

Balance Sheet Performance

FY 2023 was a milestone year for the Company, marked by the demerger of the Piramal group into Financial Services and Pharma centric entities.

As part of the demerger of Piramal Pharma, we conducted the fair valuation of the PPL undertaking on 1st April 2022. The book value of Pharma business (excluding minority interest) in Piramal worth ₹ 5,368 Crores was fair valued to ₹ 12,982 Crore

The difference between the Fair Value amount and the Book Value amount of ₹ 7,614 Crores was accounted through the P&L in Q1FY23 with corresponding increase in net asset value of Pharma business. Further, in August 2022 on receipt of the NCLT order approving the demerger, the business was again revalued in line with IndAS10 requirements. In this process, additional

₹ 760 Crores was further accounted as gain in the P&L in Q2 FY23 which too was accounted through the P&L in Q2FY23 with corresponding increase in net asset value of Pharma business

As on NCLT approval date, August 12, 2022, the Pharma business equity was ₹ 13,742 Crores represented by equivalent net assets. On demerger of Pharma business, the net assets of ₹ 13,742 Crores got transferred to Piramal Pharma Limited and equivalent debit was accounted in Retained Earnings. In addition, exceptional reorganisation cost of ₹ 308 Crores (net of taxes) was also incurred, comprising prepayments on borrowings, PEL's

share of stamp duty cost etc. The net gain in P&L on account of fair valuation was net worth neutral.

Total Assets stood at ₹ 83,752 Crores as of March 2023.

Since FY 2019, the Company has taken several measures to strengthen its balance sheet, including fund raising and balance sheet deleveraging. The Company has a strong equity base of ₹ 31,059 Crores of equity, and strong liquidity with cash and liquid investments of ₹ 7,430 Crores despite of all the provisions undertaken during FY 2023.



CONSOLIDATED BALANCE SHEET

| Particulars | (₹ Crores) | |
|--------------------------------------|------------|--------|
| | Mar-23 | Mar-22 |
| ASSETS | | |
| FINANCIAL ASSETS: | | |
| Cash & Bank | 4,649 | 7,187 |
| Loans | 46,395 | 49,318 |
| Investments | 22,332 | 24,857 |
| Other financial assets | 1,061 | 4,472 |
| NON-FINANCIAL ASSETS: | | |
| Current tax assets (net) | 1,467 | 1,212 |
| Deferred tax assets (net) | 1,847 | 1,368 |
| Tangible & Intangible asset | 959 | 8,986 |
| Other non-financial assets | 4,588 | 1,335 |
| Asset held for sale | 459 | - |
| | 83,752 | 98,735 |
| FINANCIAL LIABILITIES: | | |
| Payables | 399 | 1,697 |
| Borrowings | 49,583 | 55,451 |
| Other Financial Liability | 1,685 | 1,421 |
| NON-FINANCIAL LIABILITIES: | | |
| Current tax & Deferred tax liability | 721 | 3,822 |
| Provision | 123 | 207 |
| Other Non-Financial Liability | 183 | 438 |
| EQUITY | | |
| Equity share capital | 48 | 48 |
| Other equity | 31,011 | 35,441 |
| Non-Controlling Interest | - | 1,348 |
| | 83,752 | 98,735 |

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

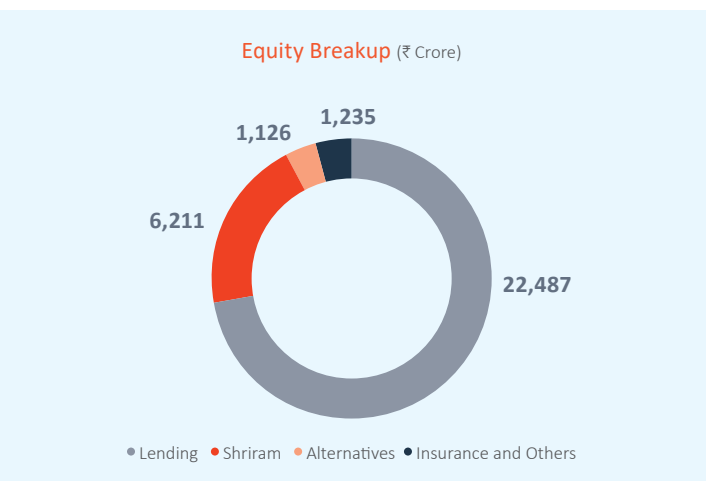
EQUITY

The equity as on March 31, 2023, increased to ₹ 31,059 Crores from ₹ 30,120 Crores excluding the Pharma business of ₹ 5369 Crores as of March 31, 2022, primarily due to earnings accretion during the year.

EQUITY MOVEMENT

| Particulars | (₹ Crores) | |
|--|------------|--|
| | FY 2023 | |
| Opening Equity ¹ | 30,120 | |
| Net Profit | 9,969 | |
| Pharma Demerger Impact | (8,372) | |
| Dividend Payout | (788) | |
| Movement in Other Comprehensive Income (OCI) | 131 | |
| Closing Equity | 31,059 | |

Note: (1) Opening Equity is excluding Pharma business



BORROWINGS

Total borrowings decreased to ₹ 49,583 Crores as on March 31, 2023, as compared to ₹ 55,451 Crores as on March 31, 2022. The yoy decrease in overall borrowings was primarily on account of pharma debt reduction of due to business demerger and reduction of CDOs. Excluding the above, the reduction in debt was marginal by ₹ 107 Crore.

DEBT TO EQUITY

The acquisition of DHFL has resulted in improved capital utilisation, post significant deleveraging of the balance sheet in the prior years. The net debt-to-equity of Piramal has remained stable at 1.3x as of March 31, 2023.

AUM

AUM remained stable at ₹ 63,989 Crores as on March 31, 2023, as compared to ₹ 65,185 Crores as on March 31, 2022, primarily driven by the retail loan book growth. However, this was partly offset by a reduction in the wholesale loan book, which was in line with the Company's stated strategy of making this book more granular and diversified. The overall portfolio mix of Retail: Wholesale loans has changed favourably from 33:67 as of March 2022 to 50:50 as of March 2023.