

Piramal Enterprises Limited

Investor Presentation

May 2018



Disclaimer

Except for the historical information contained herein, statements in this presentation and any subsequent discussions, which include words or phrases such as 'will', 'aim', 'will likely result', 'would', 'believe', 'may', 'expect', 'will continue', 'anticipate', 'estimate', 'intend', 'plan', 'contemplate', 'seek to', 'future', 'objective', 'goal', 'likely', 'project', 'on-course', 'should', 'potential', 'pipeline', 'guidance', 'will pursue' 'trend line' and similar expressions or variations of such expressions may constitute 'forward-looking statements'.

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.

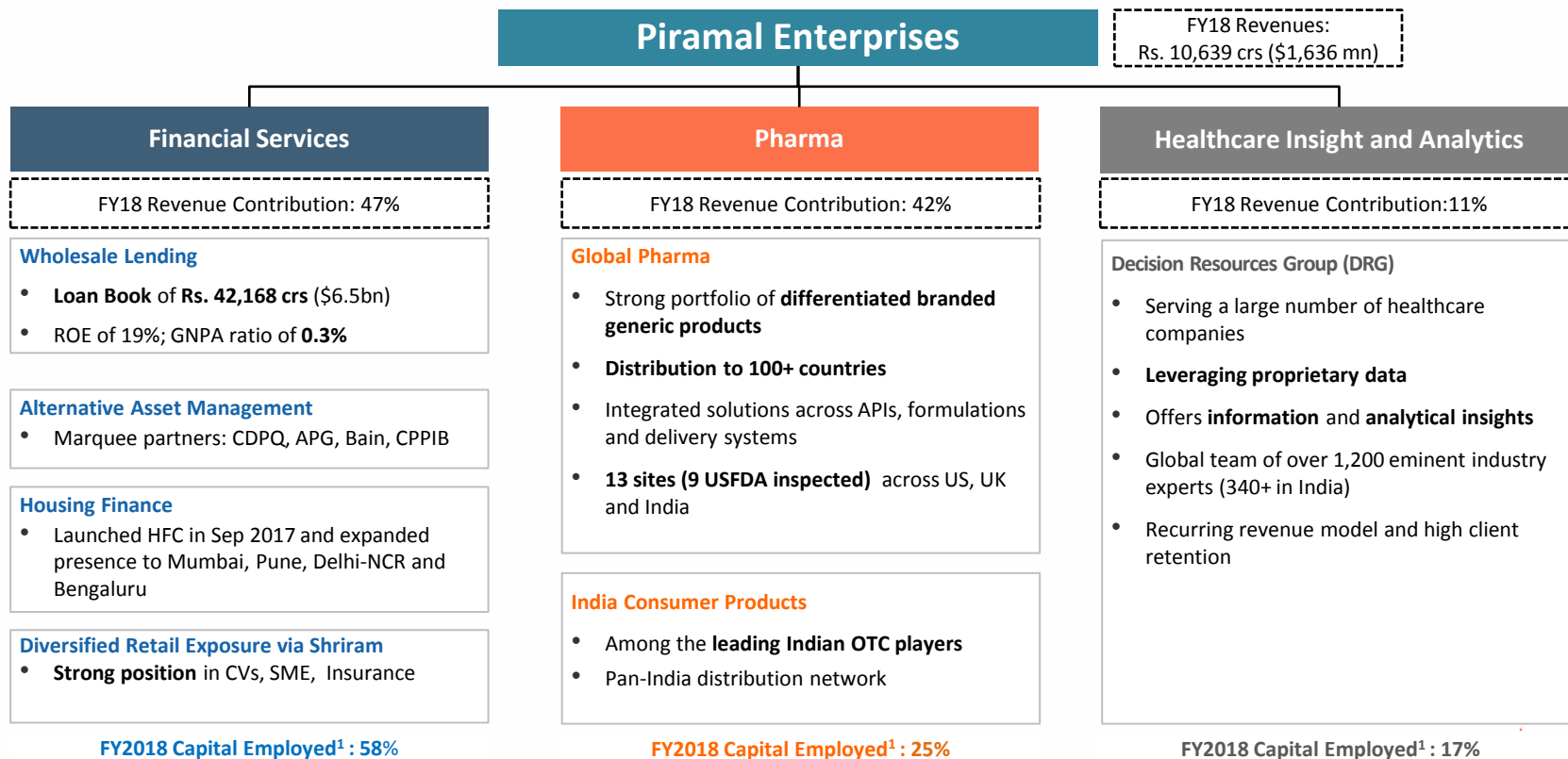
Piramal Enterprises Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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.



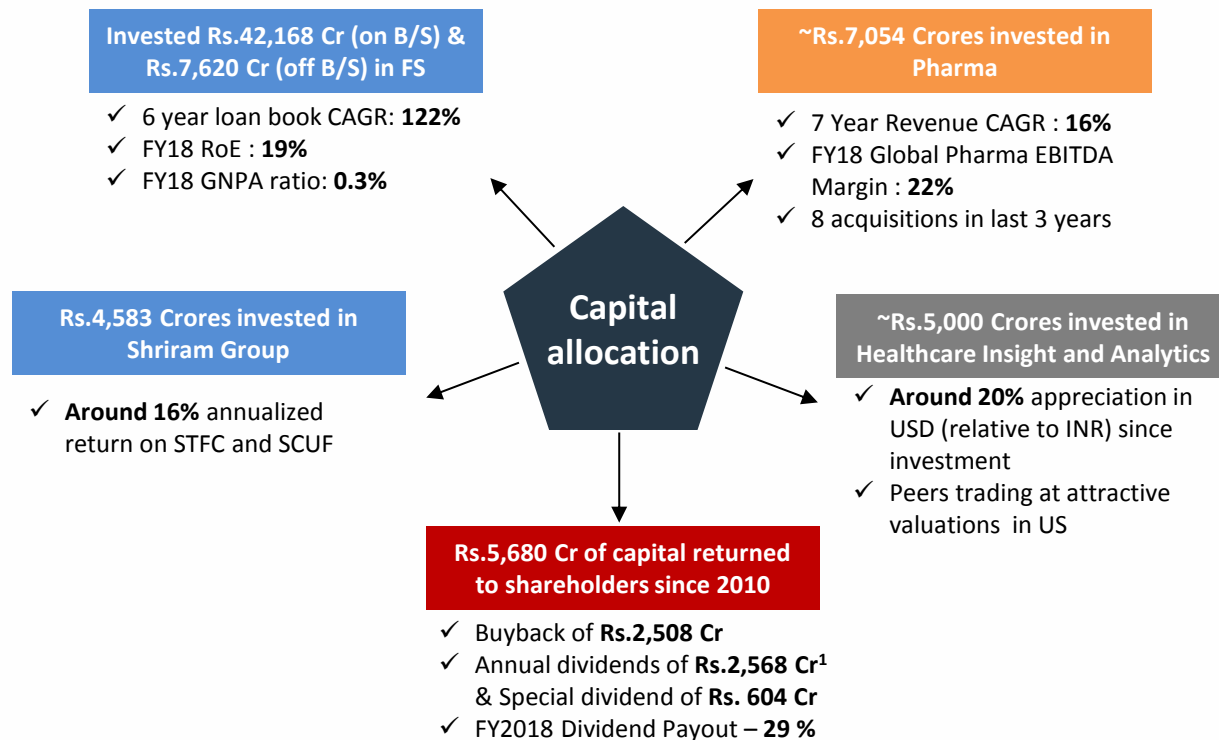
Piramal Enterprises Limited: Business Overview





Efficient capital allocation over years

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

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

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

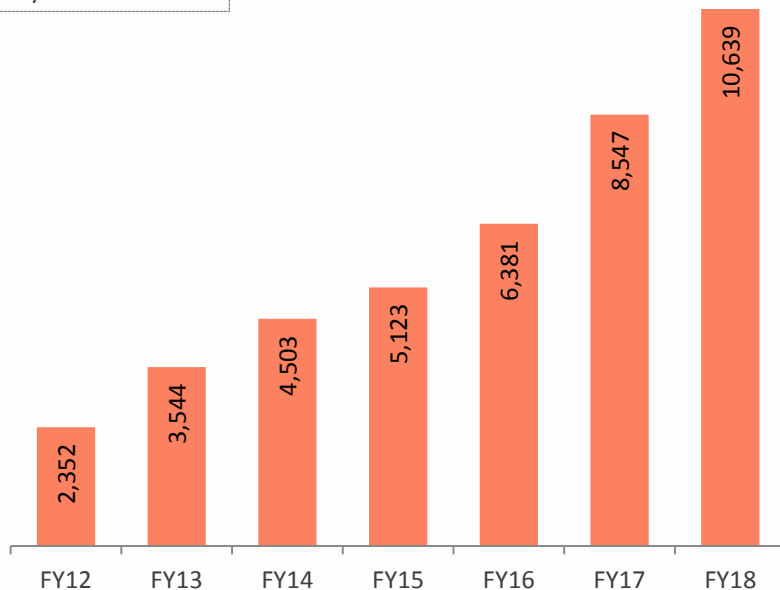
Note: 1) Excludes any dividend payout upon conversions of CCDs & related Rights till book closure date



Delivering robust growth - track record

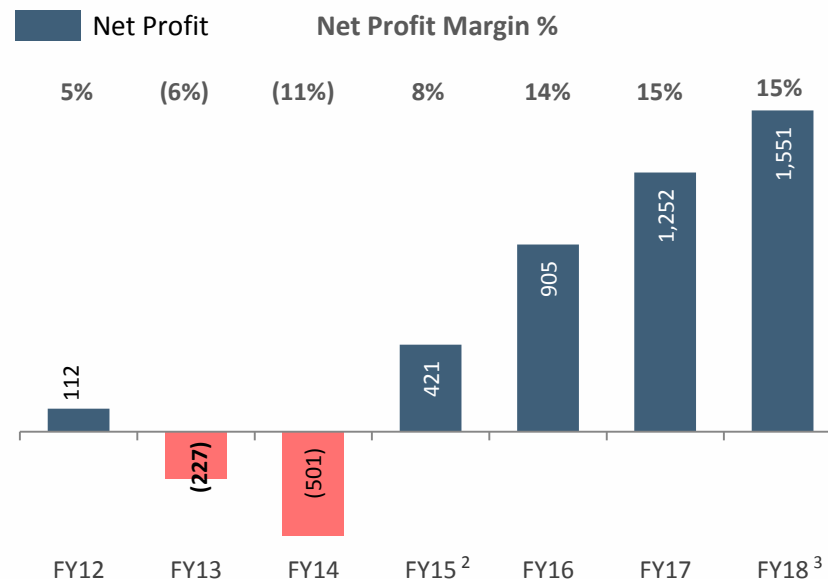
Total Revenues¹

6 yrs CAGR – 29%



Normalised Net Profit^{1,2,3}

6 yrs CAGR – 55%



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 normalised net profit excludes synergies on account of merger of subsidiaries in Financial services segment



Consistently delivering strong performance

(In Rs. Crores)

Period	Revenues			Net Profits		
	Reported Period	Previous Period	% YoY Change	Reported Period	Previous Period	% YoY 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%
Q2FY18	2,536	1,966	+29%	384	306	+25%
Q3FY18	2,858	2,342	+22%	490	404	+21%
Q4FY18	2,991	2,463	+21%	375 ⁴	311	21%

**10+ consecutive quarter of delivering
Revenue growth higher than 20%**

**12+ consecutive quarter of delivering
Net Profit (normalised) growth over 20%**

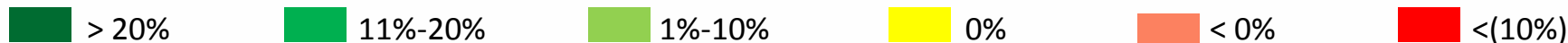
Note:

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 normalised net profit excludes synergies on account of merger of subsidiaries in Financial services segment

Various business segments growing consistently over years

Metrics showing YoY revenue growth

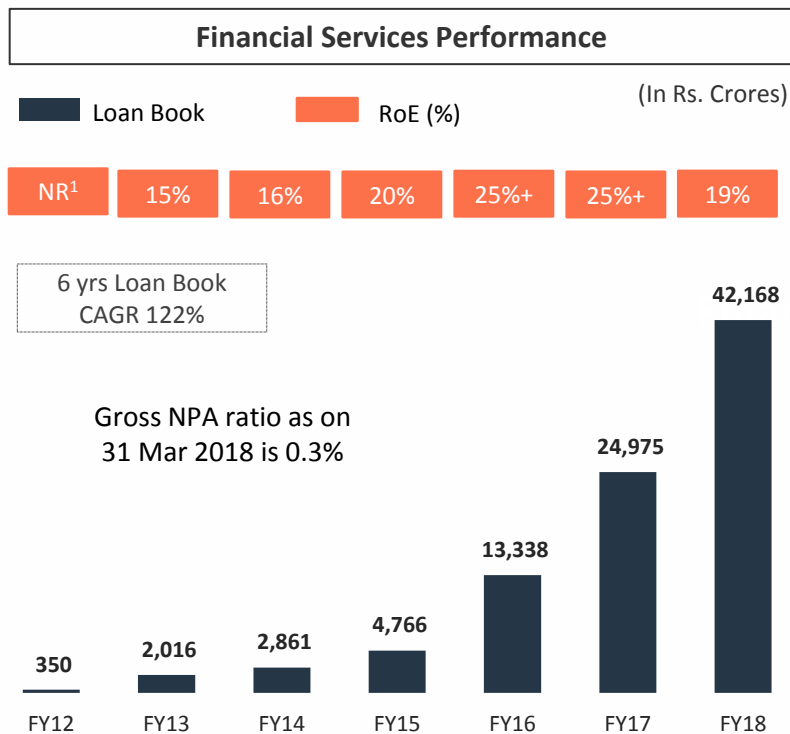
Businesses	FY13		FY14		FY15		FY16		FY17		FY18	
	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2
Pharma												
Financial Services												
Healthcare Insight & Analytics	Before acquisition of DRG											
Total Revenues												



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



Strong performance trend in Financial Services

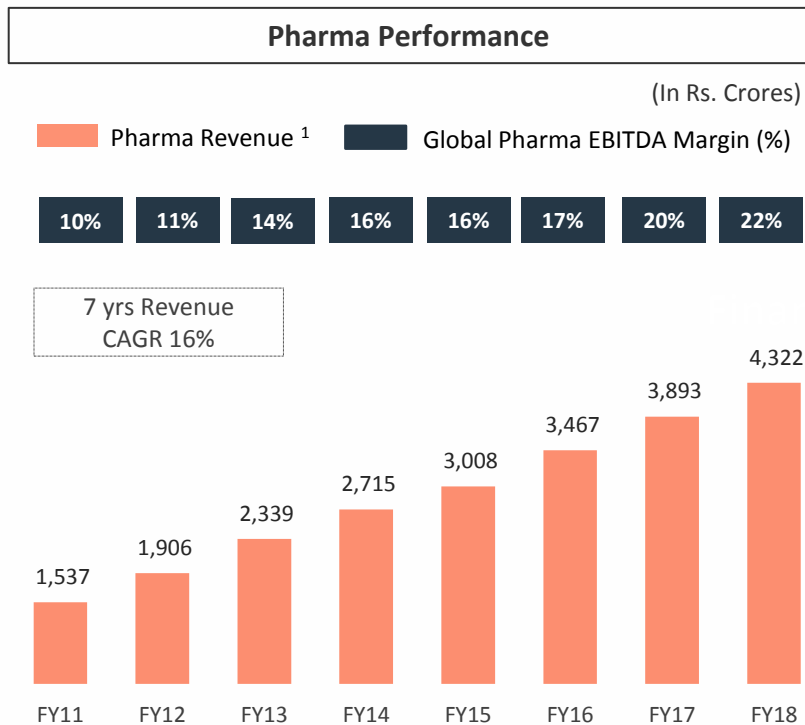


- PEL's loan book has grown at a robust CAGR of 122% over last 6 years. Consistently delivering 60%+ YoY growth in loan book in each of the last 13 quarters
- During FY2018 loan Book grew 69% YoY to Rs. 42,168 Crores
- The Company has recorded an ROE of 25%+ over last 10 consecutive quarters prior to the fund raise through QIP and Rights Issue
- Consistently maintaining a healthy asset quality below 1% since last 9 quarters
- The consistent robust growth in loan book is an outcome of our strong diversification - Launched 22 products across various business verticals

Note:

1. NR – Not Reported

Consistent performance trend in Pharma



- PEL's Pharma revenue has grown at a CAGR of 16% over last 7 years
- Global Pharma (accounts for 92% of Pharma revenues) has delivered a strong growth in EBITDA margins from 10% in FY2011 to 22% in FY2018
- Since FY2011, PEL successfully cleared 31 USFDA inspections, 102 other regulatory audits and 826 customer audits
- Our differentiated business model has ensured that we perform better than most of the other Indian Pharma companies

Note:

1. Pharma Revenue includes Global Pharma & Consumer Products Revenue. Global Pharma revenue accounted for 92% of the Pharma revenue during FY18

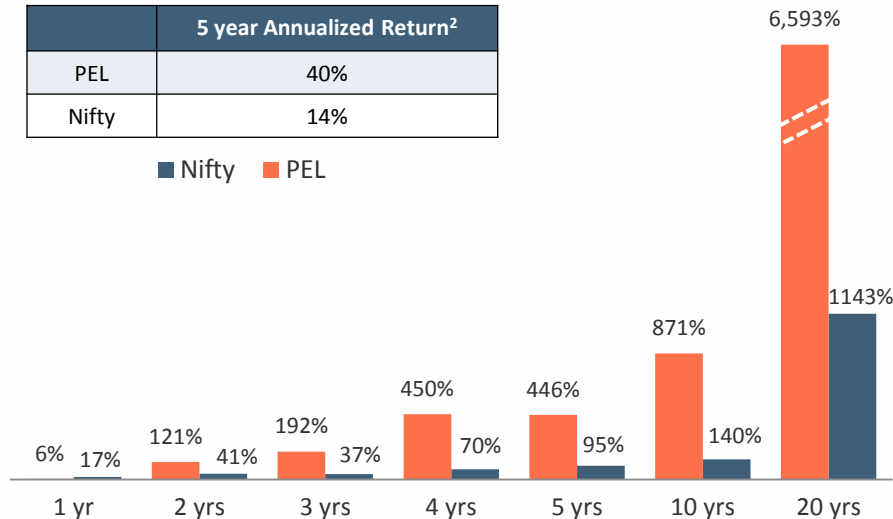


Returns to shareholders consistently outperforming all benchmarks

Consistently delivered strong shareholder returns – significantly higher than benchmarked indices¹

	5 year Annualized Return ²
PEL	40%
Nifty	14%

■ Nifty ■ PEL



24%

Revenue CAGR for last 30 years

29%

Net Profit CAGR for last 30 years

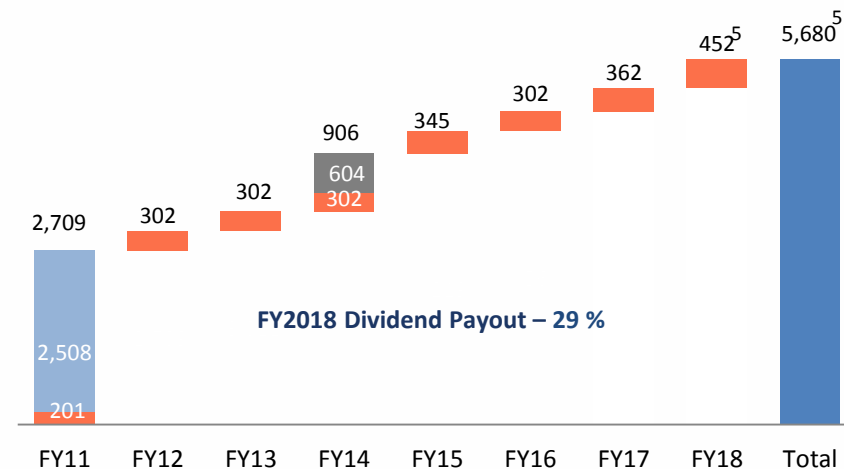
29%*

Annualized return to shareholders over last 30 years

Rs.5,680 Crores^{3,4,5} returned to shareholders since sale of Domestic Formulations business in 2010

(Rs. Crores)

■ Normal dividend ■ Special dividend ■ Buyback



FY2018 Dividend Payout – 29 %

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 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; 5) Excludes any dividend payout upon conversions of CCDs & related Rights till book closure date

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 MASHEKAR

EMINENT SCIENTIST

FORMER DG, CSIR

AWARDED PADMA VIBHUSHAN



S RAMADORAI

FORMER VICE-CHAIRMAN,

TCS



SIDDHARTH (BOBBY) MEHTA

FORMER PRESIDENT & CEO

TRANSUNION



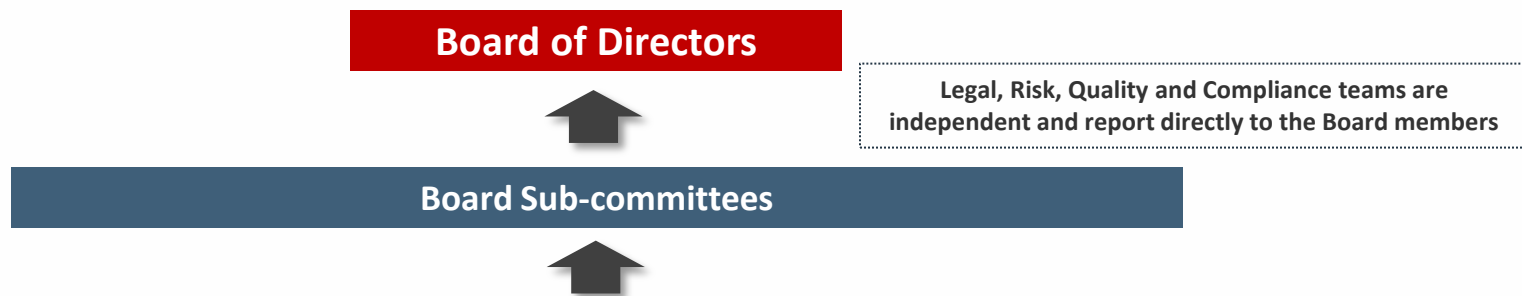
GAUTAM BANERJEE

SENIOR MD & Co-CHAIRMAN,

ASIA OPERATING COMMITTEE,

BLACKSTONE, SINGAPORE

Robust Governance Mechanism



PHARMA

Pharma Operations Board

- Executive Directors
- Key Business CEOs
- External Experts

FINANCIAL SERVICES

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

Healthcare Insight & Analytics Board

- Independent Director
- Business CEO
- External Expert

First major fund raise in the history of PEL - ~Rs.7,000 Crores

Successfully raised **~Rs.4,996 Crores**
through CCDs



Successfully raising **Rs.1,978 Crores**
through Rights Issue

- ✓ **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

- ✓ 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



Top Institutional Investors in the company

Aberdeen



ADIA



Vanguard®

BLACKROCK®

Eastbridge Capital

CAPITAL
GROUP®

WELLINGTON
MANAGEMENT®

STATE STREET
GLOBAL ADVISORS®



中国人民银行
THE PEOPLE'S BANK OF CHINA



NORGES BANK



Strategic partnerships



Total AUM - €474 Bn

Alliance Partner –
Infrastructure Financing



Total AUM - US\$37 Bn

Alliance Partner –
Distressed Asset Investing



Total AUM - C\$317 Bn

Alliance Partner –
Real Estate Financing



Total AUM - C\$60 Bn

Alliance Partner –
Real Estate Financing



Total AUM – US\$22 Bn

PEL invested in
Shriram Group



Market Cap - US\$56 Bn

JV Partner



Market Cap - US\$80 Bn

PEL had invested
in Vodafone India



Market Cap - US\$104 Bn

Acquirer – Domestic
Formulations Business



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**

Knowledge
Action
Care
Impact

Tenured Leadership

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

Alignment with Minority Shareholder Interests

- 🔥 Largest effective promoter shareholding among Financial Institutions
- 🔥 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

- 🔥 31 USFDA Inspections cleared since 2011
- 🔥 High asset quality – GNPA² of 0.3% in FY2018
- 🔥 Reputed and experienced Board

Note:

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

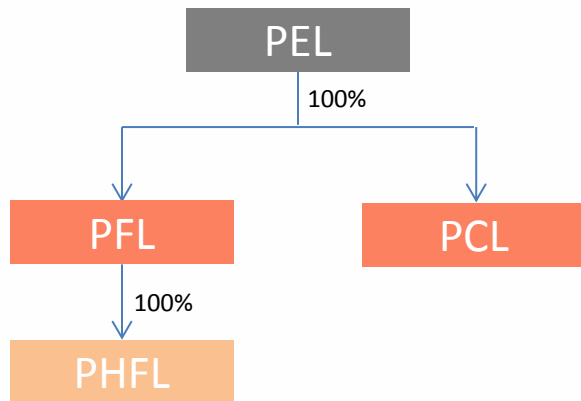


Restructuring of the Financial Services business

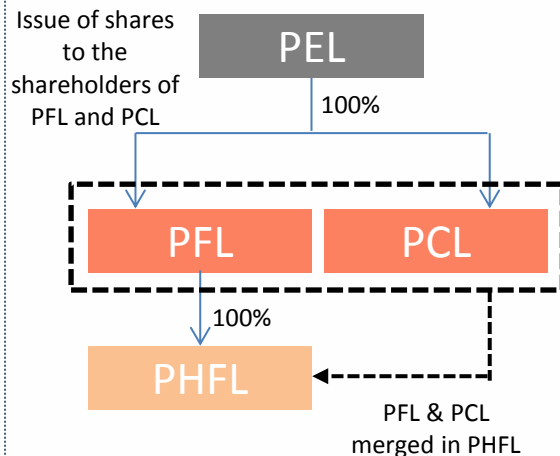


Merger of Piramal Finance and Piramal Capital with Piramal Housing Finance

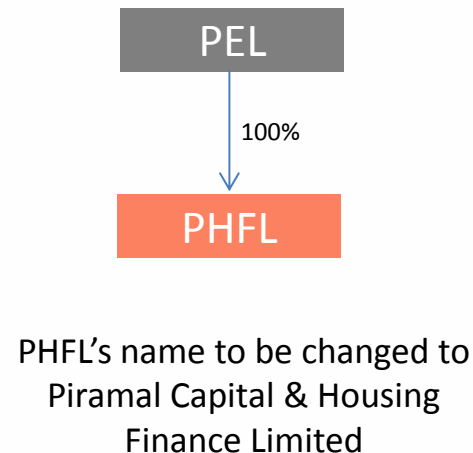
Before Merger



Restructuring Mechanics



After Merger



Note :

PEL – Piramal Enterprises Ltd.

PFL – Piramal Finance Ltd.

PCL – Piramal Capital Ltd.

PHFL – Piramal Housing Finance Private Ltd.



Synergies from the merger

Improve profitability and risk adjusted returns <p>Synergies expected to improve the annual ROE of the Financial Services business by 2-3% in the next few years</p>	Improvement in credit rating <p>Diversified portfolio comprising both retail and wholesale shall improve credit rating</p>	Enhance lender base <p>Open up avenues for combined entity to raise funds from diversified lenders</p>	Higher allocation from Mutual Funds on lending to HFCs <p>Mutual Fund can lend higher amount to HFCs as against NBFCs (40% vs. 25% of overall lending)</p>	Reduction in borrowing cost <p>Borrowing cost expected to go down by 25 to 50 basis points</p>
Single Financial Services entity <p>One entity to provide end-to-end financing solutions</p>	Leverage Brickex <p>Capitalising on the in-house Brickex arm for sourcing and facilitating home loans</p>	Leveraging Asset Monitoring <p>Leveraging robust asset monitoring capabilities of the wholesale platform for retail construction finance loans</p>	Enhance operational efficiency <p>Restructuring will enhance management and operational efficiency due to integration of common functions like IT, HR, Finance, Legal, compliance, etc.</p>	Optimum capital adequacy <p>Optimum capital adequacy will improve returns</p>

Merger to improve ROE of Financial Services business in a range of 2-3% every year

Accounting treatment of the merger

Impact on Profit and Loss Statement and Balance Sheet

Impact on Cash Flow Statement

**Q4 and full
year FY2018**

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.

No impact on Cash Flows

Future Years

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.

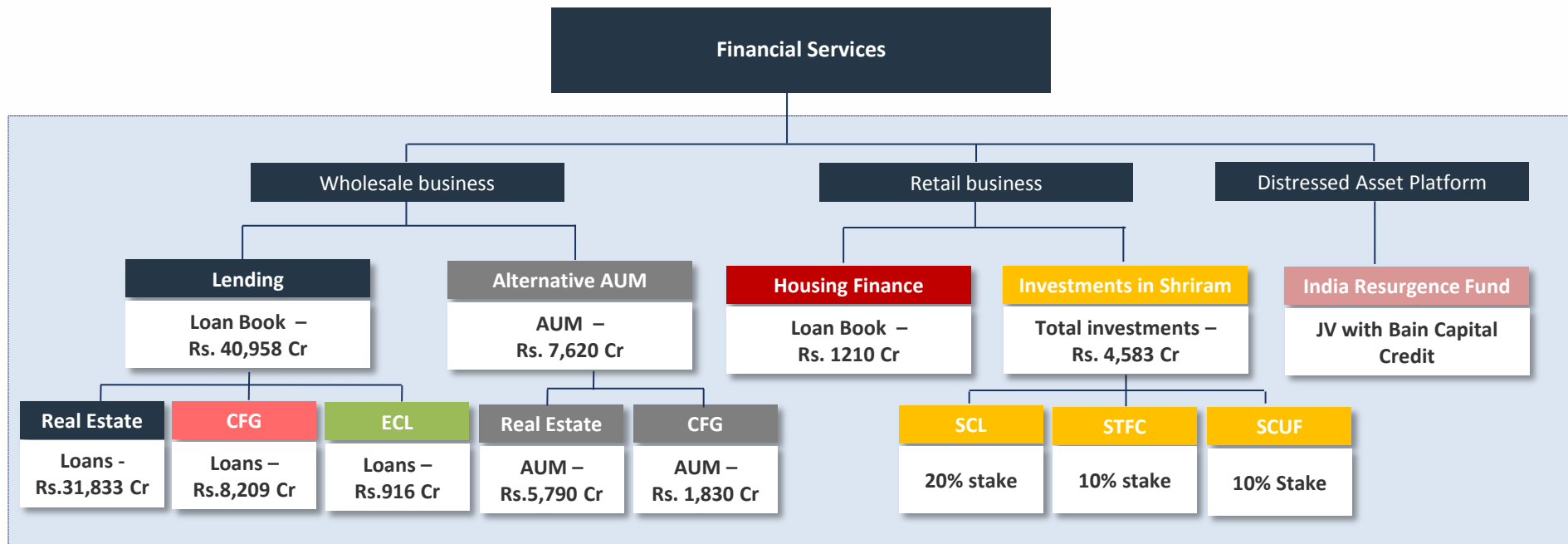
- The cash flow statement is expected to reflect a lower tax outgo (as compared to reported tax expense in profit & loss Account) over next few years resulting in cumulative lower cash outflow of Rs.3,569 Crore.
- Hence, Cash profit is expected to be higher as compared with the normalised net profit (excluding exceptional items) generated by the company over next few years



Financial Services



Diversified exposure across both wholesale and retail financing



CFG – Corporate Finance Group;
STFC – Shriram Transport Housing Finance;

ECL – Emerging Corporate Lending;
SCUF – Shriram City Union Finance

HFC – Housing Finance Company;

SCL – Shriram Capital Limited;

Strong portfolio with a total investments, loans and assets under management of over Rs.54,000 Crores



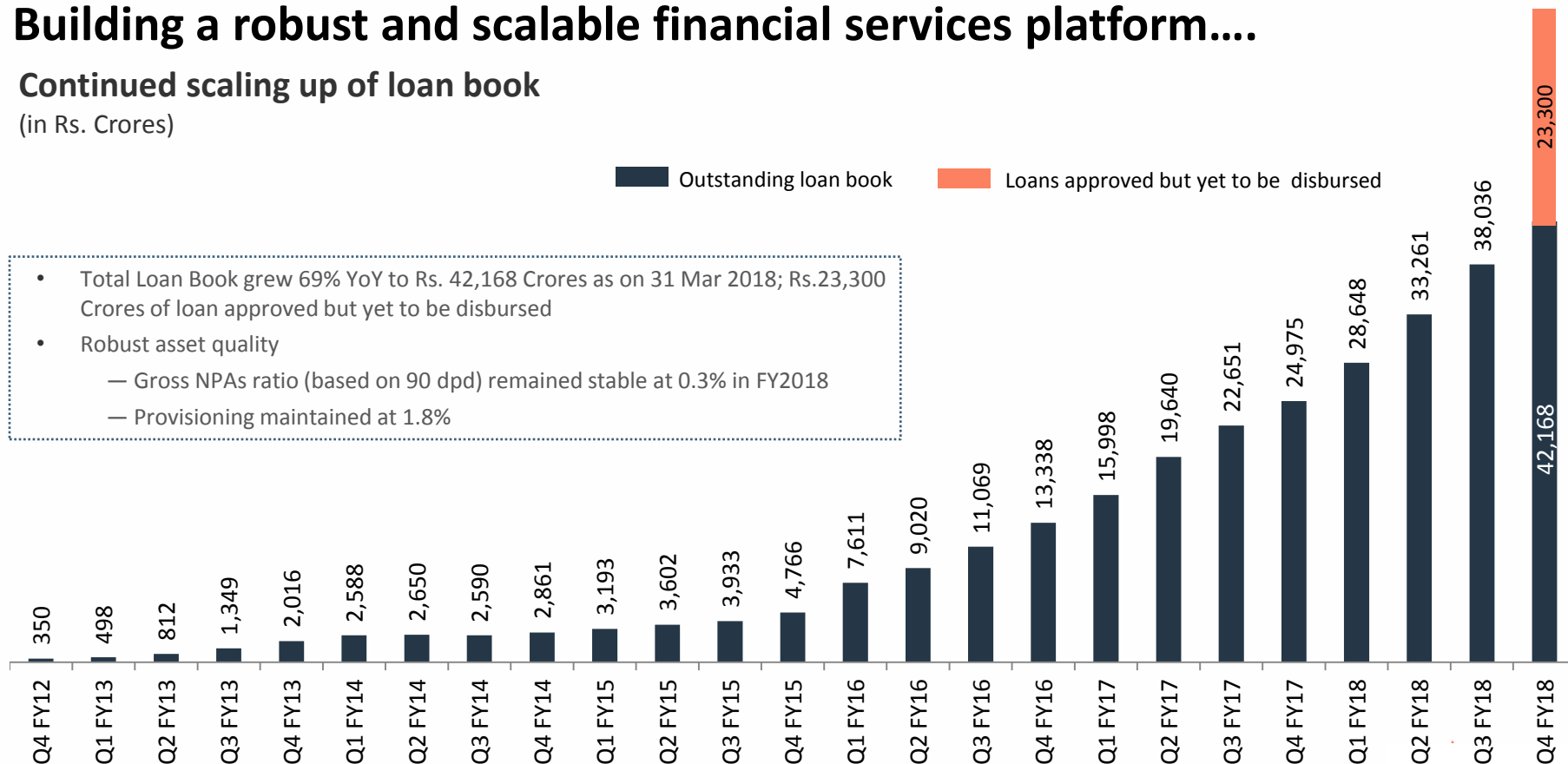
Building a robust and scalable financial services platform....

Continued scaling up of loan book

(in Rs. Crores)

■ Outstanding loan book ■ Loans approved but yet to be disbursed

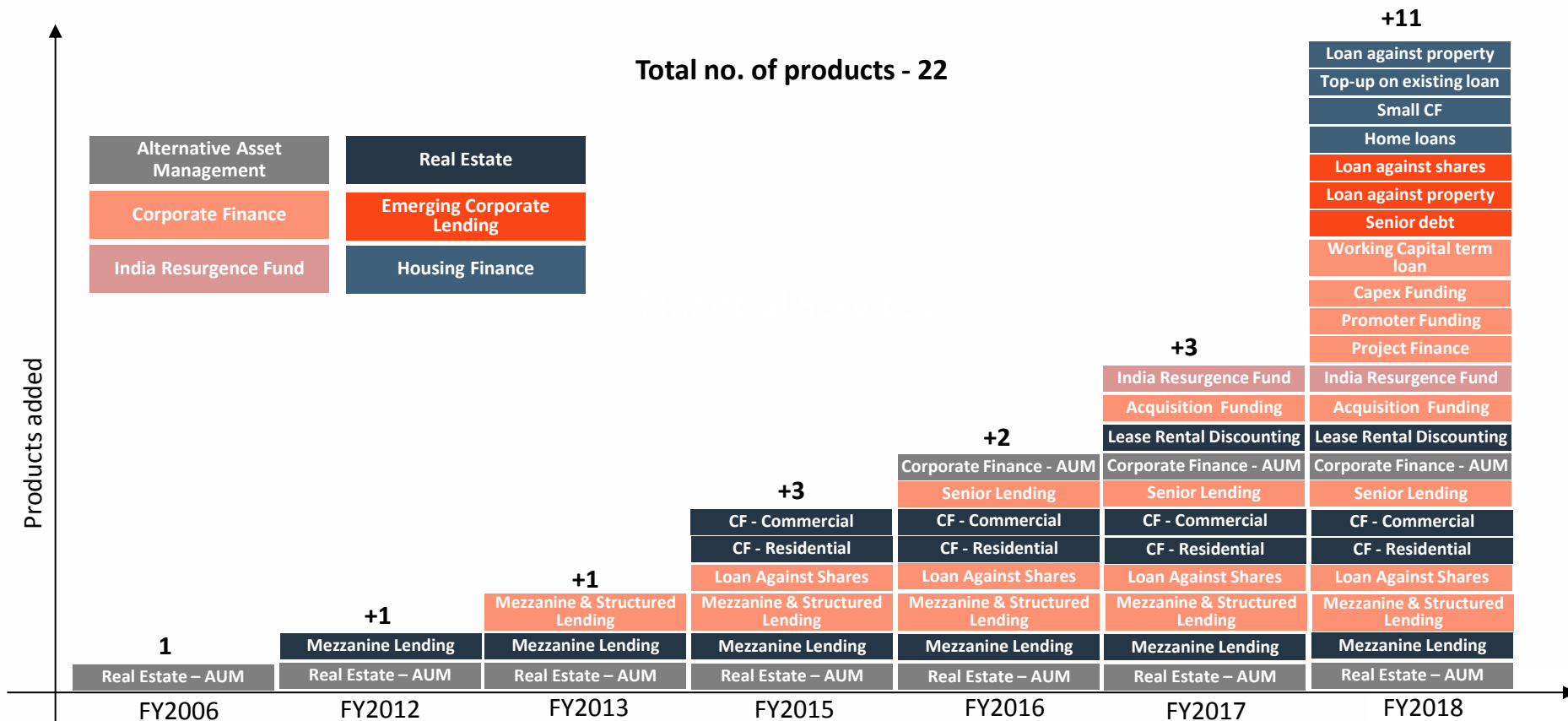
- Total Loan Book grew 69% YoY to Rs. 42,168 Crores as on 31 Mar 2018; Rs.23,300 Crores of loan approved but yet to be disbursed
- Robust asset quality
 - Gross NPAs ratio (based on 90 dpd) remained stable at 0.3% in FY2018
 - Provisioning maintained at 1.8%



Alternative Assets Under Management was Rs.7,620 Crores as on 31 Mar 2018

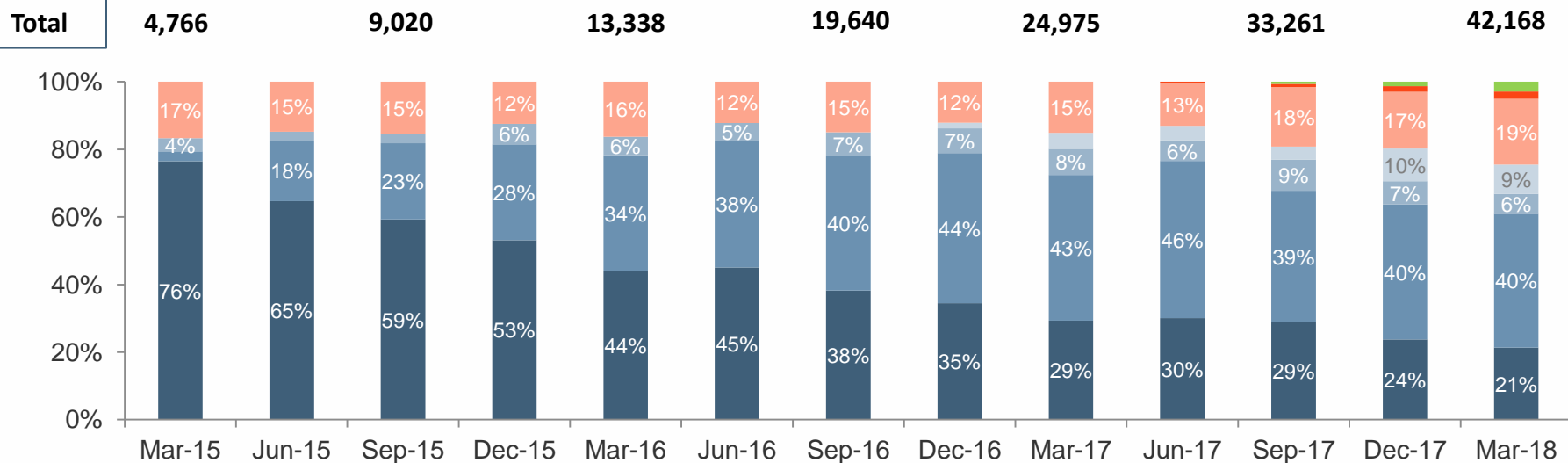
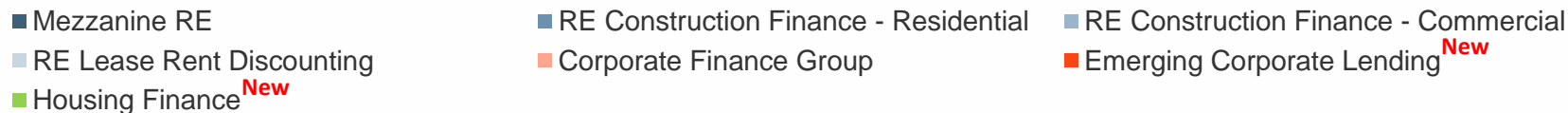


....through consistently expanding product portfolio



Consistently enhancing diversification in the lending portfolio; significantly lowering the overall risk profile

Trend of changing portfolio mix (%)

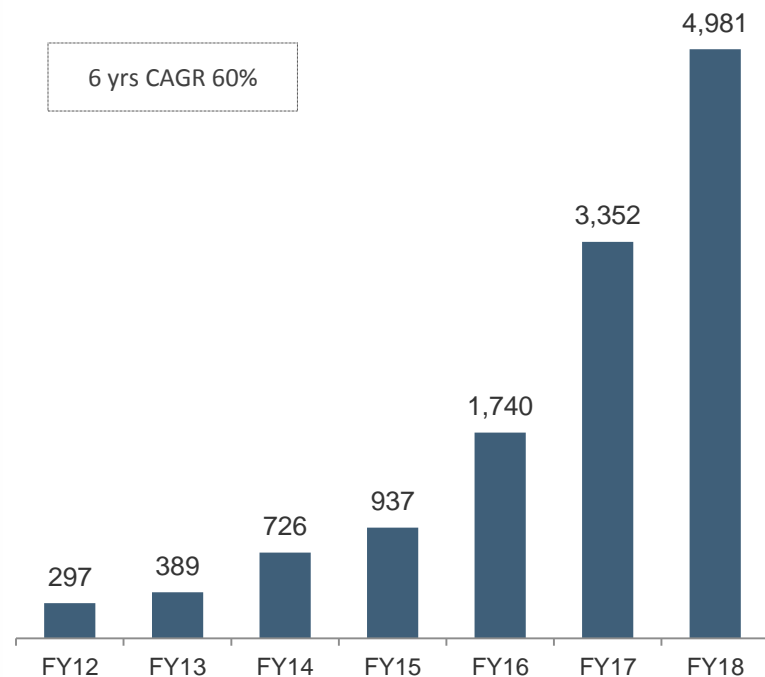


Note : RE – Real Estate; CFG Loan book includes old education loans



Strong trend of growth in income; maturing of the book

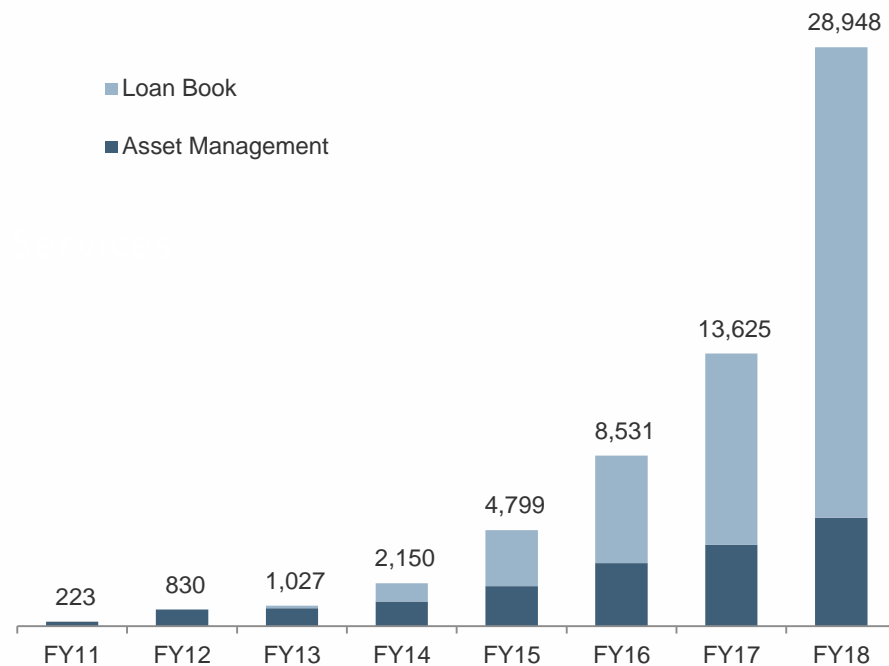
Rapidly growing income from Financial Services business (in Rs. Crores)



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

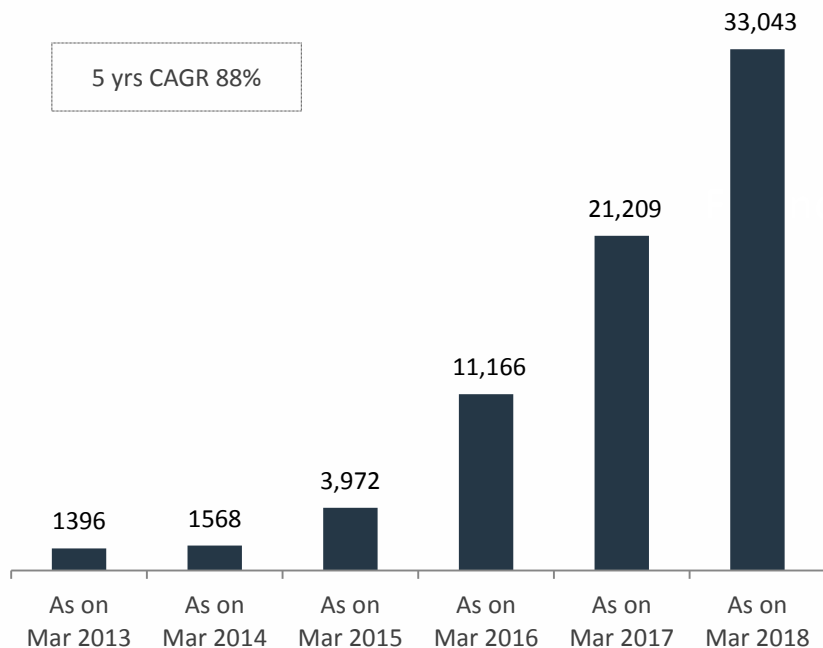
Strong trend of cumulative exits / repayments^{1,2} (in Rs. Crores)



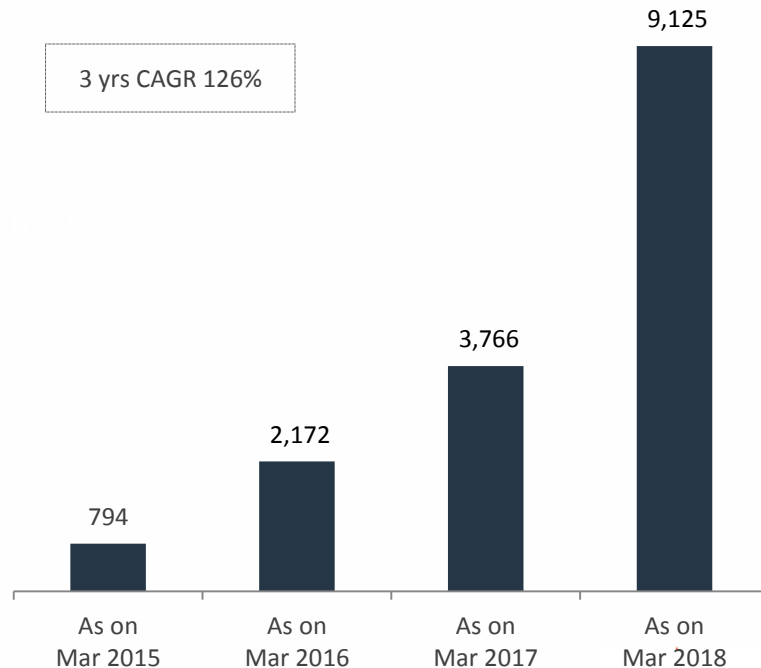
3. Exits from Asset Management business have been included on calendar year basis

Consistently expanding loan book across segments

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



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





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	Providing housing loans to home buyers
Current Size	Off Balance Sheet (Third Party Funds with PEL sponsor commitment upto 7.5%)	On Balance Sheet	On Balance Sheet	On Balance Sheet	On Balance Sheet
Year of commencement	Started in 2006; acquired by PEL in 2011	2011	2015	2016	2017
Current Size	Rs.4,939 Crores	Rs.8,999 Crores	Rs.19,210 Crores	Rs.3,623 Crores	Rs.1,210 Crores
Yield / IRR	20-24%	14-17%	13-15%	9-11%*	9-11%
Tenor	4-6 years	3-5 years	4-6 years	7-15 years	20-30 years

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



How will we grow rapidly and create a sizeable HFC?

Significant opportunity from existing developer relationships

110+ Developers



360+ Projects



Particulars (Rs. 000' Crores)	Unsold Value	Total Value
Total projects financed by PEL	60	118
Total projects with developers (PEL customers)	151	296

Tapping even a portion of the existing developers' customer base can create a significant opportunity

Leveraging Brickex

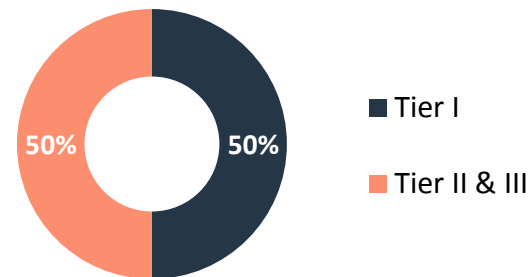
10,000+ Distributors



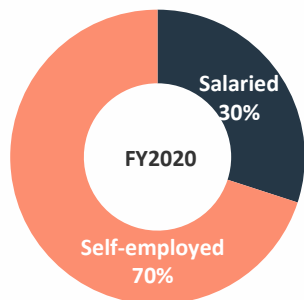
Brickex is India's leading B2B aggregation platform focusing on sales & marketing of Real Estate and Financial Services products with a network of 10,000+ distributors across Tier I cities

Focusing on Tier II and Tier III cities

Targeting to open 24 branches by 2020



Extending loans to the self-employed



LAP, Small Construction Finance

Small Construction Finance

- Target top developers in Tier II & III cities
- Leveraging Brickex for market insights / sourcing

Loan against property (LAP)

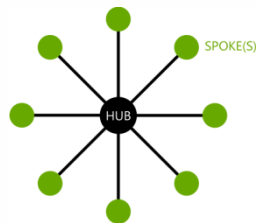
- To enter the market through Piramal ecosystem
- Specialised underwriting cell for self-employed

Affordable housing

- Our development partners entering affordable segment
 - To selectively fund based on existing relationship
- Higher margins with selective use of syndication/down selling

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

Type of product	<ul style="list-style-type: none"> Diversified offering across sectors including senior debt, project finance, acquisition finance, promoter finance, and mezzanine investments 	Tenure	<ul style="list-style-type: none"> Average tenure of around 5-6 years and lock in period for 1-2 years.
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. 	Security cover	<ul style="list-style-type: none"> 1.5-2x times
Loan book	<ul style="list-style-type: none"> Loan book grew 118% YoY to Rs.8,209 Crores as on 31 Mar 2018 	Yield	<ul style="list-style-type: none"> Yield range widened to 14-17%

Sector Agnostic Structured Finance Transactions	Renewables	Infra	Cement	E'tainment	Services	Telecom	Auto Component	Logistics	Others
Senior lending			✓	✓			✓		
Promoter funding	✓	✓							✓
Loan against shares		✓				✓			
Mezzanine lending	✓				✓			✓	
Project Finance	✓								



Launch and progress of Emerging Corporate Lending

Target segments

- ✓ Financing requirements of emerging and mid-market companies

Products offered

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

Ticket size

- ✓ Offering solutions with ticket size ranging from Rs.10 Crores to Rs.125 Crores

Sector-agnostic platform

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

Risk profile

- ✓ Low Risk Portfolio with deals backed by cashflows

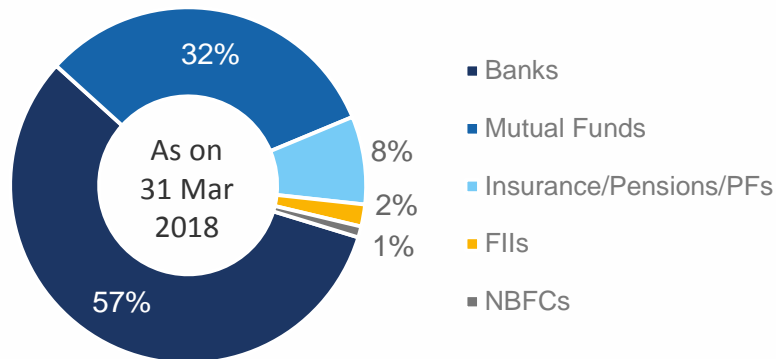
Progress so far

- ✓ Loan book of Rs.916 Crores as on 31 Mar 2018; growth of 48% over last quarter; disbursed Rs.330 Crores during Q4FY2018
- ✓ Total team of 18 people including underwriting, investment, dedicated business operations, legal and asset management functions
- ✓ For deal origination, senior relationship managers are based in Mumbai, Delhi, Chennai, Hyderabad and Pune
 - Bangalore & Ahmedabad to be staffed in Q2FY2019

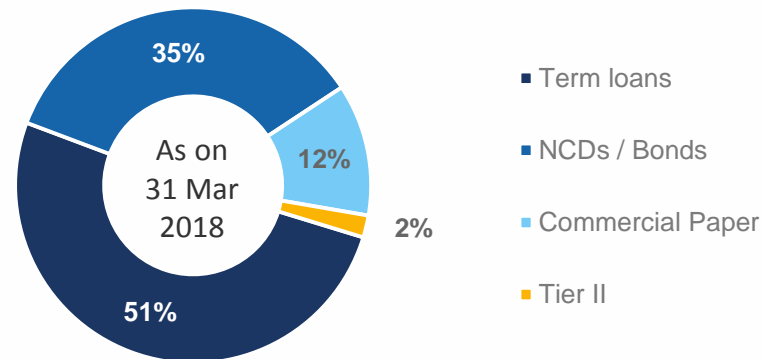
Borrowing profile

PEL Financial Services Borrowings Mix

Funding mix by investor

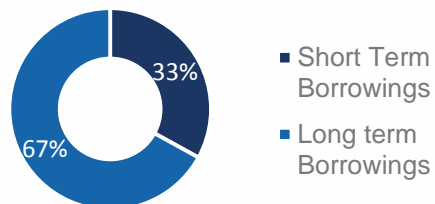


Funding mix by type of instrument

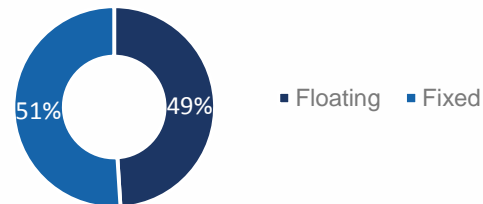


As on 31 Mar 2018

Tenure-base



Fixed vs. Floating



Performance metrics

PEL Financial Services (excluding Shriram) performance against various parameters

Particulars	FY2018
Total Loan Book size	Rs.42,168 Crores
Total Equity in Loan Book and AUM business	Rs.9,725 Crores
Average Yield on Loans	14.8%
Average Cost of Borrowings	8.4%
Net Interest Margin	7.7%
Cost to Income Ratio	15.5%
Total Provisioning	1.8% ¹
Gross NPA ratio (based on 90 dpd)	0.3%
ROA	3.9%
ROE	19% ²

Higher focus on AUM business (generating fee income) is also expected to improve ROEs in future

Note:

1) Provisioning numbers are in line with IND AS;

2) FY2018 ROE has been marginally impacted due to equity infusion in Q3FY2018 and Q4FY2018 post the fund raise.

Consistently delivering exceptional performance quarter after quarter

Trend of key ratios

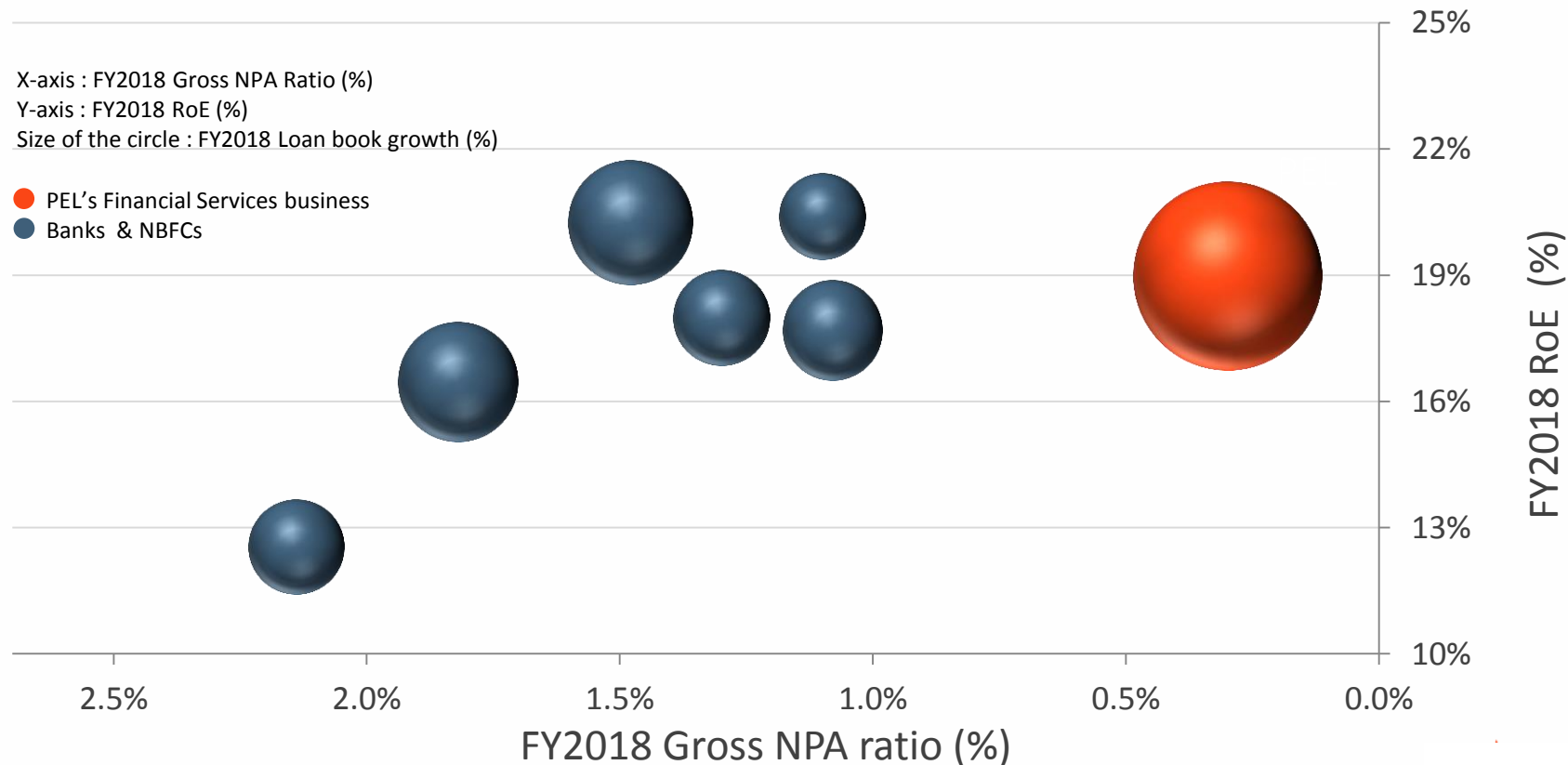
	Q4 FY15	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18
Loan book growth (%)	67%	138%	150%	181%	180%	110%	118%	105%	87%	79%	69%	68%	69%
GNPA ratio %	1.9%	1.5%	1.1%	1.2%	0.9%	0.6%	0.4%	0.5%	0.4%	0.2%	0.2%	0.4%	0.3%
RoE%	21%	25%+	25%+	25%+	25%+	25%+	25%+	25%+	25%+	25%+	25%+	21% ¹	19% ¹

Note :

1. ROE calculation also takes into account the capital allocation from recent fund raise. During Q3, Rs 2,300 Crores was allocated to financial services. In Q4, the entire Rs.5000 crores of estimated allocation got allocated towards financial services business



Performing better than the best performing banks and NBFCs of India

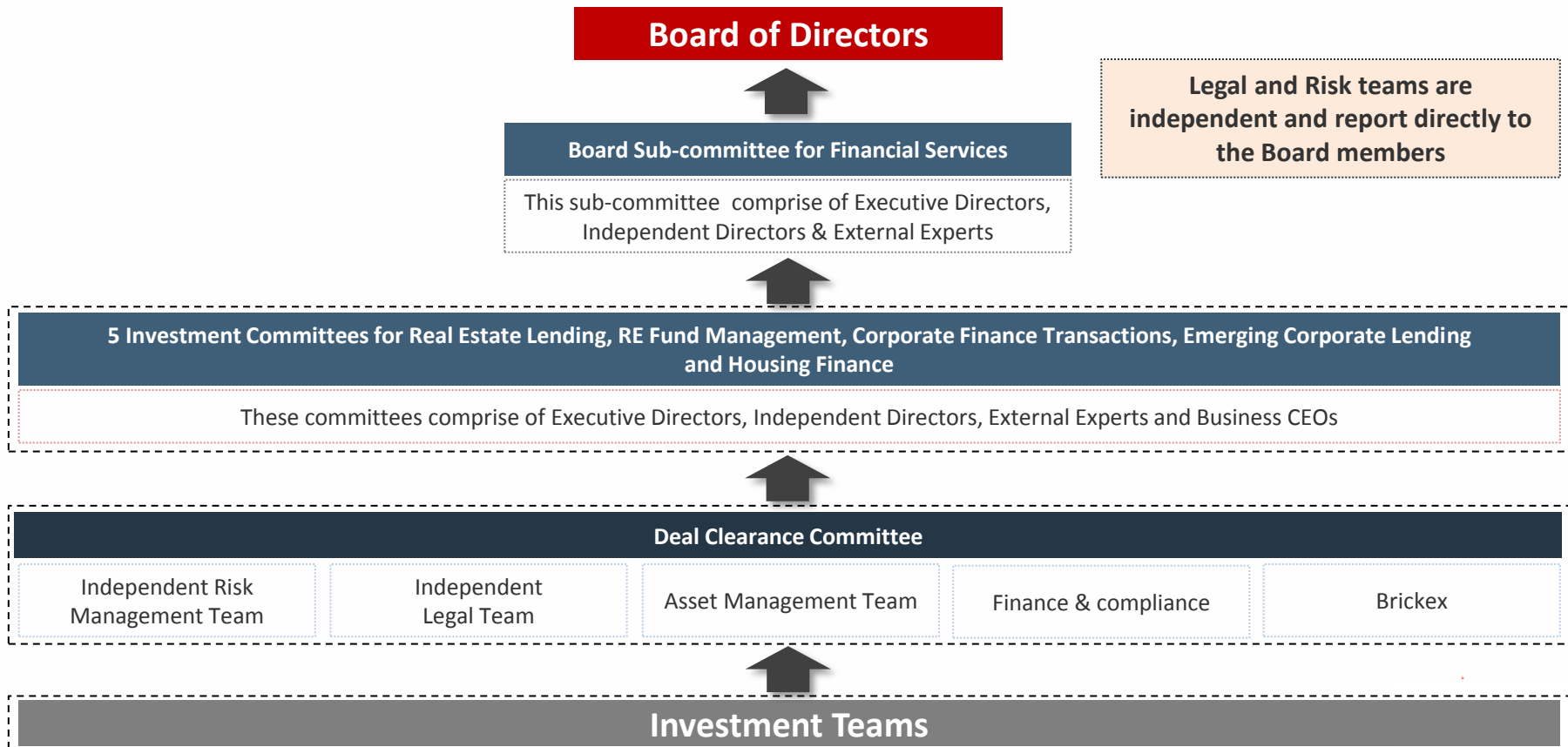


Note: Banks and NBFCs includes Bajaj Finance, HDFC Ltd, HDFC Bank, Kotak Bank, IndusInd Bank and Yes Bank



Measures to ensure healthy asset quality

Review and governance mechanism



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

98%

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

69%

Constant asset monitoring ensuring healthy asset quality

Developers

120+

Transactions

225+

Projects pan India

375+



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

185+

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%

Gross NPA ratio of 0.3%



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

Oct'16 – RCC work in progress



Apr'17 – façade work in progress



Dec'17 – façade work nearing completion



Monthly construction progress monitored



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 / Ahmedabad	Bengaluru / Hyderabad	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



Distressed Investment Opportunity

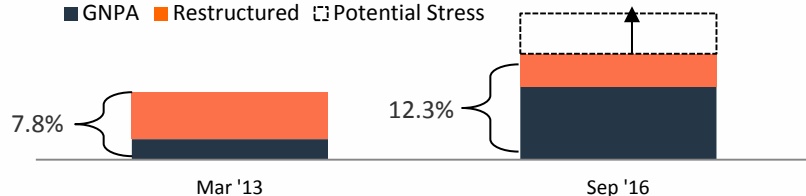


Distressed Investment Opportunity

Industry Overview

Stressed Loans (% of Bank Loans in India)¹

■ GNPA ■ Restructured □ Potential Stress



- India growth story with strong govt 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

Overview of India Resurgent Fund

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



Progress so far

- The partnership has developed a large pipeline of opportunities to pursue, and is in active diligence on few of them
- The fund has received SEBI AIF approval for investing
- The partnership has applied to RBI for Asset Reconstruction Company license



Partnership with Shriram – Strategic in nature



Partnership with Shriram – Strategic in nature

Acquired ~10%
stake in STFC
Invested
Rs.1,636 Crores



Acquired 20%
stake in SCL
Invested
Rs.2,146 Crores



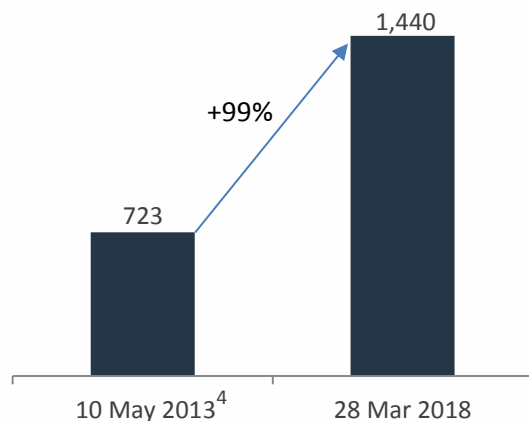
Acquired ~10%
stake in SCUF
Invested
Rs.801 Crores



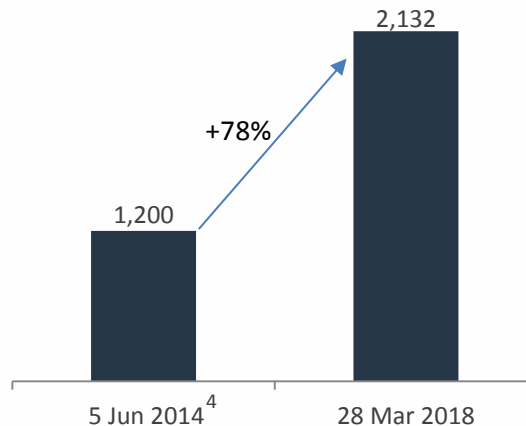
Total
investments in
Shriram Group
Rs.4,583 Crores

Share Price Performance since investments (Rs. per share)

Shriram Transport Finance



Shriram City Union Finance



- Market capitalization of c. **Rs. 468 bn** (US\$7.2bn) for listed entities^{1,2}
- US\$ 21.8 bn³** of assets under management
- 3,500+** branches³
- Customer base of **19.9+ mn³**
- 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

Note: FX rate: 1 USD= Rs. 65

(1) Listed entities include Shriram Transport Finance and Shriram City Union Finance (2) As of 28th Mar, 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

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

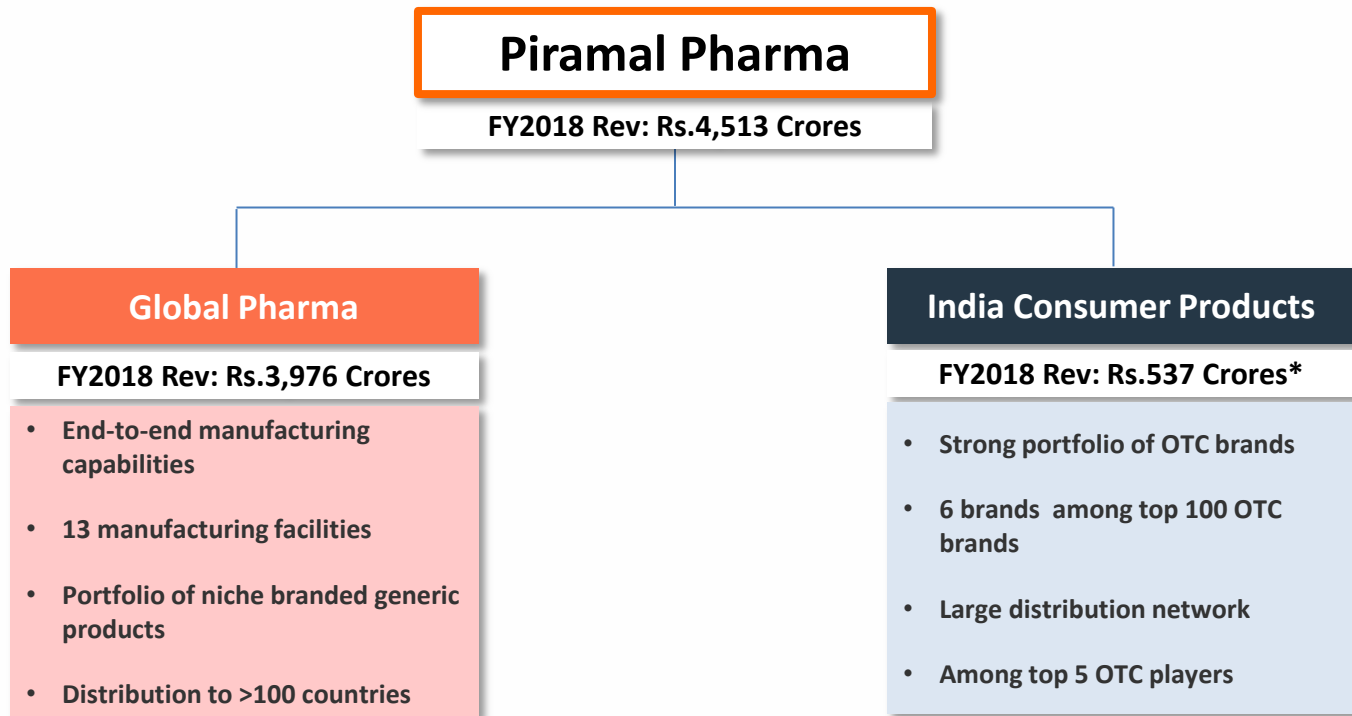
Building an Integrated Financial Services Business

- 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
 - Enter into tier 3 and tier 4 cities
- **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



Note * Includes Allergan JV Revenue

Eight value accretive acquisitions to boost growth

Global Pharma

Coldstream (Injectables)



Injectable anaesthesia & pain management products



Ash Stevens (HPAPI)



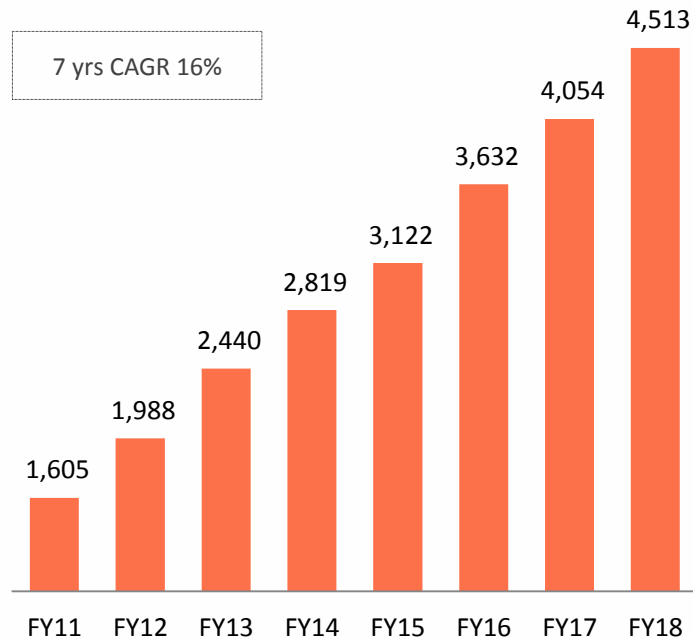
Intrathecal severe spasticity & pain management products



Growing largely organically since Abbott deal

Pharma Revenues* (in Rs. Crores)

7 yrs CAGR 16%



Notes: * Includes Allergan JV revenues

India Consumer Products

4 brands from Pfizer



5 brands from Organon India & MSD BV



Baby-care brand- Little's



Digeplex and associated brands





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

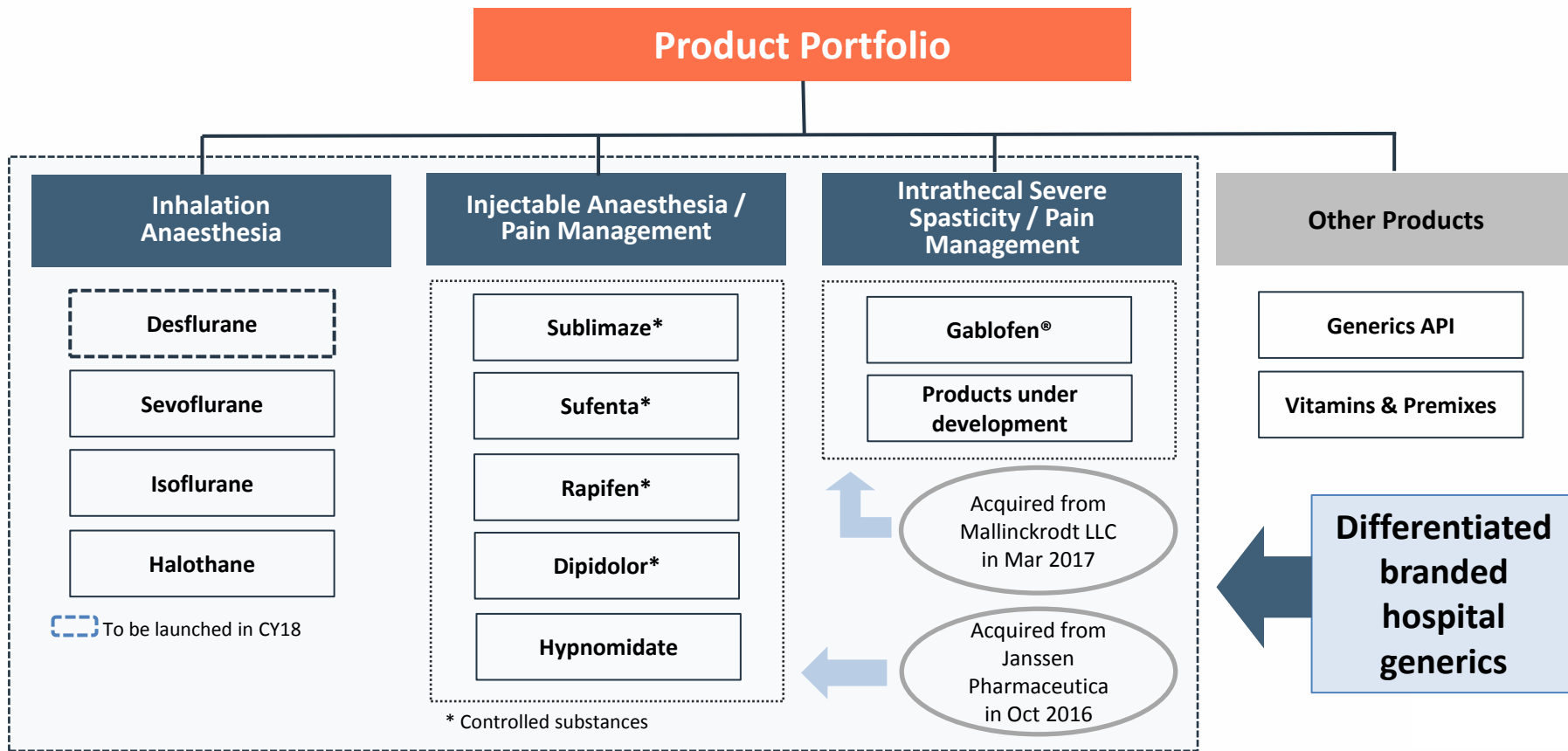


- **Entry barrier** – Complex to manufacture, sell and distribute resulting in limited competition
- **Expands addressable market size** from US\$ 1 bn Inhalation Anaesthesia market to US\$20 bn generic hospital product market

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



Creating a solid product portfolio



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

- | | |
|---|--|
| <ul style="list-style-type: none"> • Aurora : API Development & manufacturing • Lexington : Sterile Development & Manufacturing • Riverview : HPAPI Development & Manufacturing • Bethlehem : Anaesthesia Manufacturing | <ul style="list-style-type: none"> • Grangemouth : ADC Manufacturing • Morpeth : API & Formulation Development & Manufacturing |
|---|--|

% Global Business Revenues (as on 31st Mar 2018)

38%

29%

% Global Business Assets (as on 31st Mar 2018)

24%

43%

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 :

- 31 USFDA inspections
- 133 other regulatory inspections
- 826 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 '**Regulatory Procedures and Compliance**' award at **CPhI Pharma Awards (2017)** in Germany in Oct 2017
- PEL won the '**Industry Partner of the Year**' award at Global Generics and Biosimilars Awards 2017 in Germany in Oct 2017
- **Ash Stevens** won six awards in **CMO Leadership Awards** of Life Science Magazine in Mar 2017

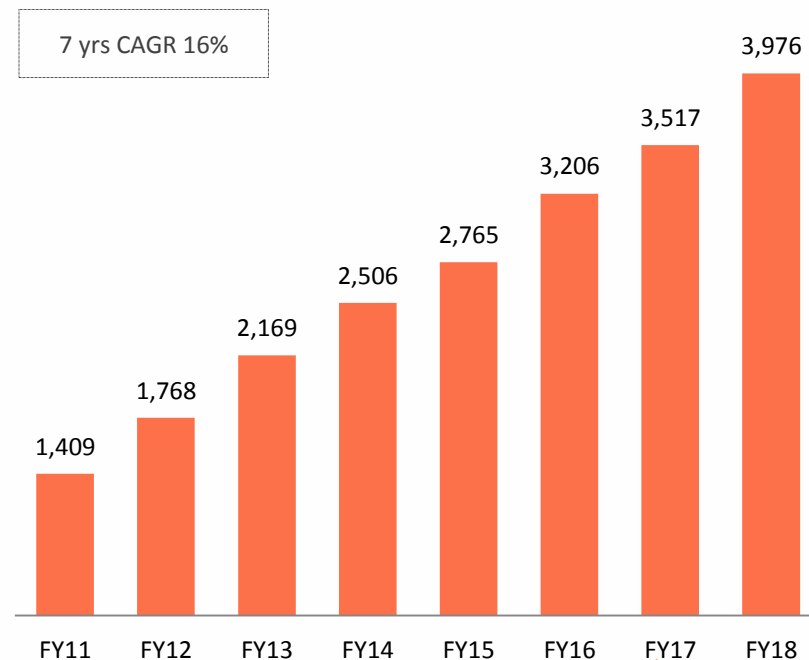


Global Pharma : Growth Strategy

- **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

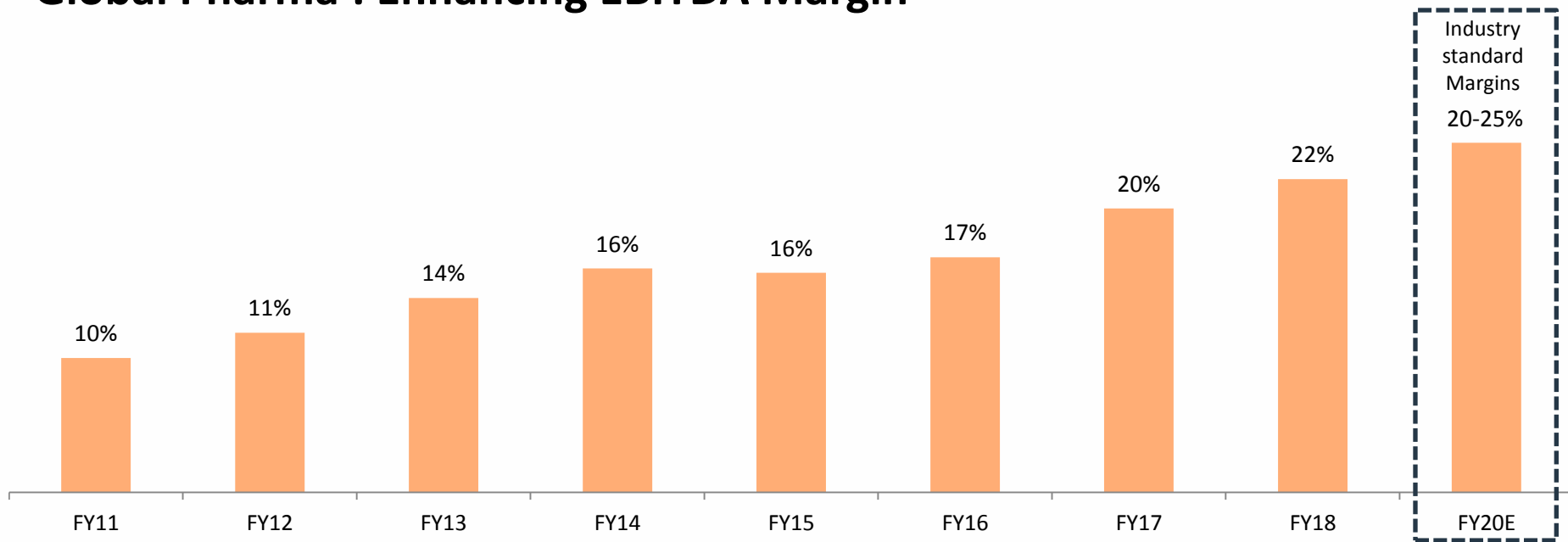
(In Rs. Crores)



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 have significantly improved over the past few 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

Strong product portfolio

Six brands among India's top 100 OTC brands

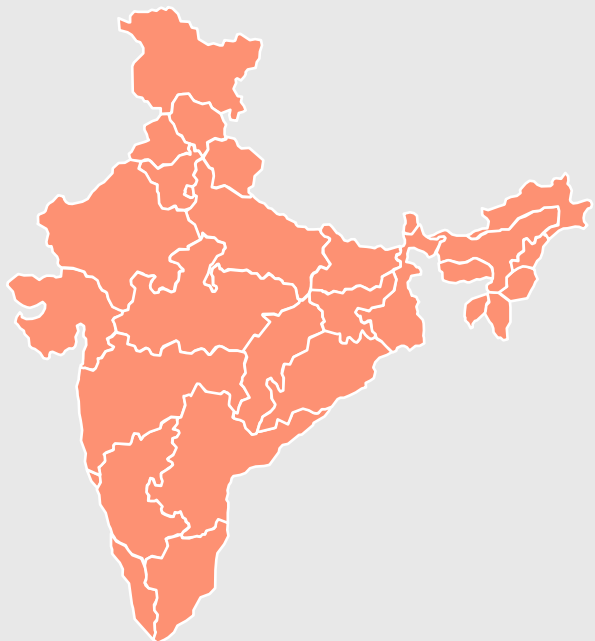


Most brands are among the top two in their respective representative market






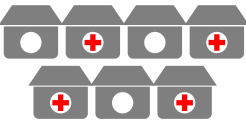

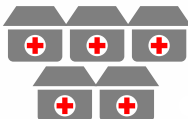
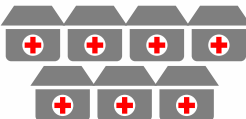





Developed a large India-wide distribution network

Wide Distribution Network



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	 2,100

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



Ovulation test kit



Detoxifies the after effects of socializing, etc.



Educational game Jungle Magic Garden Sciencz

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)

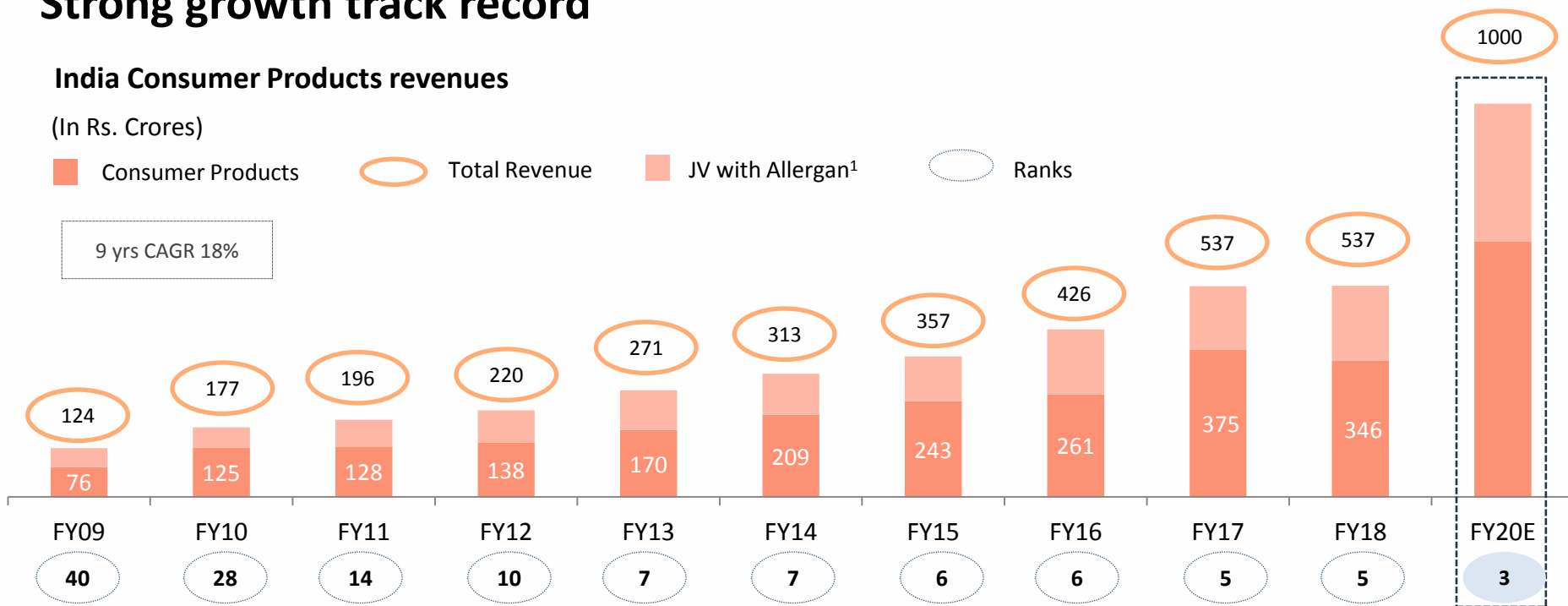
Consumer Products

Total Revenue

JV with Allergan¹

Ranks

9 yrs CAGR 18%



- 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?





Overall

Our differentiated business model enabling better performance vs. peers

Revenue Growth Rates of Top Pharma companies

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

Source : Companies reported numbers, Stock Exchange Filings



Healthcare Insight & Analytics

Healthcare Insight and Analytics: At A Glance

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

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?

Leaders Interview

Hospital Audit

Our Business

Analytical Tools

Market Forecasts

Health Plan Data

Proprietary Survey Data

Customized Services

Proprietary Databases

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

1,300+ employees globally (340+ in India)

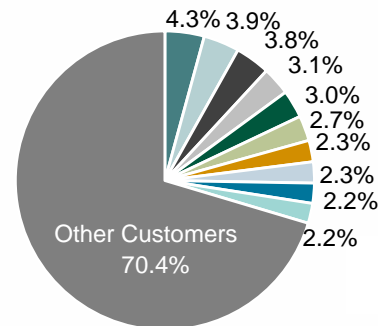
Significant revenue visibility

- 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

>10yr Relationships With All of Our Top Ten Customers

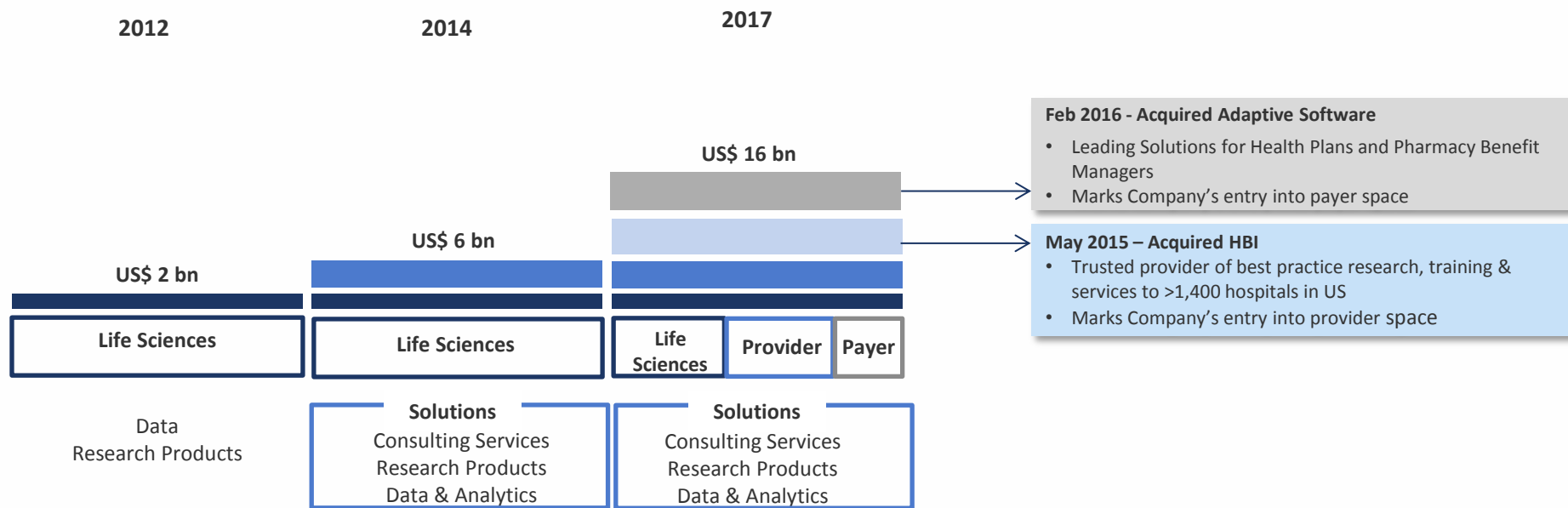
Customer	# of Years
AstraZeneca	>10 yrs
Bayer	>10 yrs
Boehringer Ingelheim	>10 yrs
Johnson & Johnson	>10 yrs
Merck & Co	>10 yrs
Novartis	>10 yrs
Novo Nordisk	>10 yrs
Pfizer	>10 yrs
Roche	>10 yrs
Takeda	>10 yrs

Top 10 Relationships Comprise <30% of Revenue





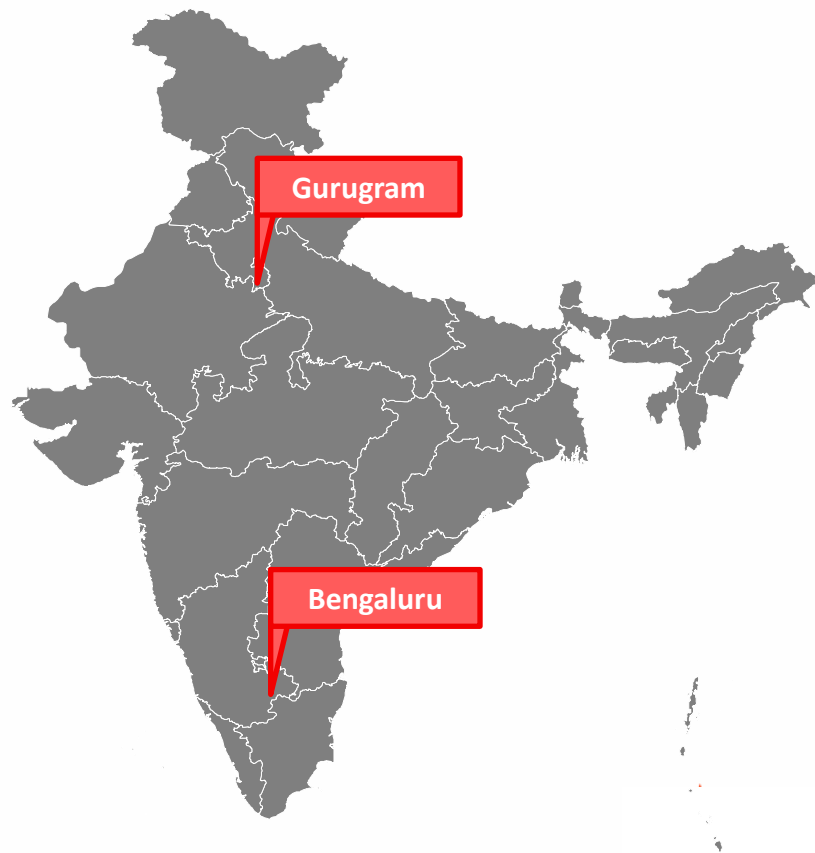
Expanding into New Markets



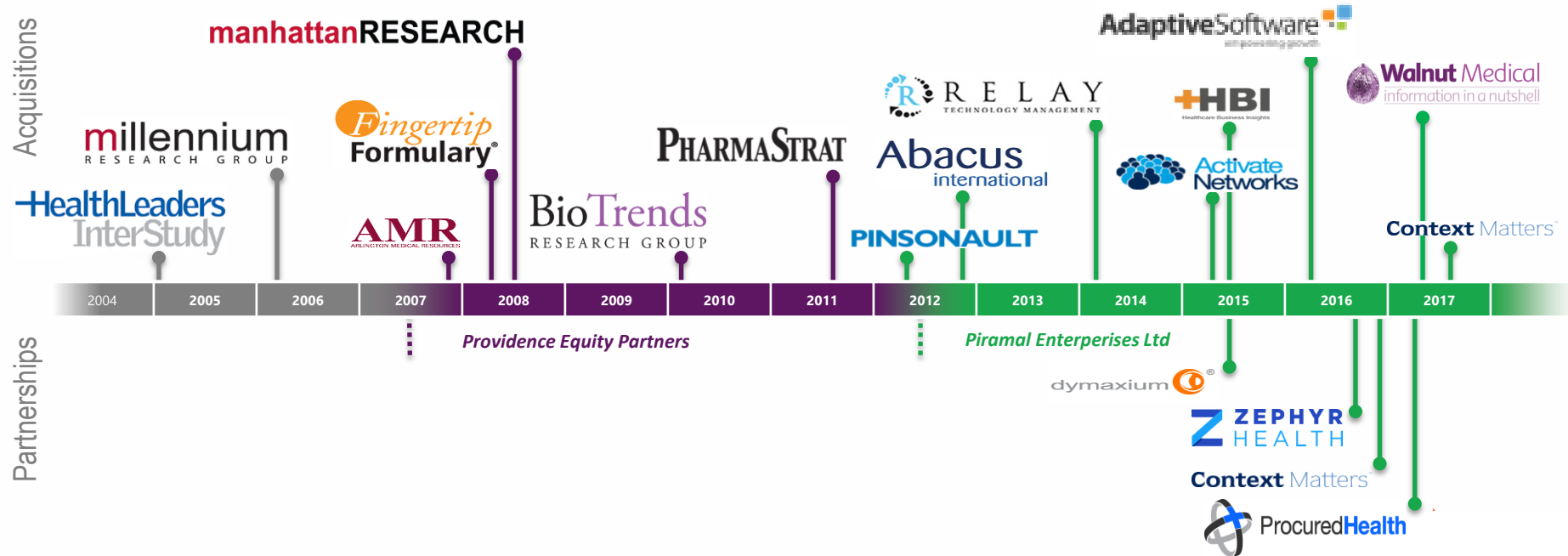
Source: Based on proprietary market research and internal DRG estimation

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 over 340 positions on boarded (i.e. 29% 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

DRG Peers	2017 Multiples		
	EV/Revenue	EV/EBITDA	EV (US\$ MM)
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
Quintiles IMS Holdings, Inc. (NYSE: Q)	4.7x	22.4x	25,072
Median	4.7x	22.4x	2,750

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
WebMD	KKR	2,800	4.0x	15x
Median			4.4x	17x

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  (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)  (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

Diversified Revenue Mix

(In Rs. Crores or as stated)

Net Sales break-up	Quarter IV ended			% Sales	Full Year Ended		
	31-Mar-18	31-Mar-17	% Change		31-Mar-18	31-Mar-17	% Change
Financial Services	1,395	999	39.6%	46.8%	4,982	3352	48.6%
Pharma	1,330	1,214	9.6%	40.6%	4,322	3,893	11.0%
Global Pharma	1,245	1,103	12.9%	-	3,976	3,517	13.1%
India Consumer Products	85	111	(23.3%)	-	346	375	(7.9%)
Healthcare Insight and Analytics	234	227	2.9%	11.4%	1,209	1,222	(1.1%)
Others	32	23	-	1.2%	127	80	-
Total	2,991	2,463	21.5%	100%	10,639	8,547	24.5%

Note:

- 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

(In Rs. Crores or as stated)

Particulars	Quarter IV Ended			Full Year Ended		
	31-Mar-18	31-Mar-17	% Change	31-Mar-18	31-Mar-17	% Change
Net Sales	2,991	2,463	21%	10,639	8,547	24%
Non-operating other income	36	86	(58%)	259	234	11%
Total income	3,028	2,549	19%	10,899	8,781	24%
Other Operating Expenses	1,610	1,430	13%	5,479	5,048	9%
OPBIDTA	1,417	1,119	27%	5,419	3,733	45%
Interest Expenses	831	590	41%	2,978	2,031	47%
Depreciation	115	122	(5%)	477	382	25%
Profit before tax & exceptional items	471	407	16%	1,964	1,320	49%
Exceptional items (Expenses)/Income	-	8	-	-	10	-
Income tax						
Current Tax and Deferred Tax	189	103	83%	693	228	204%
Deferred Tax on account of merger of subsidiaries	(3,569)	-	-	(3,569)	-	-
Profit after tax (before MI & Prior Period items)	3,851	296	1,201%	4,840	1,082	347%
Minority interest	-	-	-	-	-	-
Share of Associates ¹	92	15	534%	280	170	65%
Net Profit after Tax	3944	311	1169%	5,120	1,252	309%
Net Profit Margin %	132%	13%	-	48%	15%	-
Normalised Net Profit ²	375	311	21%	1,551	1,252	24%
Normalised Net Profit Margin %	13%	13%	-	15%	15%	-
EPS (Rs./share) ³	203.6	17.9	1,035%	281.7	72.3	290%
Normalised EPS (Rs./share) ³	19.3	17.9	8%	85.4	72.3	18%

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

(In Rs. Crores or as stated)

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

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



Appendix

Financial Services : 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



Financial Services : 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

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

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.

Global Pharma : 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

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.

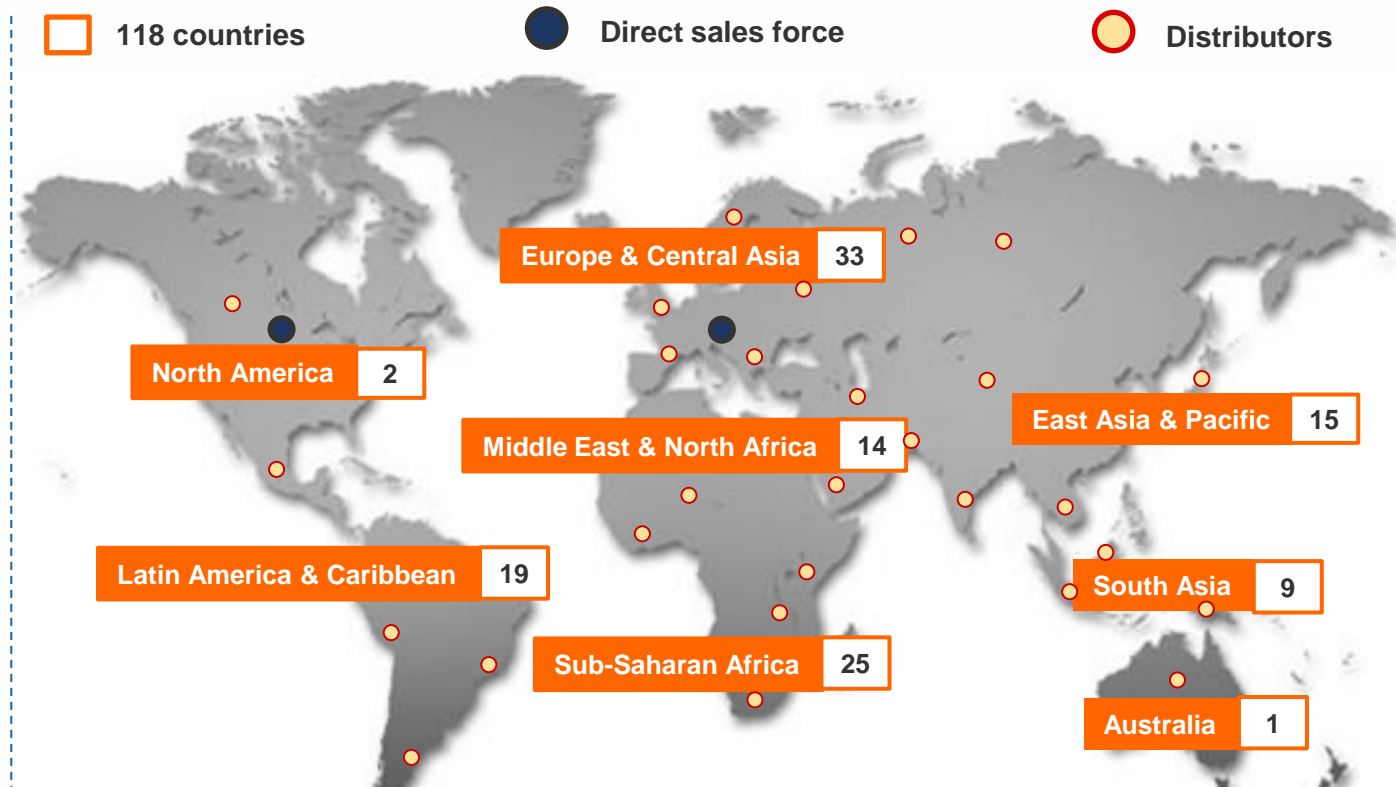
Significantly expands the addressable market size

- 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

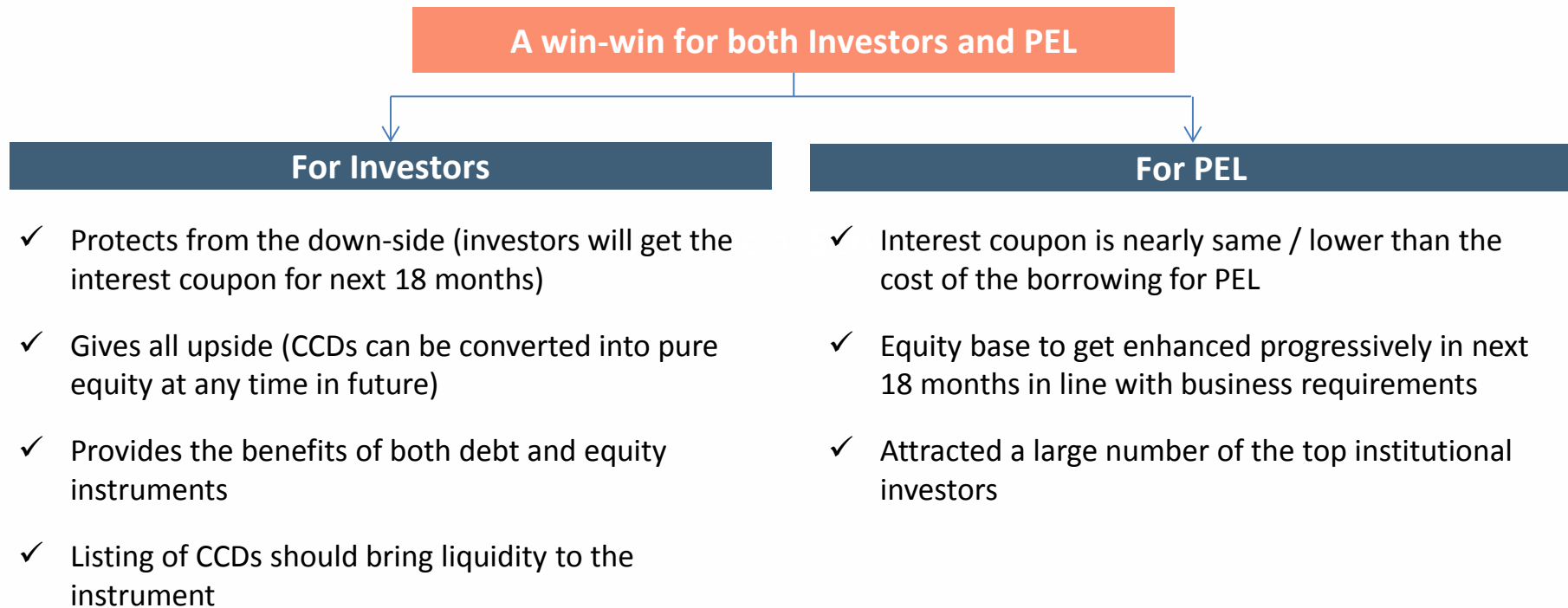
Global Pharma : Large global distribution network reaching to over 100 countries

- 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

The structure of the deal to set a benchmark for the future fund raising deals in India





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