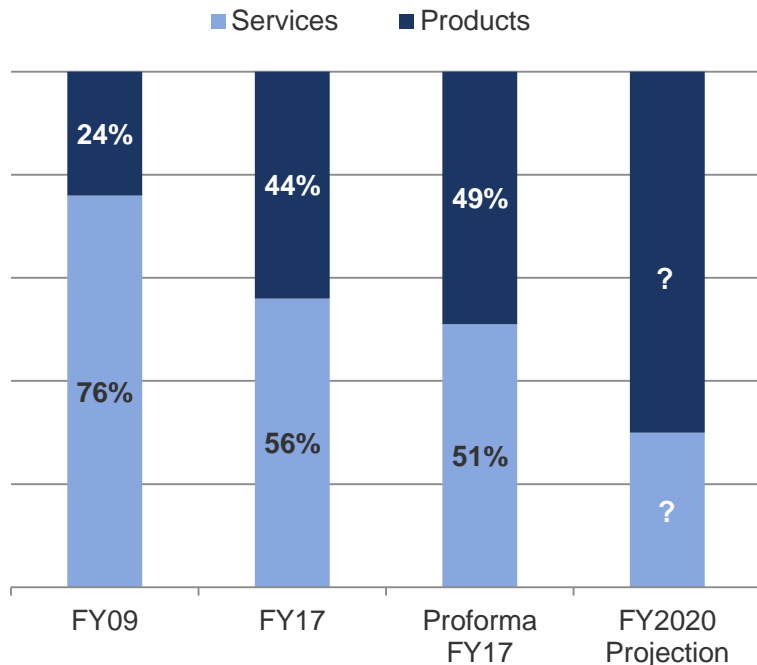


- **Entry barrier** – Complex to manufacture, sell and distribute resulting in limited competition
- **Expands addressable market size** from US\$ 1 bn Inhalation Anaesthesia market to US\$20 bn generic hospital product market

Our strategy of moving up the value chain will enable us boost growth and enhance margins significantly

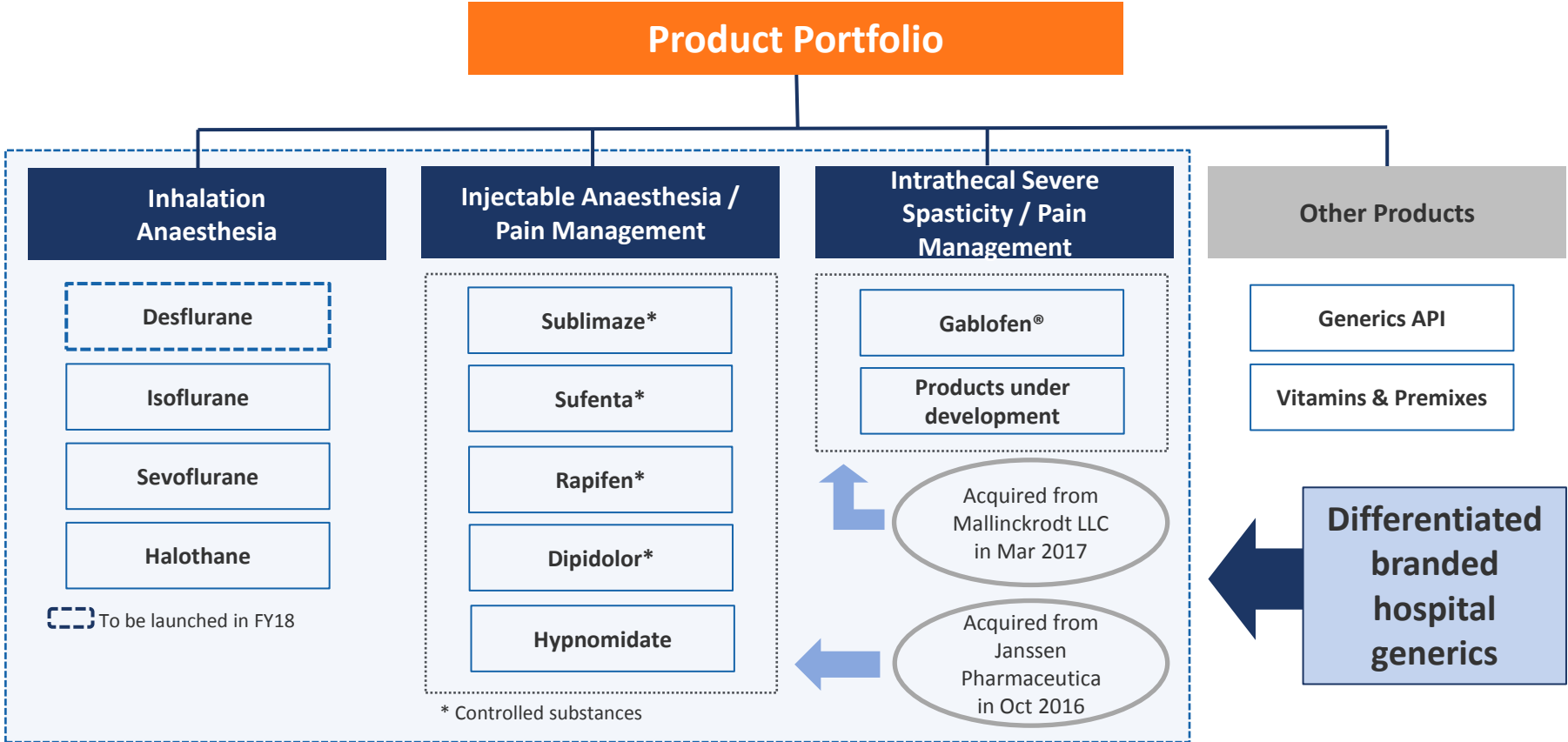
Global Pharma : How are we increasing the share of products?

Global Pharma Revenue Mix (%)



- Revenue from products grew at a 18% CAGR over last 5 years. Revenue from services continues to grow well driven by niche North American assets & API business in India.
- Acquired niche product portfolios of branded generics
- Complex in manufacturing, selling and distribution
- Significantly grown our market share in existing portfolio of Inhalation Anaesthesia
- Entered new markets and significantly expand our presence in key markets

Addition of high margin niche products with limited competition will increase the EBITDA margin



Acquisitions of two niche branded hospital generic products

	Acquisition from Janssen	Acquisition from Mallinckrodt
		
Products Acquired	<ul style="list-style-type: none"> Five injectable anaesthesia & pain management products - Sublimaze, Sufenta, Rapifen, Dipidolor, and Hypnomidate 	<ul style="list-style-type: none"> Gablofen® (baclofen) - Intrathecal spasticity management product and two pain management products under development
Acquisition Highlights	<ul style="list-style-type: none"> Brand names and all related IP associated with products Know-how to make both API & finished products Marketing Authorisations in >50 countries 	<ul style="list-style-type: none"> Gablofen® is for patients who do not get relief / have intolerable side effects from oral baclofen Currently marketed in the US; approved for launch in 8 European Countries
Consideration	<ul style="list-style-type: none"> Upfront - US\$155 mn Up to US\$20 mn, if the product portfolio achieves agreed financial milestones over the next 30 months 	<ul style="list-style-type: none"> Upfront - US\$171 mn Up to US\$32 mn payable based on financial performance of acquired assets over next 3 years

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

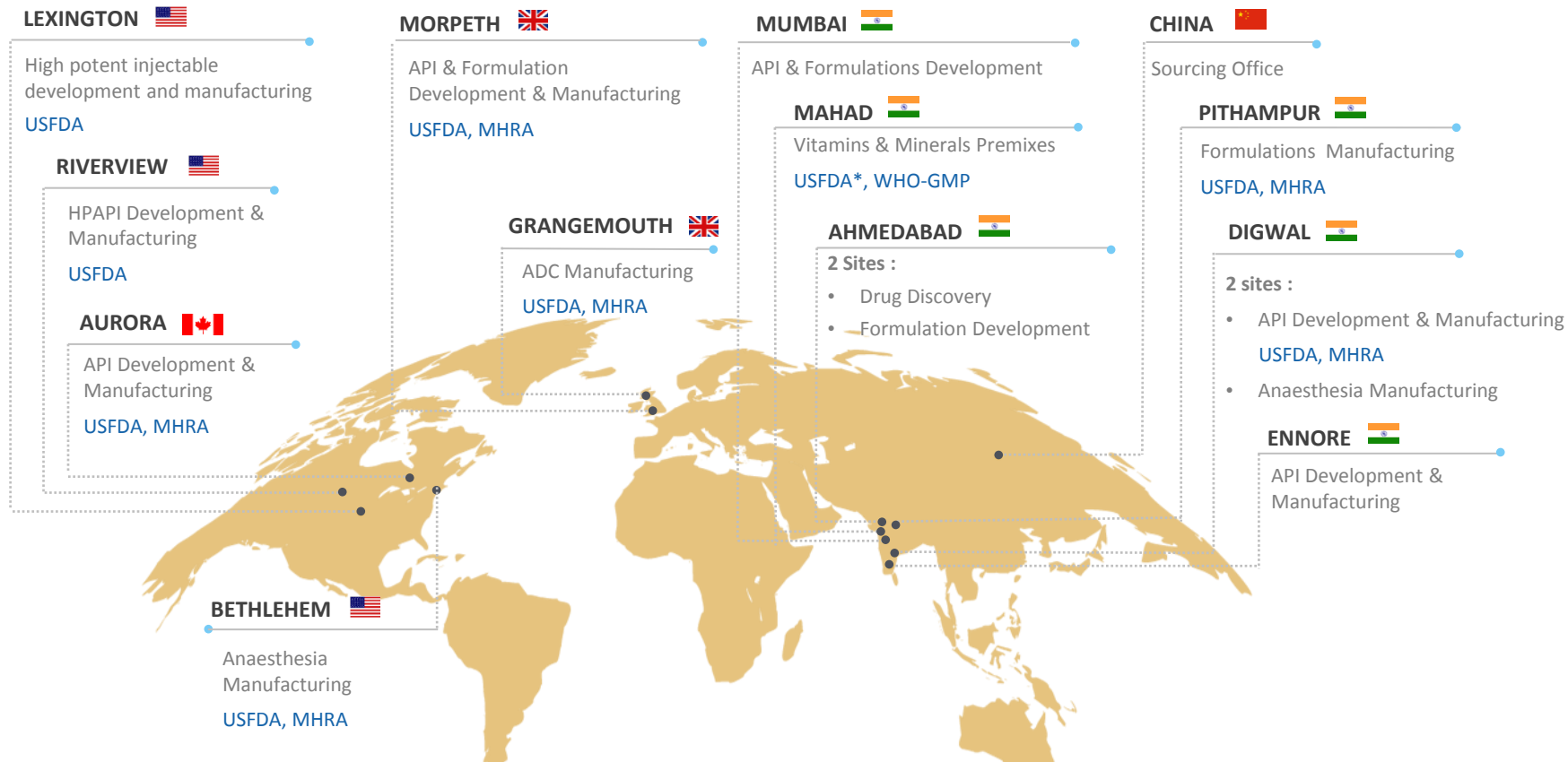
- Maximize value from existing sales infrastructure and partner network into hospitals
- Significantly expands our presence in US, EU, Japan, large EMs, etc.

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

13 manufacturing facilities both in East and West – All key sites USFDA approved



Global Pharma : Strengthening presence in key geographies



Strong presence in North America



Expanding presence in Europe

Manufacturing Facilities

- Aurora : API Development & manufacturing
- Lexington : Sterile Development & Manufacturing
- Riverview : HPAPI Development & Manufacturing
- Bethlehem : Anaesthesia Manufacturing

- Grangemouth : ADC Manufacturing
- Morpeth : API & Formulation Development & Manufacturing

% Global Business Revenues

34%

33%

% Global Business Assets

25%

45%

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



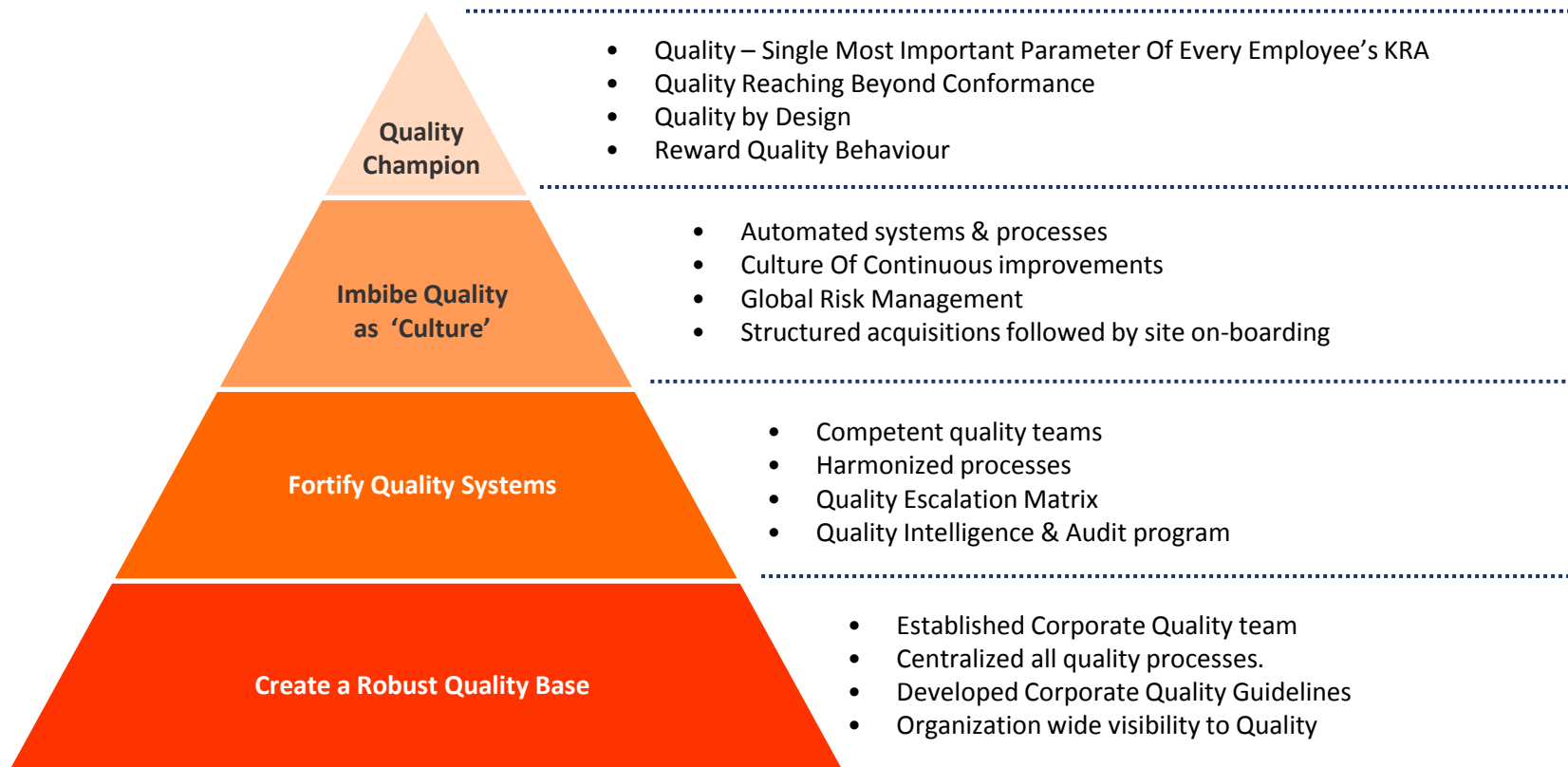
Strong presence in India

- 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
- 30% 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



Since 2011, cleared all inspections :

- 28 USFDA inspections
- 85 other regulatory inspections
- 626 customer audits

Recognized at reputed global forums :

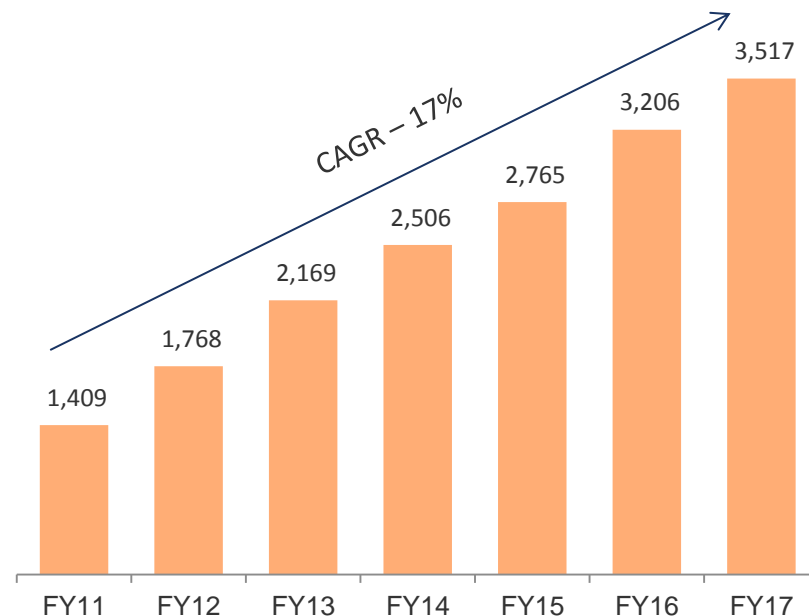
- Rated among **best global CDMO in quality, reliability & regulatory**
— 2 years in a row
- **Ash Stevens won six awards in CMO Leadership Awards** of Life Science Magazine, 2017
- **Best Contract Manufacturing (CMO) Provider** - Runner Up Award at 3rd Annual World ADC Awards
- Business head awarded '**CEO of the year**'
- Head of Quality rated among '**50 most Influential People in Quality**'



- **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 enable us to cross sell our capabilities of Discovery, ADCs and development & commercial scale manufacturing of Formulations and APIs.
- **Further expand our presence in strong markets** including US, Europe, Japan etc.
- **Continue to maintain focus on quality and compliance**

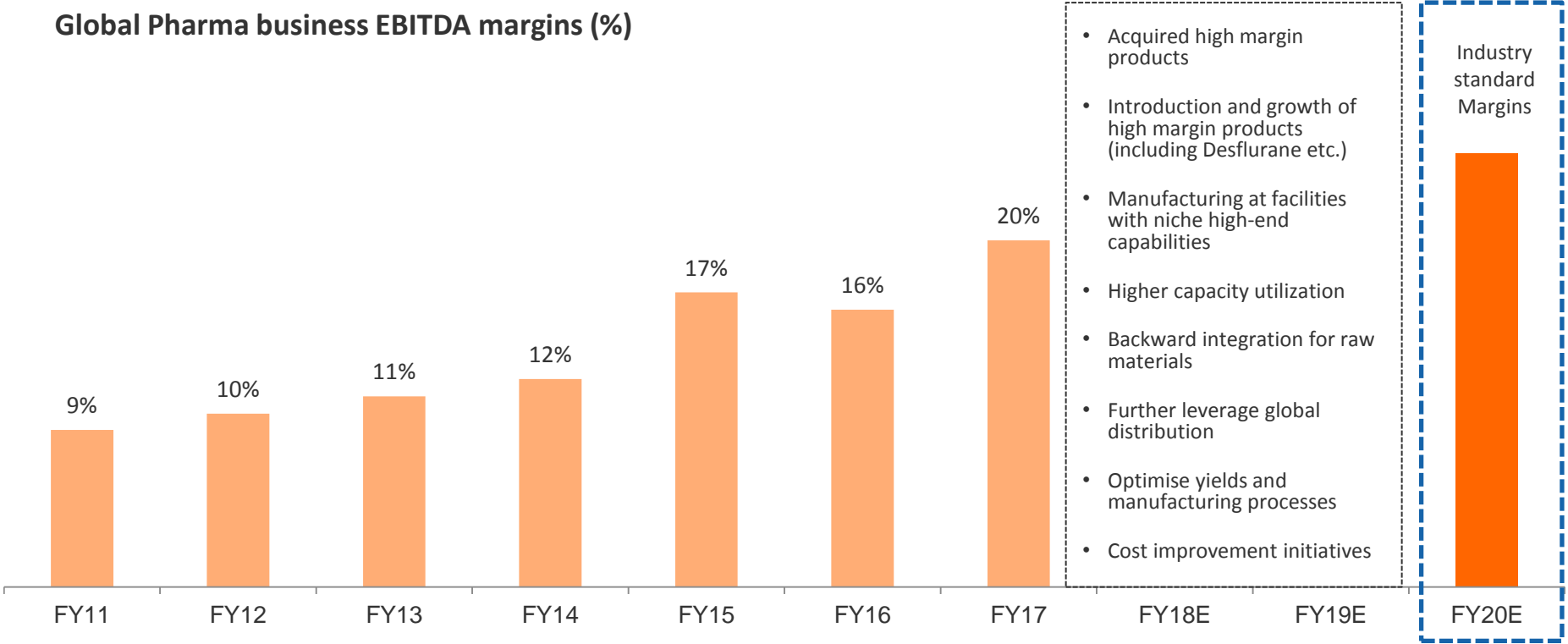
Strong revenue growth track record

(In Rs. Crores)



Continue to actively look for organic and inorganic opportunities to enhance growth

Global Pharma business EBITDA margins (%)



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



Well-positioned to create a large, well-diversified and profitable global pharma business

Strong presence in US, Europe, Japan and India



Growing organically and inorganically



Offering complete pool of services to large & mid sized Pharma Companies



Strong portfolio of niche products and services



Large distribution network reaching >100 countries





India Consumer Products

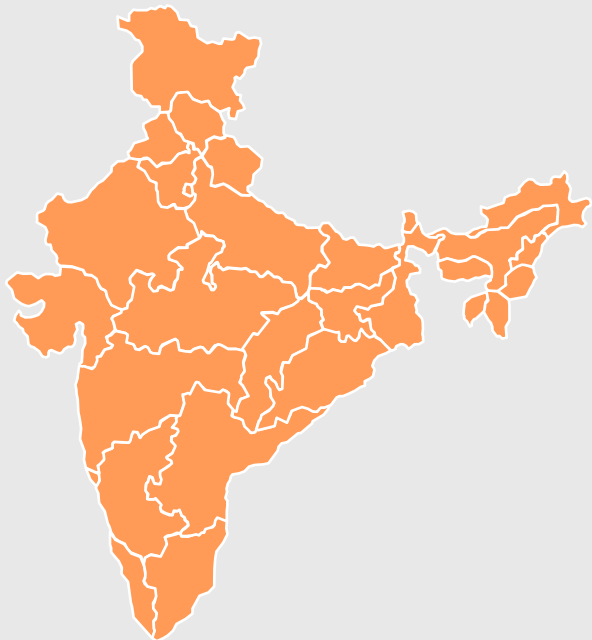
A horizontal banner with an orange background and a white border. It displays six OTC products: Saridon (analgesic tablets), Lacto Calamine (skin medicine), i-pill (emergency contraceptive pill), Tetmosol (monosulfiram medicated soap), Polycoral (2X skin medicine), and Sipool Husk Powder (skin medicine).







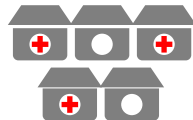



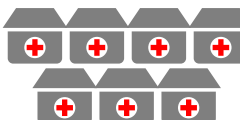



Most brands are among the top two in their respective representative market

Developed a large India-wide distribution network

Wide Distribution Network



Our chemist coverage is now comparable
with the top 3 OTC players

	FY2008	FY2012	Now
No. of towns present	 16	 481	 2000
Total Outlet presence	 24,000	 200,000	 420,000
Chemist Outlet presence	 16,000	 100,000	 220,000
Field Force	 80	 800	 2,000

Adding products organically and inorganically

Products added organically



Instant pain relieving mouth A non-drowsy anti-allergy
ulcer gel



OTC brand



Oil Balance Face Wash



A sore throat pain relief
product



A pregnancy test kit



Paan flavoured
antacid



Ovulation test kit



Detoxifies the after effects
of socializing, etc.



Oil Balance
Face Scrub

Product portfolios added through acquisition



4 brands from Pfizer Ltd



5 brands from Organon India & MSD BV



Baby-care brand 'Little's'

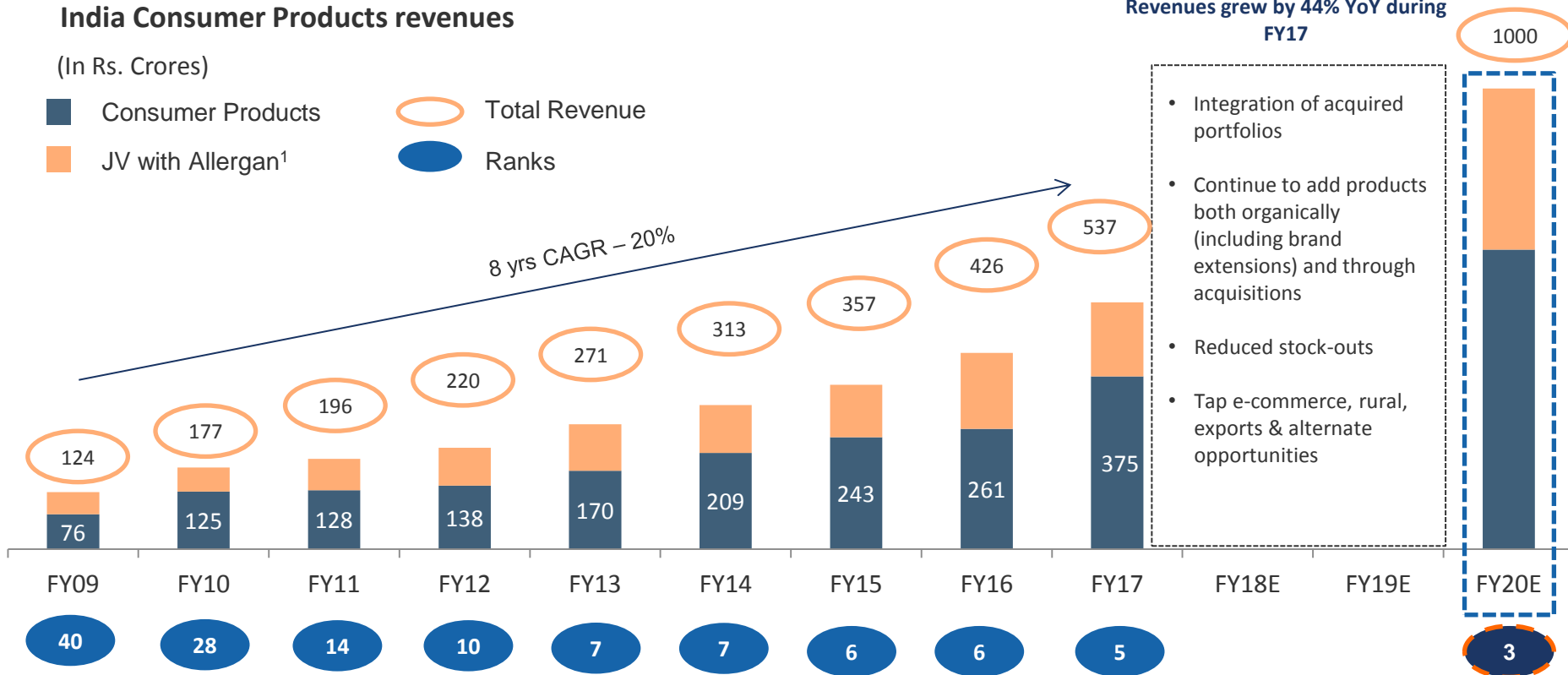
Strong growth track record

India Consumer Products revenues

(In Rs. Crores)

■ Consumer Products ○ Total Revenue
■ JV with Allergan¹ ● Ranks

Revenues grew by 44% YoY during FY17



Note: 1. Allergan JV revenue includes only Piramal's revenue share of 49%

How Consumer Products business can become a significant play for us?





Overall

Overall Revenue and Profitability performance

Overall Pharma	FY2016	FY2017	FY2020 Projections
Revenue*	Rs. 3,467 Crores	Rs. 3,892 Crores	Rs. 6,500 - 7,000 Crores
Imaging	(Rs. 179 Crores)	(Rs. 68 Crores)	NIL
EBITDA Margins	Single Digit	Mid teens	20% - 25%

Note: * Revenue includes only Global Pharma business and Consumer Products business, excluding JV with Allergan

Well positioned to re-create one of the Top Pharma businesses of India

S.No.	Pharma Companies	FY17 Revenue (Rs. Crores)	EBITDA Margin (%)	Enterprise Value (Rs. Crores)	Market Cap ¹ (Rs. Crores)
1	Sun Pharmaceutical Industries Ltd	30,264	29%	1,10,879	1,12,969
2	Lupin Ltd	17,120	27%	47,788	42,656
3	Aurobindo Pharma Ltd	15,090	20%	43,588	40,745
4	Cipla Ltd	14,630	17%	47,880	44,944
5	Dr.Reddy's Laboratories Ltd	14,081	24%	36,489	32,900
6	Cadila Healthcare Ltd	9,625	21%	51,723	47,952
7	Glenmark Pharmaceuticals Ltd	9,186	22%	20,096	16,970
	PEL Pharma (FY20 Projected Revenue)	6,500 – 7,000	20-25%		
8	Jubilant Life Sciences Ltd	6,006	23%	14,819	11,272
9	Torrent Pharmaceuticals Ltd	5,857	27%	21,232	20,690
10	Alkem Laboratories Ltd	5,853	17%	21,042	20,944
11	Divi's Laboratories Ltd	4,181	36%	15,899	16,731
12	Biocon Ltd	4,079	28%	20,159	19,680
13	PEL Pharma (FY16 Revenue)	4,054	Single digit		
14	Strides Shasun Ltd	3,652	22%	10,352	8,159
15	Alembic Pharmaceuticals Ltd	3,131	20%	9,561	9,650

Source : Company Reports, Factset

Note : 1. MCAP as on 22nd Aug 2017



Healthcare Insight and Analytics

Historically viewed as a syndicated healthcare market research company, Decision Resources Group 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

LIFE SCIENCES	Market Assessment	<ul style="list-style-type: none"> Which therapeutic markets have the highest potential? What should healthcare organizations do as healthcare shifts to a value focus?
	Market Access	<ul style="list-style-type: none"> What is the best evidence to support my access and reimbursement argument? How will the key payers in the future make decisions about my product?
	Commercial Optimization	<ul style="list-style-type: none"> What levers can I pull to improve my brands' volume? How is my product being perceived in market relative to competition?
	Digital Innovation	<ul style="list-style-type: none"> Where should my digital spend be targeted? How can I segment and target segments uniquely?
PAYER/ PROVIDER	Market Assessment	<ul style="list-style-type: none"> What are my competitors doing? How is the market unfolding? Who is winning and losing?
	Performance Improvement	<ul style="list-style-type: none"> Where can I improve my hospital's performance? In Revenue Cycle Management? In IT? In Supply Chain? How do I benchmark relative to hospital peers?



Key Business Highlights

Serves major Developed and Emerging Markets

FY2017 Revenue - US\$182 mn

Capabilities across customer's product life cycle

17 office locations globally

1,000+ employees globally

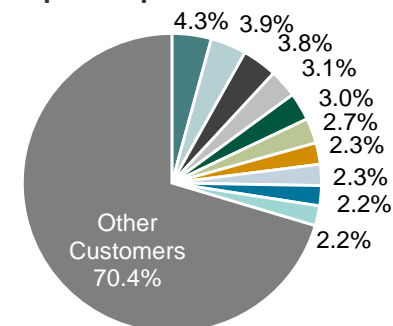
Significant revenue visibility

- 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

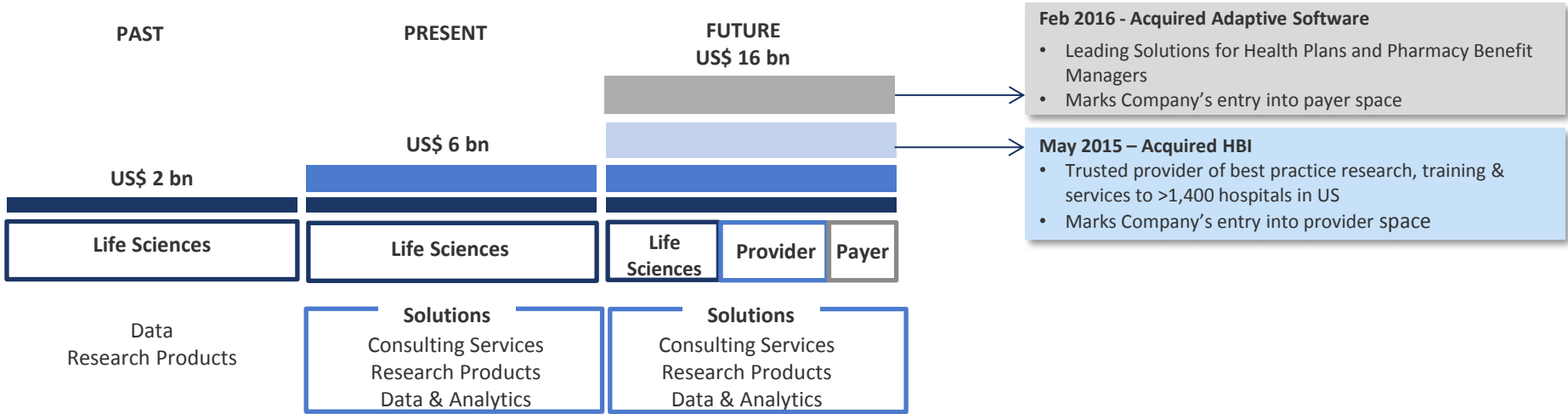
>10yr Relationships With All of Our Top Ten Customers

Customer	# of Years
AstraZeneca	>10 yrs
Bayer	>10 yrs
Boehringer Ingelheim	>10 yrs
Johnson & Johnson	>10 yrs
Merck & Co	>10 yrs
Novartis	>10 yrs
Novo Nordisk	>10 yrs
Pfizer	>10 yrs
Roche	>10 yrs
Takeda	>10 yrs

Top 10 Relationships Comprise <30% of Revenue



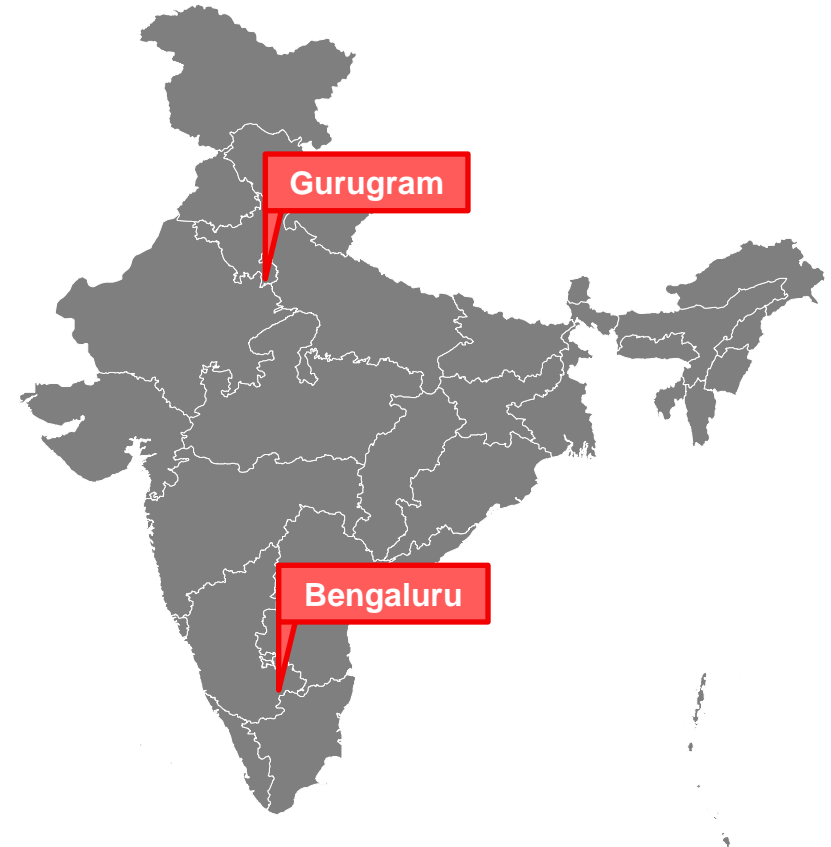
Expanding into New Markets



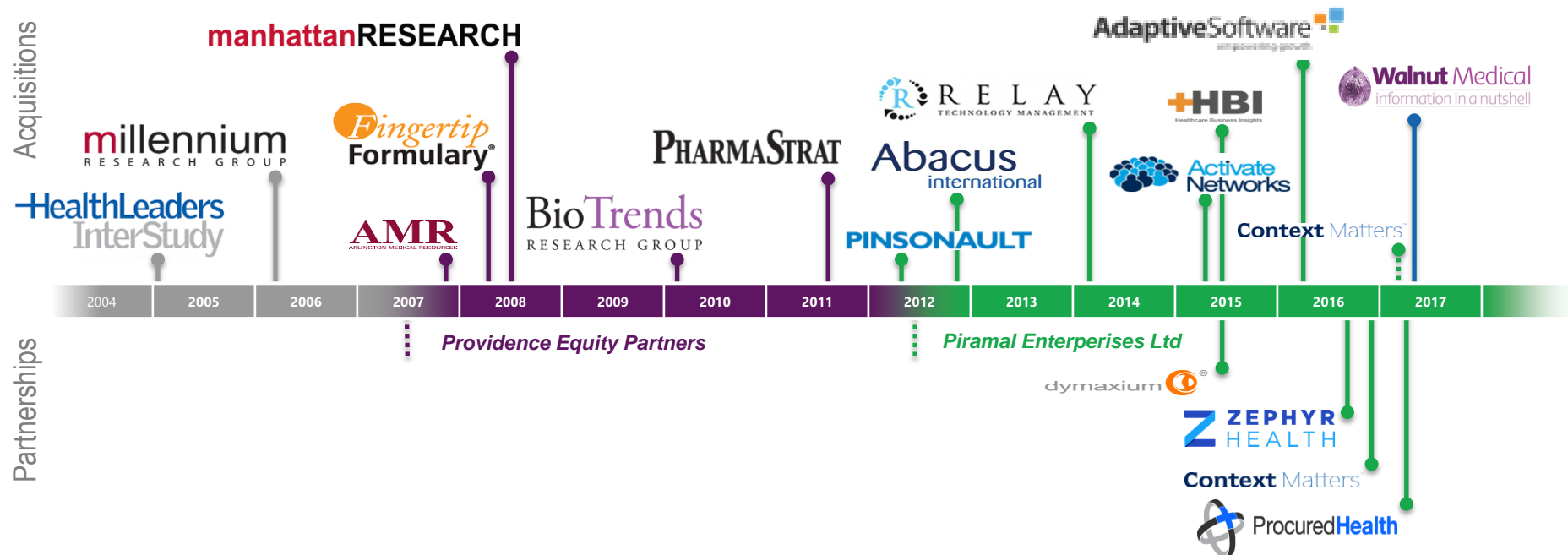
Source: Based on proprietary market research and internal DRG estimation

Establishing 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 over 250 positions on boarded (i.e. ~1/5th of the current DRG workforce).
- 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

DRG Peers	2016 Multiples		
	EV/Revenue	EV/EBITDA	EV (US\$ MM)
Forrester Research, Inc. (NASDAQ: FORR)	2.0x	16.0x	649
Gartner, Inc. (NYSE: IT)	3.5x	21.1x	8,640
HealthStream, Inc. (NASDAQ: HSTM)	3.1x	24.9x	692
IHS Market Ltd. (NASDAQ: INFO)	6.6x	23.2x	18,073
Inovalon Holdings, Inc. (NASDAQ: INOV)	2.9x	16.3x	1,219
Medidata Solutions, Inc. (NASDAQ: MDSO)	5.9x	40.2x	2,750
National Research Corporation (NASDAQ: NRCIB)	4.7x	14.5x	514
Omnicell, Inc. (NASDAQ: OMCL)	2.1x	22.2x	1,441
Quintiles IMS Holdings, Inc. (NYSE: Q)	4.7x	22.4x	25,072
The Advisory Board Company (NASDAQ: ABCO)	2.9x	16.0x	2,306
WebMD Health Corp. (NASDAQ: WBMD)	2.7x	9.3x	1,873
Median	3.1x	21.1x	1,873

Source: CapIQ, Wall Street equity research, SEC Filings








Comparable Transaction Analysis

Sector M&A Valuation Multiples

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

Source: CapIQ, Wall Street equity research, SEC Filings

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  (FY13)
 - Enhanced analytics** by acquisition of  (FY14)  (FY15)  (FY16)
 - Entry into provider and payer space** by acquisition of  (FY16)  (FY16)
 - Access to European hospital data** by acquisition of  (FY18)
- Continue to **transform our customer offering towards higher end value-added insights and solutions** by leveraging proprietary data and analytics tools
- 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

Diversified Revenue Mix for Q1 FY2018

(In Rs. Crores or as stated)

Net Sales break-up	Quarter I ended			% Sales
	30-Jun-17	30-Jun-16	% Change	
Financial Services	1,084	635	70.9%	48.1%
Pharma	887	851	4.2%	39.3%
Global Pharma	845	771	9.7%	-
India Consumer Products	42	80	(48.3%)	-
Information Management	252	269	(6.5%)	11.2%
Others	31	21	-	1.4%
Total	2,254	1,776	26.9%	100%

Note:

1. Foreign Currency denominated revenue in Q1 FY2018 was Rs. 1,060 Crores (47% of total revenue)

Diversified Revenue Mix for FY2017

(In Rs. Crores or as stated)

Net Sales break-up	Quarter IV ended			% Sales	Full Year ended		
	31-Mar-17	31-Mar-16	% Change		31-Mar-17	31-Mar-16	% Change
Pharma	1,214	929	30.7%	45.5%	3,893	3,467	12.3%
Global Pharma	1,103	853	29.4%	-	3,517	3,206	9.7%
India Consumer Products	111	76	45.1%	-	375	261	44.0%
Financial Services	999	552	81.1%	39.2%	3,352	1,744	92.2%
Information Management	227	209	8.8%	14.3%	1,222	1,156	5.7%
Others	23	2	-	0.9%	80	15	-
Total	2,463	1,691	45.6%	100%	8,547	6,381	33.9%

Note:

1. Foreign Currency denominated revenue in Q4 FY2017 was Rs. 1,190 Crores (48% of total revenue) and in FY2017 was Rs. 4,372 Crores (51% of the total revenue)

Consolidated P&L for Q1 FY2018

(In Rs. Crores or as stated)

Particulars	Quarter I Ended		
	30-Jun-17	30-Jun-16	% Change
Net Sales	2,254	1,776	27%
Non-operating other income	84	53	58%
Total income	2,338	1,829	28%
Other Operating Expenses	1,192	1,138	5%
OPBIDTA	1,146	691	66%
OPM %	49%	38%	-
Interest Expenses	673	395	70%
Depreciation	123	77	60%
Profit before tax & exceptional items	350	219	60%
Exceptional items (Expenses)/Income	-	-	-
Income tax	102	46	122%
Profit after tax (before MI & Prior Period items)	247	173	43%
Minority interest	-	-	-
Share of Associates	55	58	(6%)
Net Profit after Tax	302	231	31%
EPS (Rs./share)	17.5	13.4	31%

Notes:

- 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.

Consolidated P&L for FY2017

(In Rs. Crores or as stated)

Particulars	Quarter IV Ended			Full Year Ended		
	31-Mar-17	31-Mar-16	% Change	31-Mar-17	31-Mar-16	% Change
Net Sales	2,463	1,691	46%	8,547	6,381	34%
Non-operating other income	86	52	67%	234	252	(7%)
Total income	2,549	1,743	46%	8,781	6,633	32%
R&D Expenses	29	42	(30%)	101	145	(30%)
Other Operating Expenses	1,401	1,225	14%	4,947	4,560	8%
OPBIDTA	1,119	476	135%	3,733	1,929	94%
OPM %	44%	27%	-	43%	29%	-
Interest Expenses	590	311	90%	2,031	959	112%
Depreciation	122	76	60%	382	255	49%
Profit before tax & exceptional items	407	89	359%	1,320	714	85%
Exceptional items (Expenses)/Income	(8)	72	-	(10)	46	-
Income tax	103	17	515%	228	50	361%
Profit after tax (before MI & Prior Period items)	296	144	105%	1,082	711	52%
Minority interest	(0)	-	-	(0)	-	-
Share of Associates	15	49	(70%)	170	194	(13%)
Net Profit after Tax	311	193	61%	1,252	905	38%
EPS (Rs./share)	18.0	11.2	61%	72.5	52.4	38%

Notes:

- Income under share of associates primarily includes our share of profits at Shriram Capital. Our share of profit under JV with Allergan has also now been included under share of profit / loss of Associate, as per the new accounting standards.

Consolidated Balance Sheet



(In Rs. Crores or as stated)

Particulars	31 March 2017	31 Mar 2016
Equity Share Capital	35	35
Other Equity	14,848	12,914
Non Controlling Interests	13	-
Borrowings (Current & Non Current)	30,451	16,279
Deferred Tax Liabilities (Net)	31	30
Other Liabilities	2,675	1,532
Provisions	187	190
Total	48,239	30,980
PPE, Intangibles (Under Development), CWIP	5,425	2,395
Goodwill on Consolidation	5,427	5,485
Financial Assets		
Investment	21,717	15,682
Others	5,887	2,182
Other Non Current Assets	399	425
Deferred Tax Asset (Net)	625	318
Current Assets		
Inventories	723	724
Trade receivable	1,108	971
Cash & Cash Equivalents & Other Bank balances	1,541	366
Other Financial & Non Financial Assets	5,387	2,432
Total	48,239	20,980






As on 31 Mar 2017, INR debt was Rs. 26,808 Crores and Foreign Currency Debt was Rs. 3,644 Crores

Note : The above numbers have been regrouped from IND AS Financial Statements for Presentation purposes only



Appendix

Our partnerships in Financial Services

				
 Market standing	<ul style="list-style-type: none"> Netherlands' largest asset manager with over €452 bn of AUM 	<ul style="list-style-type: none"> Leading global credit specialist with US\$ 34 bn of AUM 	<ul style="list-style-type: none"> Among top 10 global sovereign pension fund with C\$ 317 bn of AUM 	<ul style="list-style-type: none"> A global real estate industry leader with C\$55 bn of AUM
 Mandate	<ul style="list-style-type: none"> Rupee denominated mezzanine investments in Indian infrastructure 	<ul style="list-style-type: none"> Investing debt / equity in materially distress companies across sectors, taking control where required & active participation in turnaround 	<ul style="list-style-type: none"> Rupee debt financing to residential projects across India's major urban centres 	<ul style="list-style-type: none"> Providing long term equity capital to blue chip residential developers across the five major metro cities in India
 Capital pool	<ul style="list-style-type: none"> Initial commitment of US\$ 750 mn with each party committing 50% A target investment of US\$ 1 billion over the next 3 yrs 	<ul style="list-style-type: none"> Target fund size of over US\$ 750 mn, with a sponsor commitment of US\$ 75-100 mn each 	<ul style="list-style-type: none"> Initial commitment of US\$ 500 mn with each party committing 50% 	<ul style="list-style-type: none"> US\$250m commitment formalized for both pure and preferred equity transactions PEL will commit 25% for pure equity transactions and 50% for structured equity

Distressed asset platform's differentiated positioning & strategy

Strong track record in turning around assets

- Both Sponsors have built industry leaders across sectors in India and outside of India both in the Global and Asian markets through turn-around investments over many years, through rigorous approach to diligence and risk management
- Sponsors known for acting decisively and quickly, backed by their balance sheet strength

Ability to carry out deep business diligence

- Access to local market intelligence to identify real business issues and design credible turn-around plan
- Diligence areas include products and distribution network, funding bottlenecks, management issues, and Environment, Sustainability and Governance (ESG) standards

Ready support infrastructure

- Dedicated team backed up by shared services between both sponsors across risk, finance, treasury, legal and asset monitoring teams
- Ability to leverage on the global pool of sector experts of both the Sponsors

Relationship with stakeholders

- Established reputation of credible and trusted counter-party in India
- Among preferential players for key stakeholders (Banks / ARCs / Promoters)
- Engagement with the regulators/ bureaucracy

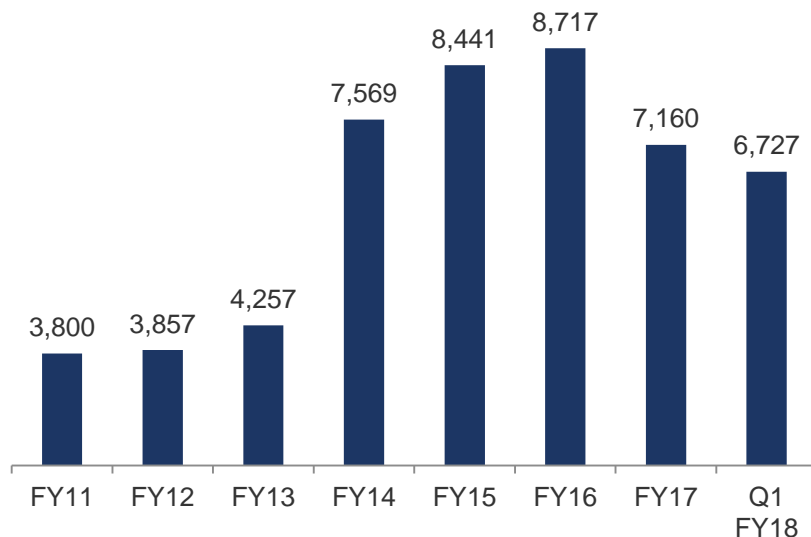
Flexible and efficient Investment structure

- Deploy mix of high yield debt and equity protecting down-side risk
- Ability to provide mix of debt and equity provides maximum flexibility for turn-around plan

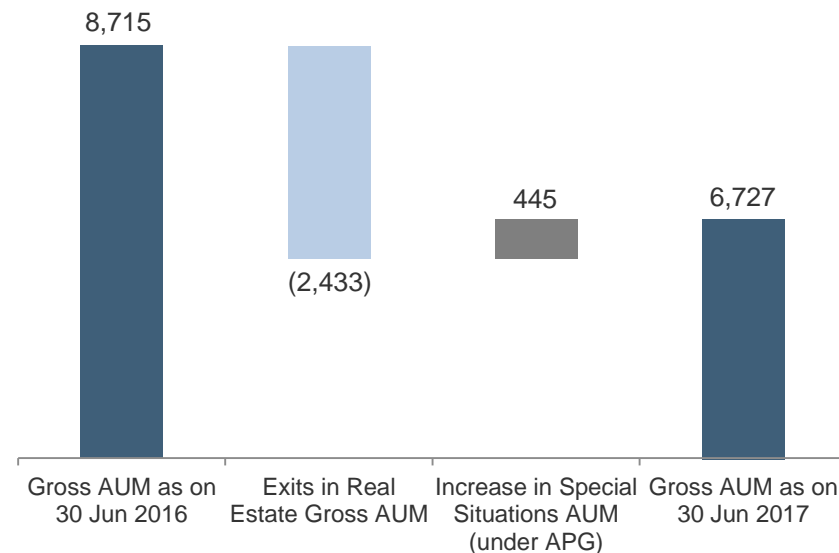
Ability to access key management or strategic partners

- Ability to attract experienced professionals to lead turnaround
- Ability to selectively partner with industry leaders to acquire control in distressed companies

Alternative Asset Management business (In Rs. Crores)



Completely exited two of the vintage funds (In Rs. Crores)



Sponsor commitment of up to 7.5%

Stringent controls across stages of lending

Controls at Pre-qualification stage



- ✓ Presence in only Tier 1 cities
- ✓ 'Grade A' developers having strong track record

Real Estate lending in Tier I cities of Mumbai, Pune, Bengaluru Hyderabad, Chennai and NCR

99%

Portfolio comprising of Grade A Developers

70%+

Controls at Pre-approval stage



- ✓ Sensitivity analysis not just based on sales and cost but also based on velocity
- ✓ Proprietary risk scoring system to avoid bias
- ✓ Structuring each transaction uniquely to address any specific risks associated with the project
- ✓ Strategic alliances with global funds serving as external validation of underwriting and reassures investment thesis
- ✓ Security and cash cover of 1.5x-2x based on conservative underwriting assumptions

Deals with underwriting assumptions based also on delay in velocity by 6 to 12 months

100%

Deals with Escrow A/C

100%

Deals with a 'Minimum Selling Price' clause ensuring collection of sales value into our Escrow A/C

100%

Deals with fixed IRR & obligation to pay without any linkage to market performance or sales realization

93%

Constant asset monitoring ensuring healthy asset quality

Developers

100+

Transactions

195+

Projects pan India

340+



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

Site Visits / month

170+

Developer sales MIS monitored per month

100%

Project escrow A/Cs monitored per month

100%

Transactions covered every month in Project Monitoring Meetings

137+

Projects approved, above the ground, significant portion sold out and financial closure achieved

85%

Gross NPA ratio of 0.2%

Illustration 1 : How we closed our largest FS deal?

	Developer Proposal	Our Deal
Facility Amount	Rs 1,500 Crores	Rs.2,320 Crores
Purpose	Towards Lender A exit	<ul style="list-style-type: none"> Rs.820 Cr – Towards takeover of existing loans on Project A and Project B (quality projects) Rs.1,500 Cr – Towards Lender A exit
Proposed Security	2 nd charge on Project C	<ul style="list-style-type: none"> 1st charge on Project A and Project B (Takeover of existing loans to have full control on escrow) 2nd charge on Project X & Project Y 2nd charge on Project W cashflows 1st charge on Plot A (10 Acres) 2nd charge on unutilised FSI of Project C
Disbursement	Full amount upfront	<ul style="list-style-type: none"> Linked to sales milestones of projects (ability to back test our sales assumptions)
Deal Type	General Corporate Purpose	<ul style="list-style-type: none"> Receivables discounting + Takeover of Construction Finance establishing full escrow control

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

Legal

- Pressure building through legal proceedings including mortgage enforcement
- Filed criminal complaint with Economic Offence Wing (EOW) and Crime Branch

Brickex (our in-house real estate advisory arm)

- Sourcing and engaging with customer for sales of security units
- Continuous dialogue with developers
- Structuring transaction

Finance

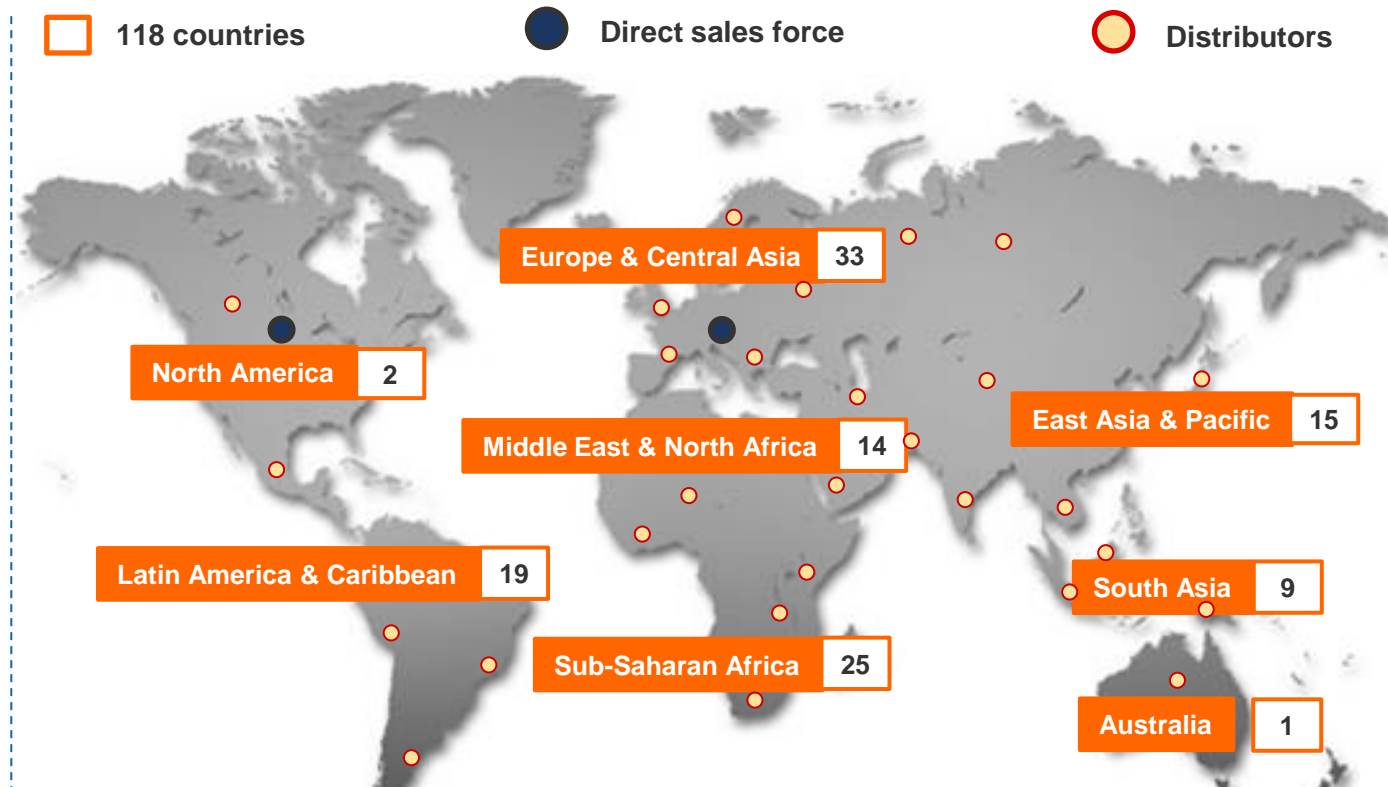
- Bridging the gap of Customer and Developer expectation
- Multiple meetings with EOW and Crime Branch

Outcome

- Recovered entire Principal with interest of Rs.20 Crores, whereas other lenders are yet to recover even their principal.

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



Discovery	Early phase API	Late phase API
Medicinal & Synthetic chemistry services – India - Ahmedabad	India – Ennore Canada – Aurora US – Riverview (HPAPI)	India – Digwal, Ennore Canada – Aurora UK – Morpeth US – Riverview (HPAPI)
	Early phase Formulations	Late phase Formulations (OSD's & Steriles)
	UK – Grangemouth (ADC) India – Ahmedabad, Mumbai US – Lexington (Injectables)	UK – Morpeth, Grangemouth (ADC) India – Pithampur, Digwal US – Lexington (Injectables), Bethlehem

Key initiatives being taken to smoothly and swiftly transition to GST

Supply Chain Optimisation	Consumer	Trade Partner Readiness	Cost Optimisation
<ul style="list-style-type: none">• Optimize distribution costs and inventory holding costs by :<ul style="list-style-type: none">- Making necessary changes in the supply chain- Rationalization of the number of carrying and forwarding agents (CFA)	<ul style="list-style-type: none">• Focused on last mile coverage and increasing secondary sales to retailers• Unabated consumer confidence on our brands despite GST issues. Good growth is expected in offtake numbers across brand portfolio in the coming quarters. To accelerate, we have planned to ramp up consumer activations via traditional and digital platforms	<ul style="list-style-type: none">• Communicating and help the large number of stockists and retailers (who are not yet GSTN registered) to comply with the new requirements on priority basis• Conducted training for CFA and distributors to familiarize them with the new IT systems and order booking process	<ul style="list-style-type: none">• To re-negotiate with vendors and third party manufacturers on each SKU by procurement team• All vendors to be registered with regulators to avail the input credit

Leveraging Our Pharma Expertise to Create Value



Helping healthcare companies find answers to their most challenging questions by leveraging proprietary data, scalable analytic methods, and a global team of industry experts and data scientists

Our Strategy

- Investing in the US, the **largest healthcare market** globally with 18% of GDP spent on healthcare (\$3.2 tn)¹
- Spotted high-end data analytics opportunity **ahead of the curve**
- Leveraging our insights** of the pharma industry and strong global relationships

Key Business Highlights

- 1,000+** employees of which 250+ are in India
- Presence in **6** countries across **17** offices
- Leveraging proprietary and public data
 - Large number of **US patients covered** by dataset

Our Capabilities

-  **Research and Data:** Covering the end-to-end Healthcare ecosystem
-  **Consulting:** Internationally renowned consultants
-  **Advanced Analytics:** Investments in developing core technologies

Our Vision / USP

Only Healthcare Insights partner that has the in-house capability to **combine proprietary data, advance analytics, and thought-leadership**

Note: All metrics as per latest company filings.
(1) National Health Expenditure Accounts (NHEA), United States