

Piramal Enterprises Limited

Investor Presentation

February 2021



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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.

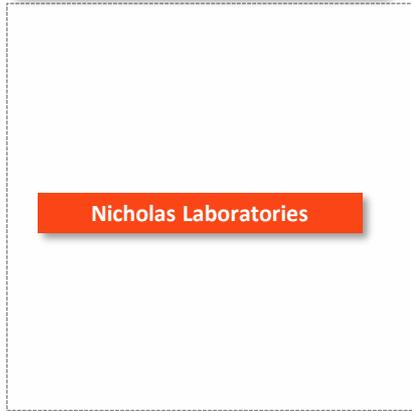
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Note: Figures in previous periods might have been regrouped or restated, wherever necessary to make them comparable to current period.

Phases of our Evolution

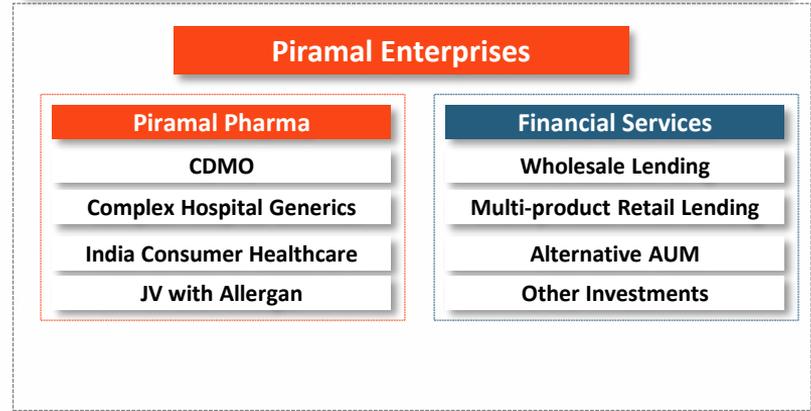
1988



2010



2020 onwards¹



- Entered the pharma space through the acquisition of Nicholas Laboratories in 1988

- Series of M&As, JVs and Alliances and various organic initiatives

- Created one of the leading Indian Pharmaceutical Companies over two decades

- Sold the Domestic Formulations business to Abbott in 2010 for USD3.8 billion

- Sold Diagnostic Services to Super Religare Laboratories

- Significantly scaled up the pharma businesses since Abbott deal

- Building a large well diversified Financial Services business

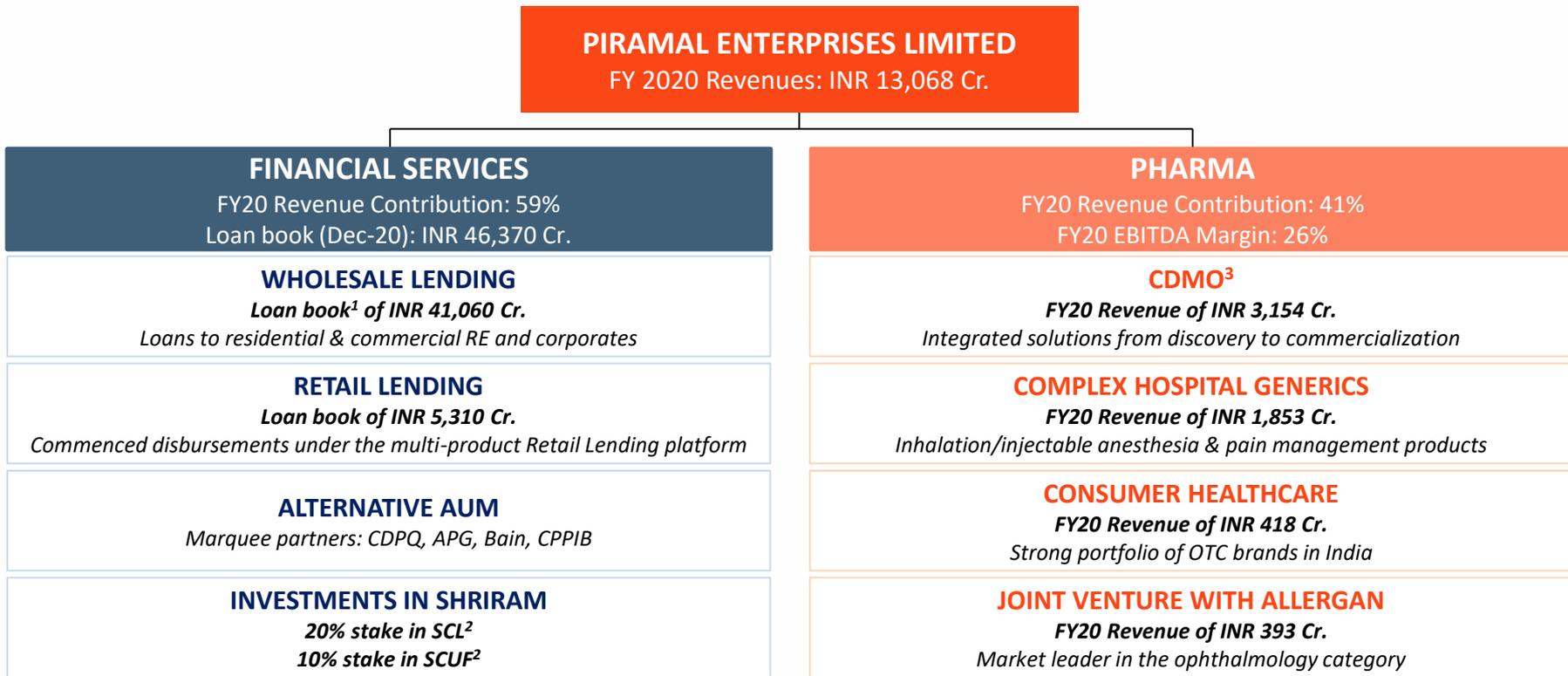
- Subsidiarized pharma businesses and raised fresh capital from Carlyle

- Strengthened the balance sheet through multiple capital raise initiatives

Moving from a multi-sector conglomerate structure into focused listed entities within Pharma and Financial Services

Note: (1) Sold 10% stake in Shriram Transport in Jun-2019; PEL currently holds ~20% stake in Shriram Capital Ltd. and ~10% stake in Shriram City Union Finance

Company Overview



Focus on two core businesses – Financial Services and Pharma

Notes: (1) Wholesale loan book does not include assets taken over, as well as PEL's share in AIFs totaling INR 3,490 Crores

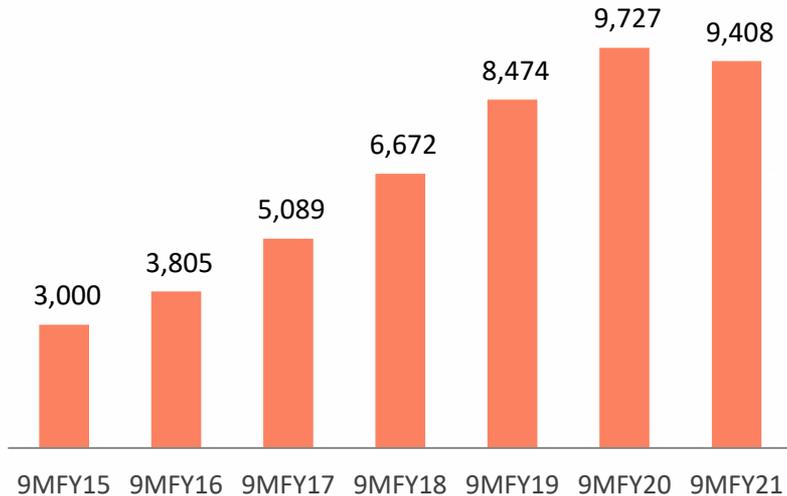
(3) Contract Development and Manufacturing Organization

(2) SCL: Shriram Capital Limited and SCUF: Shriram City Union Finance

Revenues and Net Profits

Total Revenues^{1,2}

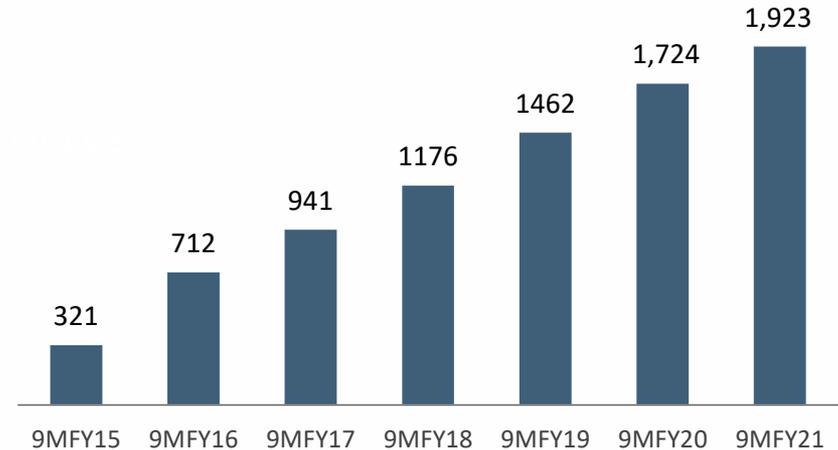
6-year CAGR: 21%



(In INR Crores)

Net Profit³

6-year CAGR: 35%



Company delivered a resilient performance in 9M FY2021, despite COVID-19 impact

Notes: (1) FY2015 results have been prepared based on IND GAAP and FY2016 onwards on IndAS basis

(2) Revenue for prior period excludes revenue from Healthcare Insights & Analytics

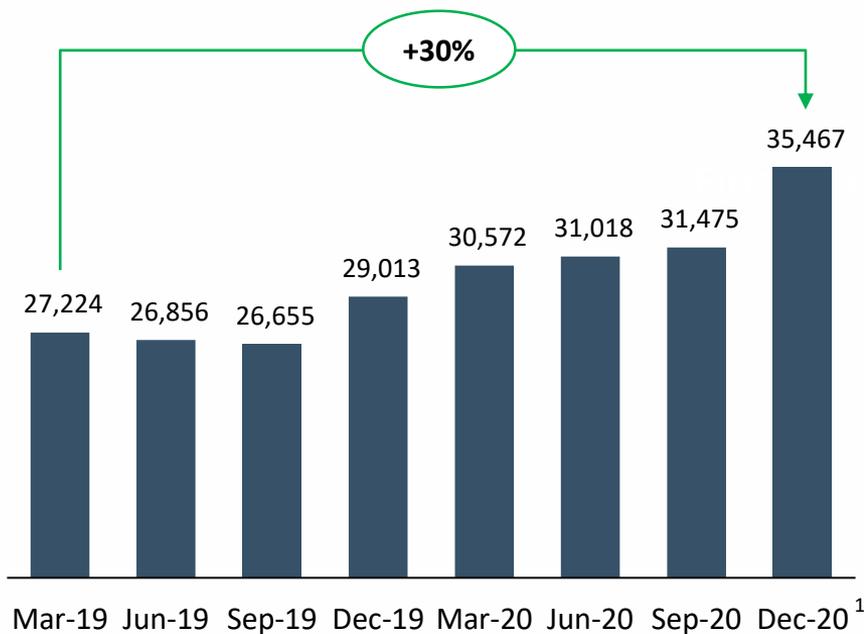
(3) FY18 Net profit excludes loss on sale of Imaging business; FY15 Net profit excludes gain on sale of Vodafone investment

(4) Figures in previous periods might have been regrouped or restated, wherever necessary to make them comparable to current period

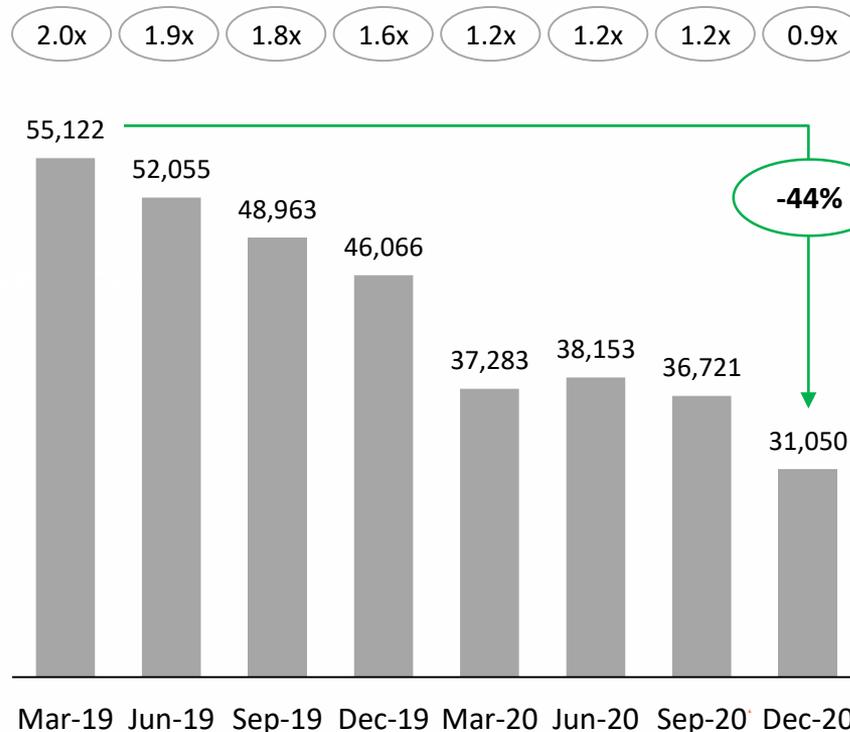
Balance Sheet Highlights

○ Net Debt-to-Equity (x)

Overall Equity (INR Cr.)



Net Debt (INR Cr.)



Note: (1) Overall Equity considering the net capital raise from The Carlyle Group in the Pharma business (in Oct-2020)

Equity allocation

(In INR Crores)

Overall Equity

Financial Services (Lending): 49%

Capital Adequacy Ratio of 37%.
In addition, provisions of INR 2,935 Cr.
(equivalent to 6.3% of the loan book)

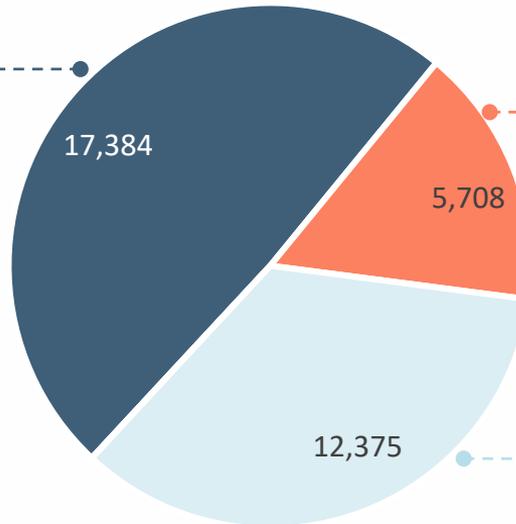
Pharma¹: 16%

Built a differentiated business, valued at an EV of
USD 2.7 - 3.1 billion.

Unallocated equity: 35%

Includes investments in Shriram,
receivables from DRG sale, Deferred Tax
Assets, etc.

**Overall Equity:
INR 35,467 Cr.**



Strong balance sheet with adequate growth capital both Financial Services and Pharma businesses

Notes: (1) Includes Non-controlling Interest of INR 1,058 Cr.

Pharma Equity Capital Raise

Closed one of the largest PE deals in the Indian pharma sector with The Carlyle Group

USD 490 million

Raised as fresh equity for a 20% stake in the Pharma business

USD 2.7 billion

Enterprise Value (EV) of the Pharma business based on the deal

Completed in

Oct-2020



Affirmation of the strength of our **ability** to build new, attractive, scalable and sustainable businesses



The deal **further strengthens the Company's balance sheet**



To accelerate **organic and inorganic growth plans**

Built a differentiated Pharma business valued at an Enterprise Value (EV) of USD 2.7 - 3.1 billion

Consistent performance and long-term shareholder value creation

Strong medium and long-term performance



- 25%⁷ annualized returns to shareholders over the last 32 years
- INR 6,547 Crs (USD 896 Mn)⁴ returned to shareholders since FY 2011
- Cumulative 10-year pre-tax profit⁵ of INR 11,142 Crs (USD 1.5 Bn)⁶ between FY2011-FY2020

Board of Directors



AJAY PIRAMAL
CHAIRMAN

AWARDED “ASIA BUSINESS LEADER OF THE YEAR” BY CNBC ASIA
NON - EXECUTIVE DIRECTOR, TATA SONS



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

Non Executive Director,
25+ Years with Group
Turnaround Businesses



RAJESH LADDHA

Executive Director & Group CFO,
Treasury & Strategic Initiatives
Former MD & CEO, Shriram Capital Ltd.



N VAGHUL*

Former Chairman,
ICICI Bank



GAUTAM BANERJEE*

Senior MD & Co-Chairman,
Asia Operating Committee,
Blackstone, Singapore



DEEPAK M SATWALEKAR*

Former MD & CEO,
HDFC Standard Life



S RAMADORAI*

Former Vice Chairman,
TCS



SUHAIL NATHANI*

Managing Partner, Economic Law Practice
(ELP)



KUNAL BAHL*

CEO & Co-founder of Snapdeal
Chairman of the CII National
e-commerce Committee



ANJALI BANSAL*

Founder & Chairperson, Avaana Group;
Fmr. Non-executive Chairperson, Dena Bank;
Partner & MD, TPG; India CEO, Spencer Stuart

* Independent Directors

Partnerships / Investors

Our Partnerships



THE CARLYLE GROUP



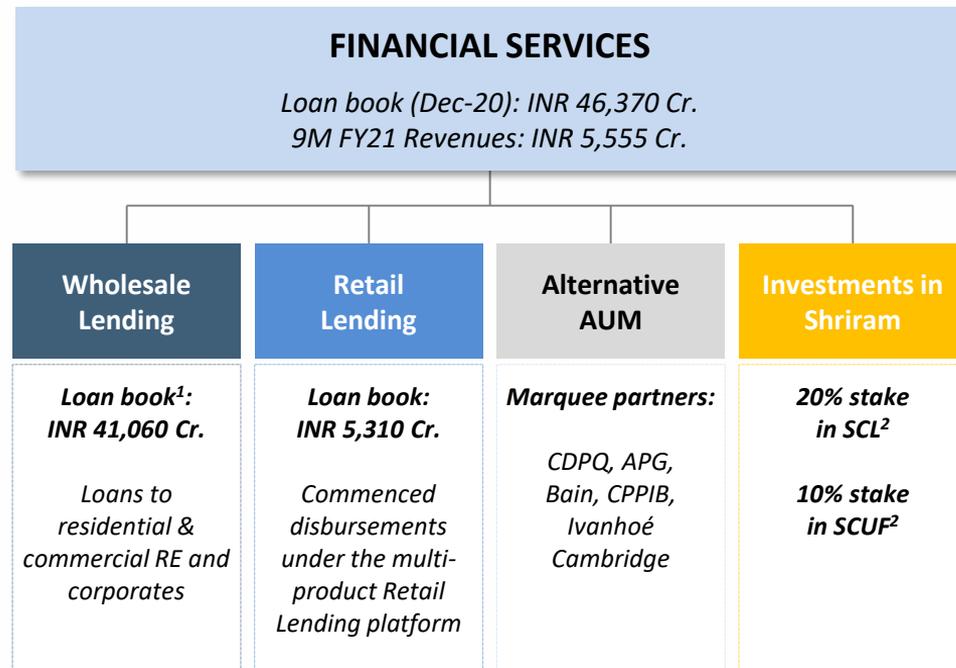
Our Top Investors





Financial Services

Financial Services: Business overview and the next phase of transformation



Transforming Financial Services into a well-diversified business through:



Notes: (1) Wholesale loan book does not include assets taken over, as well as PEL's share in AIFs totaling INR 3,490 Crores

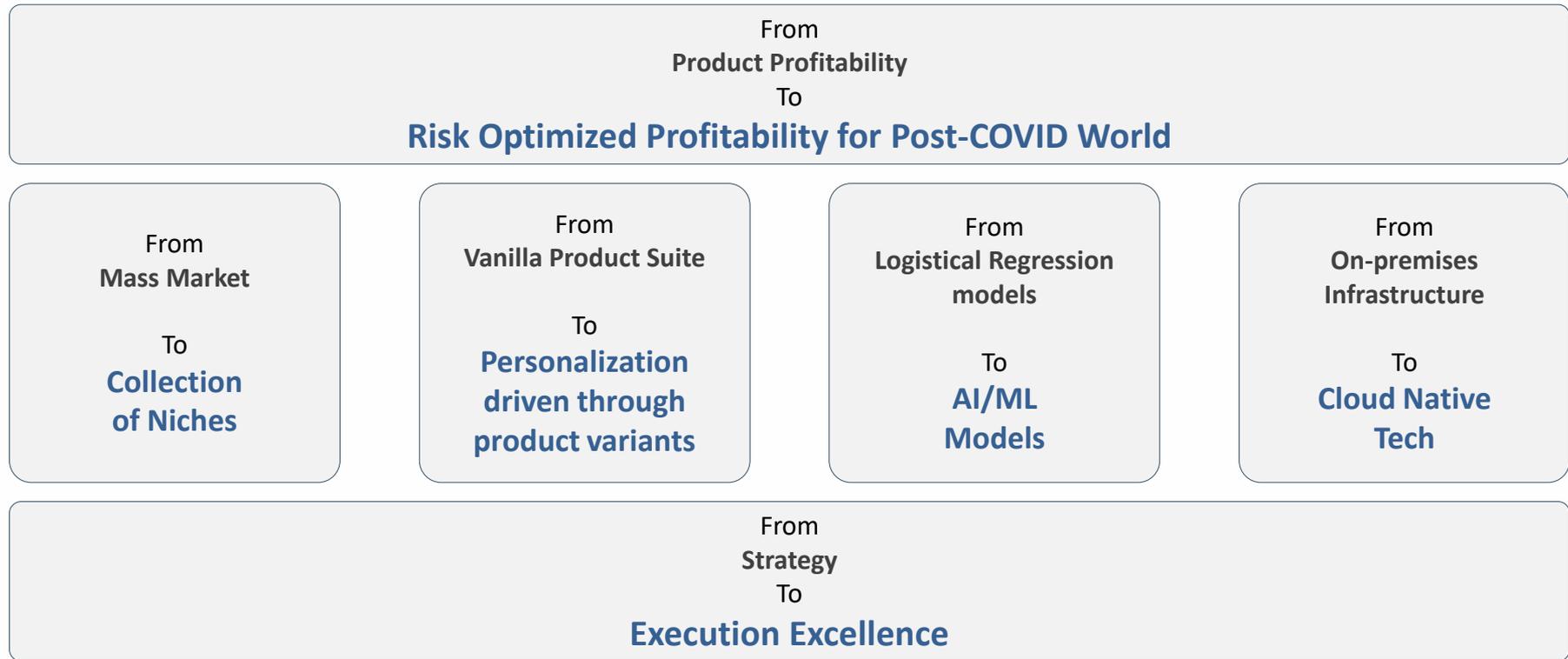
(2) SCL: Shriram Capital Limited and SCUF: Shriram City Union Finance



Retail Lending

Organic build-up of the multi-product Retail Lending Platform

Taking a differentiated approach to Retail Lending



Experienced, diverse and tech native management team to drive execution

Retail Lending: Strategy for Organic Growth

A Product Strategy

- **Pivot** from ‘Affluent Housing’ to ‘Mass Affluent’ & ‘Affordable’ Housing
- Build a largely **secured lending book in FY21**, roll-out other lending products in FY22+

B Geography Selection

- **‘Bharat’**– Tier 2/3 locations in small & mid-market India (population 10,000 to 4m)
- **Hub and spoke model** with tech led spokes

C Partnerships

- **Strategic partnerships** for customer access at scale, distribution, and data access
- **Phygital**: Digital-at-the-core augmented with physical channels

D Operating Model & Talent

- **Agile mode** of working by operating teams
- **Minimum Viable Product (MVP)** approach
- Onboarding **top-quality talent**

E Technology Infrastructure

- Assembling a future-ready tech stack
- Combination of **off-the-shelf and internally engineered technology**
- **Cloud native, AI/ML¹ ready** from Day-1

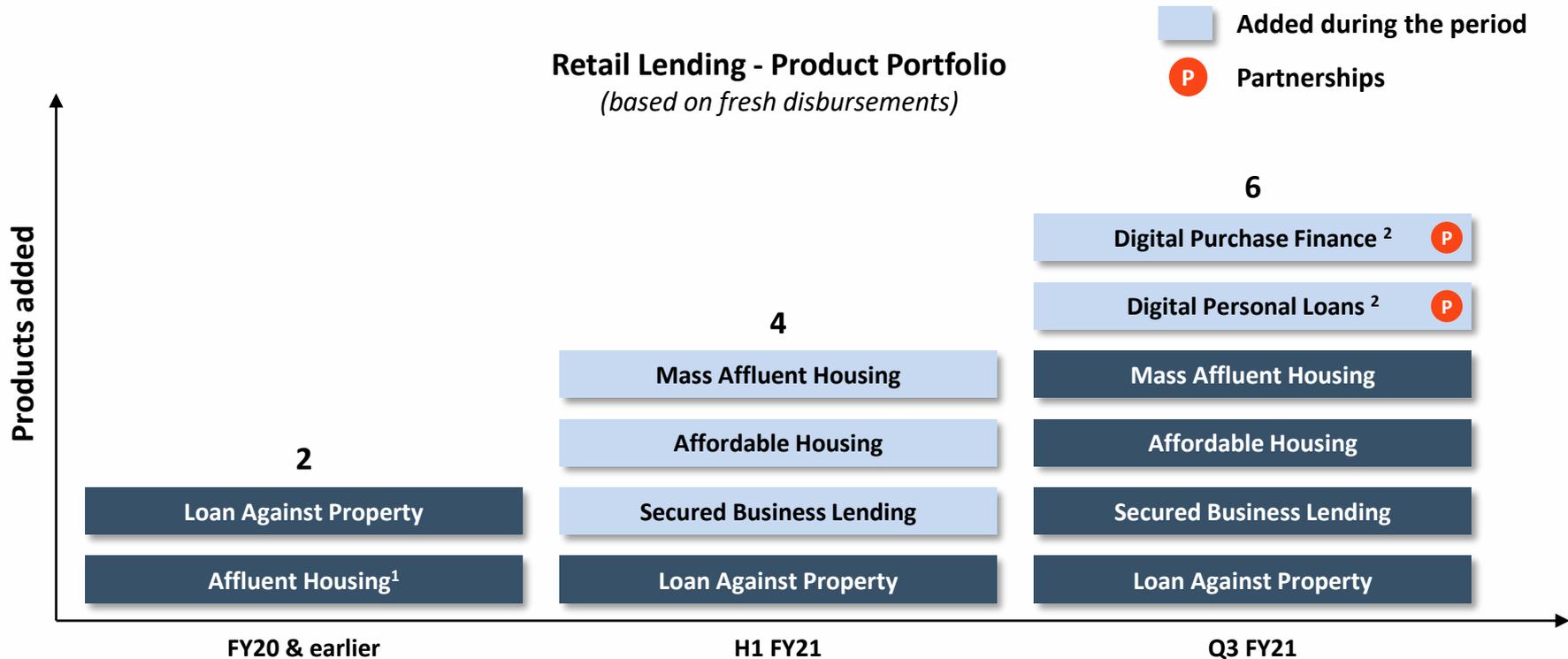
F Credit Risk Management

- Building a credit risk management **framework for the post-COVID era**
- **Analytics woven deeply** into the fabric of business

Building a multi-product retail lending platform – ‘digital at its core’

Retail Lending – Expanding the product portfolio

Retail Lending - Product Portfolio
(based on fresh disbursements)



Focusing largely on secured lending in FY21 and testing volumes of unsecured lending products

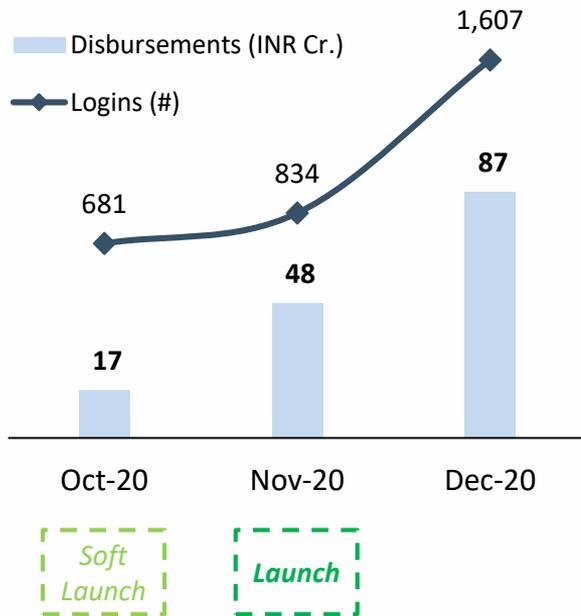
Notes: (1) Exited 'Affluent Housing' (in terms of new business) as the business pivots towards 'Affordable' and 'Mass Affluent' Housing under the new strategy

(2) 'Digital Purchase Finance' and 'Digital Personal Loans' launched in partnership with leading fintech player

Multi-product Retail Lending platform launched in Nov-2020

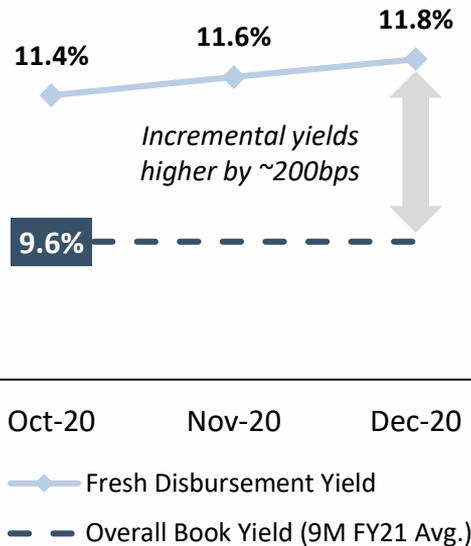
Monthly Disbursements in Q3 FY21

Under the new retail lending strategy



New business vs. overall book yields

Retail Loan book; % p.a.



Average ticket size by products

Fresh disbursement ticket size for Dec-2020

Digital Purchase Finance	~INR 15k
Digital Personal Loans	~INR 30k
SBL ⁽¹⁾	INR 12 lacs
Affordable Housing	INR 14 lacs
Mass Affluent Housing	INR 35 lacs
LAP	INR 37 lacs

Healthy traction witnessed across product categories since launch in Nov-2020

Note: (1) SBL: Secured Business Loans

Retail Lending: Key milestones and progress so far

<i>Strategic Area</i>	<i>Key Milestones</i>	<i>Targeted Timeline</i>	<i>Status</i>
Products	Roll-out 4 product categories with 7 variants	by Q3 FY21	✓
	Roll-out testing volumes of unsecured lending products	Q4 FY21	✓
	Roll-out additional unsecured lending and other secured products	FY22+	<i>Ahead of plan</i>
Geographies	Activate all 40 locations (14 with physical presence and 26 spoke locations)	by Q3 FY21	✓
	Target cities/towns ranked 25 th – 1,000 th (based on economic activity) in a phased manner	FY22+	<i>In progress</i>
Risk Management	Create product-wise credit policies	by Q3 FY21	✓
	Collections team in place across all locations	by Q3 FY21	✓
	‘Early Warning Signal’ (EWS) triggers & Collection intelligence	Q4 FY21	<i>In progress</i>
Talent	On-board experienced Senior management	by Q3 FY21	✓
	Hire new talent in business, credit, BIU, technology and collections	by Q3 FY21	✓
Partnerships	Build two partnerships for “Go-Live”	by Q3 FY21	✓
	“Go-Live” with few additional partners on both secured and unsecured products	Q4 FY21	<i>In progress</i>
	Build strategic partnerships with fintechs / digital platforms / large players	FY22+	<i>In progress</i>
Technology	Build a secure, scalable cloud infrastructure	by Q3 FY21	✓
	Create real-time business dashboards	Q4 FY21	✓
	Big data infrastructure; proprietary information assets	FY22+	<i>In progress</i>



DHFL Acquisition

DHFL Acquisition – Transaction Highlights

- RBI referred DHFL to NCLT in Nov-2019 and the insolvency proceedings began
- After getting delayed due to COVID-19, the bidding process began in Oct-2020 and ended in Dec-2020
- Committee of Creditors' (CoC) voting ended in Jan-2021
- CoC declared the plan submitted by PCHFL¹ as the successful resolution plan
- 94% votes in favor of Piramal, reflecting the Group's credibility and Balance Sheet strength
- Total consideration of INR 34,250 Cr. – upfront cash component of INR 14,700 Cr. (incl. cash on DHFL's B/S) and a deferred component (NCDs) of INR 19,550 Cr.

The acquisition is in line with PEL's strategy to diversify the loan book and increase its granularity

Another step towards demerger of Financial Services and Pharma business in future



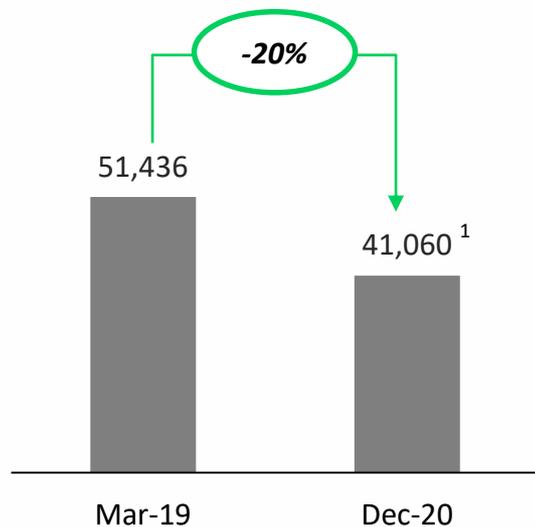
Wholesale Lending

Increasing granularity of the existing loan book

Progressing in line with our strategy to make the loan book more diversified and granular

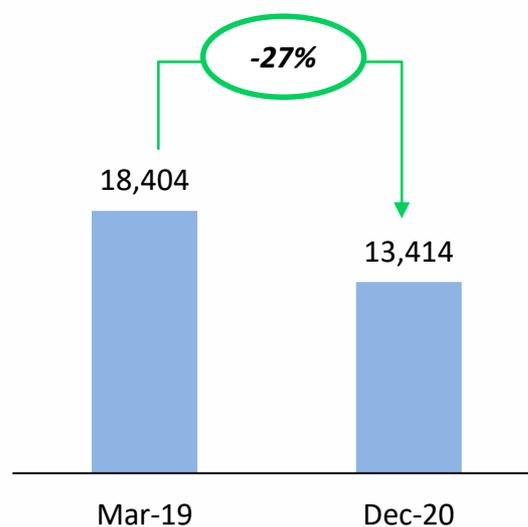
(in INR Crores, unless otherwise stated)

Wholesale Loan Book



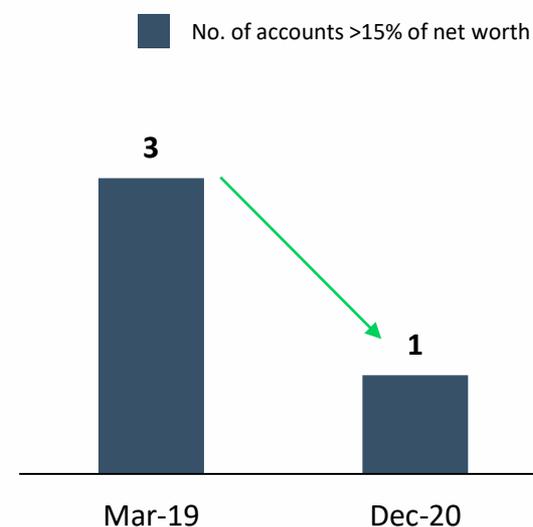
■ 20% reduction since Mar-2019, which includes real estate and corporate loans

Top-10 exposures



■ Exposure to top-10 accounts reduced 27% since Mar-2019 (~INR 4,990 Crores)

Single-borrower exposures



■ Only one account exceeding the 15% net worth threshold

(1) Does not include assets taken over, as well as PEL's share in AIFs totalling INR 3,490 Crores

Asset Quality

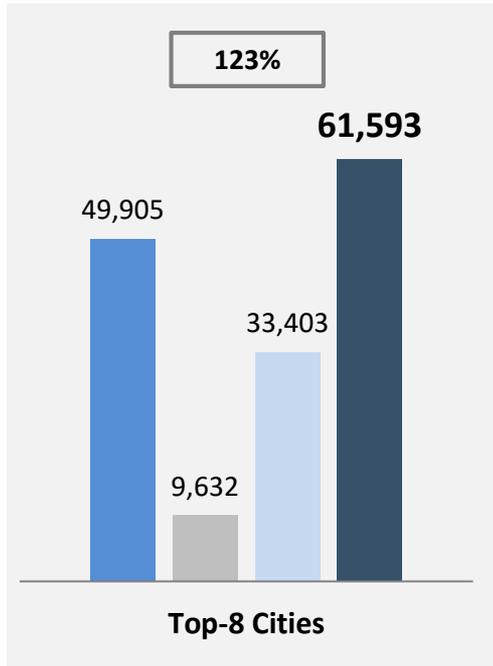
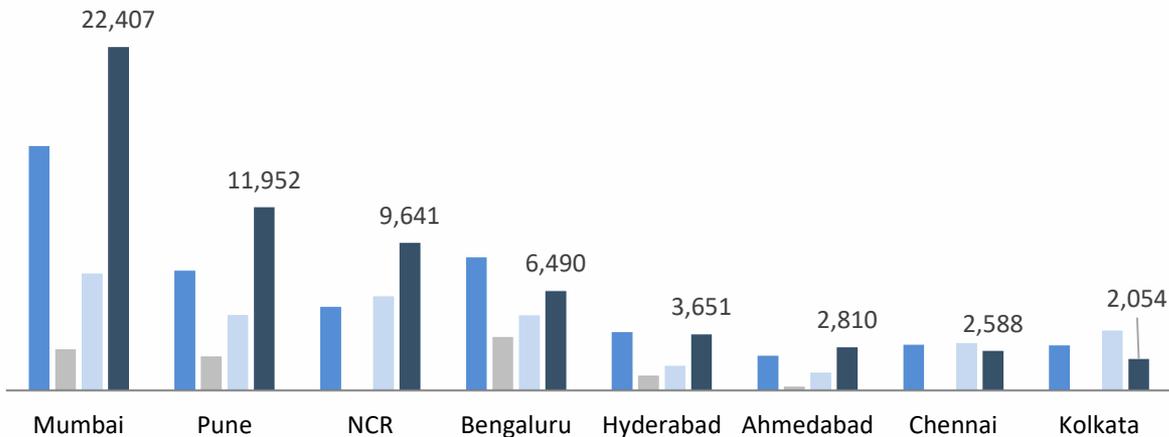
Residential RE sector: Continued recovery across key markets

No. of housing units sold

■ Jan-Mar'20 ■ Apr-Jun'20 ■ Jul-Sep'20 ■ Oct-Dec'20

Overall Residential RE Industry

Oct-Dec'20 sales as a % of Jan-Mar'20



Continued QoQ improvement with Oct-Dec'20 sales 23% higher vs. pre-COVID levels (i.e. Jan-Mar'20)

Performance of PEL's Developer Clients

Performance of our developer clients in Q3 FY2021



Sales

+82% YoY

vs. Q3 FY20 sales by developers



Collections (escrow)

+49% YoY

*vs. Q3 FY20 developer collections
from homebuyers*



Construction

100%

Construction back to pre-COVID levels

Factors driving residential real estate sales

- ✓ Changing customer preferences
- ✓ Demand for ready-to-move-in apartments / plots
- ✓ Stamp-duty reduction
- ✓ Low home loan interest rates
- ✓ Discounts offered by some developers
- ✓ Developers leveraging technology to drive sales

Although there is a significant improvement in the performance across developer clients, it is partly due to government initiatives in boosting the overall performance of the Real Estate sector

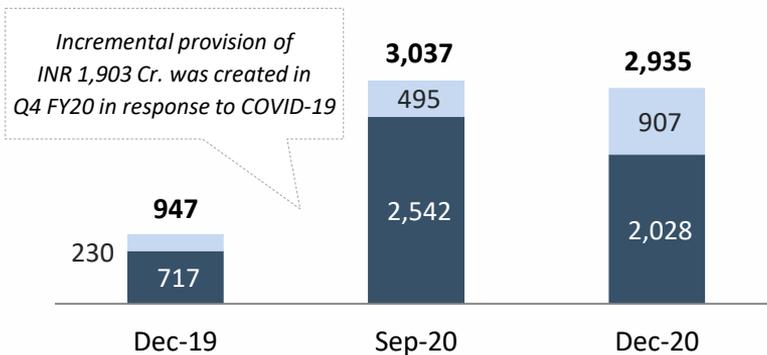
Maintaining adequate provisions to manage any contingences

Total Provisions

In INR Crores

Provisions for:

- Stage 1 & Stage 2 loans
- Stage 3 loans



	Dec-19	Sep-20	Dec-20
Gross NPA Ratio	1.8%	2.5%	3.7%
Net NPA Ratio	1.4%	1.6%	1.8%
Total provision as a % of loan book	1.8%	5.9%	6.3%
Provision Coverage (Stage 1 & 2)	1.4%	5.1%	4.5%
Total provision as a % of GNPA's	100%	237%	172%

NPA ratio:

- **GNPA ratio (pro-forma) at 3.7% as of Dec-20, without the Supreme Court dispensation**
- GNPA ratio increased QoQ largely due to:
 - One account moving from Stage-2 to Stage-3
 - Lower base as of Dec-20, amidst reduction in wholesale loan book
- **No major QoQ change in NNPA ratio – 1.8% as of Dec-20**

Provisioning:

- **Total provisions of INR 2,935 Cr. or 6.3% of overall loan book (vs. 1.8% as of Dec-19)**
 - **Provisions against the wholesale loan book at 6.8%**
- **Provisions of INR 2,027 Cr. against standard assets (Stage 1 & 2 loans) – at 4.5%**

Note: Stage 1 includes loans which are less than or equal to 30 days past due (dpd); Stage 2 includes loans which are 31-90 dpd, as well as cases considered under one-time restructuring; and Stage 3 includes loans which are 90+ dpd



Capital adequacy, leverage and ALM

Borrowings and capital inflows

Inflows¹ since the beginning of FY20

- **Inflows of ~INR 44,150 Cr.** since the beginning of FY20, through borrowings and equity transactions
 - **Raised ~INR 12,800 Cr.** of long-term borrowings¹ in 9M FY2021

Gross inflows since Apr-2019 (INR Cr.)	Borrowings	Equity / Other inflows
Long-term borrowings ¹	22,250	-
Securitization	3,900	-
Stake sale in STFC	-	2,300
Rights Issue	-	3,650
Preferential Allotment	-	1,750
Sale of DRG	-	6,800
Pharma fund raise		3,500
Total	26,150	18,000
Grand Total	44,150	

Notes: (1) Long-term borrowings of ≥1 year tenure rounded-off (up to 2 digits)

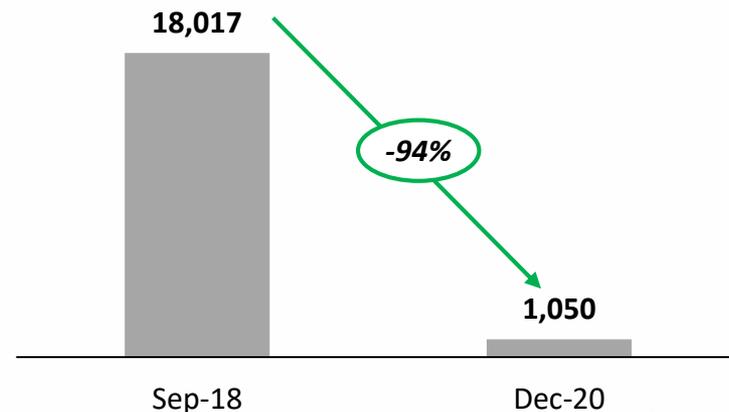
(2) Figures in the table above have been rounded-off (up to 2 digits)

Reduction in short-term borrowings

- **Significant reduction in Commercial Papers (CPs) exposure**
 - Exposure to CPs declined to INR 1,050 Cr. from INR 18,017 Cr. in Sep-2018

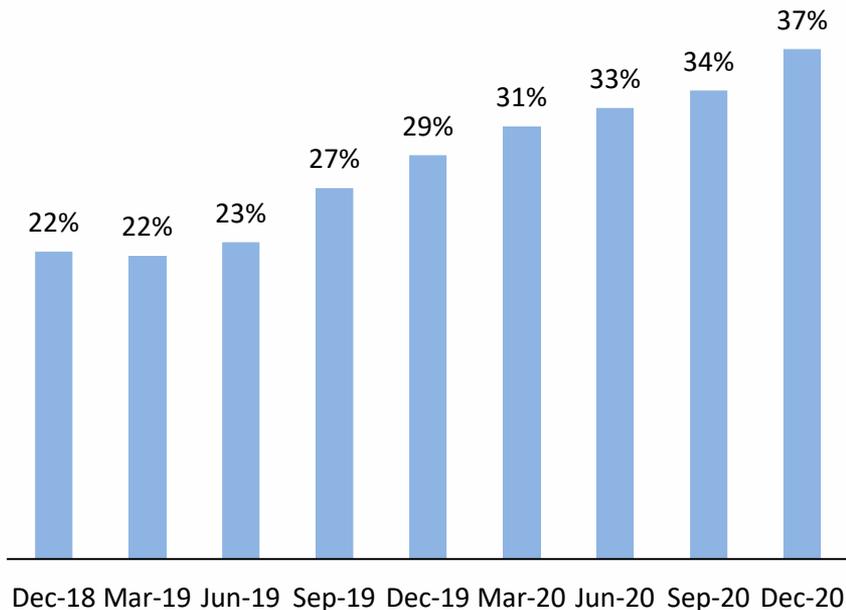
CP exposure

(in INR Cr.)

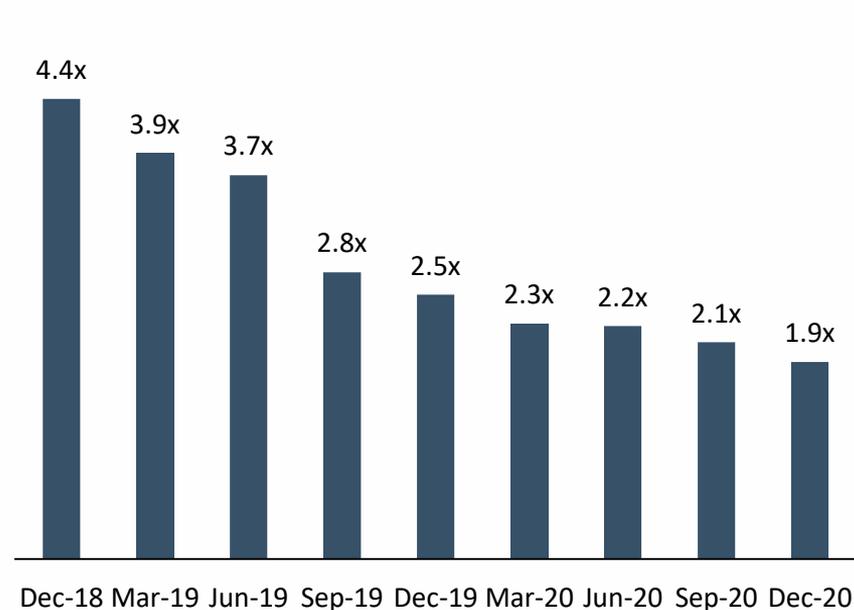


Capital Adequacy and Leverage

Capital Adequacy Ratio (%)^{1,2}



Net Debt-to-Equity²



Financial Services has sufficient capital for growth for the next 3-5 years

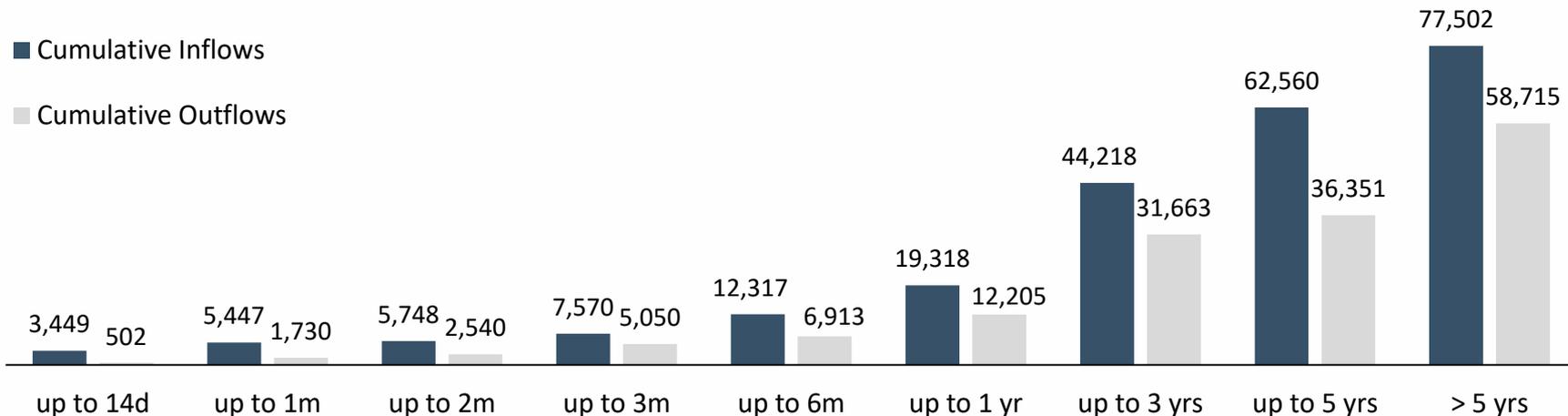
Notes: (1) Based on internal calculations

(2) Figures are for Lending business

Asset-liability profile

(in INR crores)

As on Dec 31, 2020¹



Cumulative GAP² (%)



Significant positive ALM GAP across all buckets

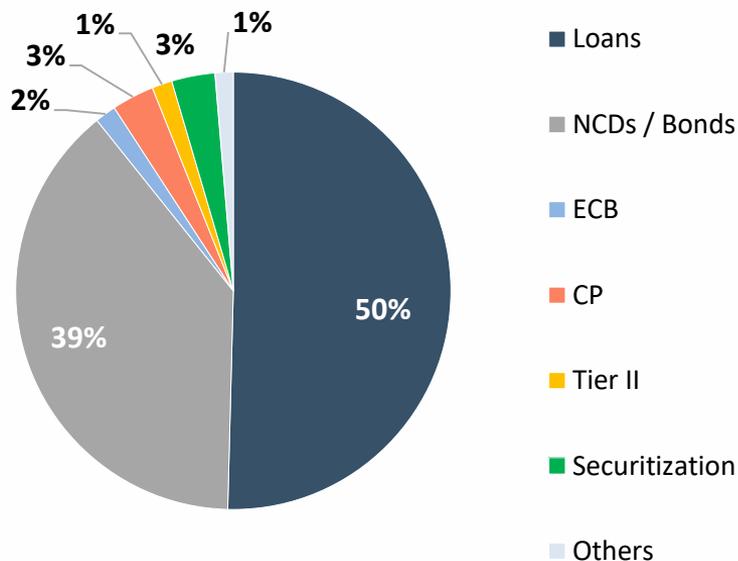
Notes: (1) Does not include Shriram Investments

(2) Cumulative GAP (%) = Net flows (i.e. cumulative inflows – cumulative outflows) as a % of cumulative outflows

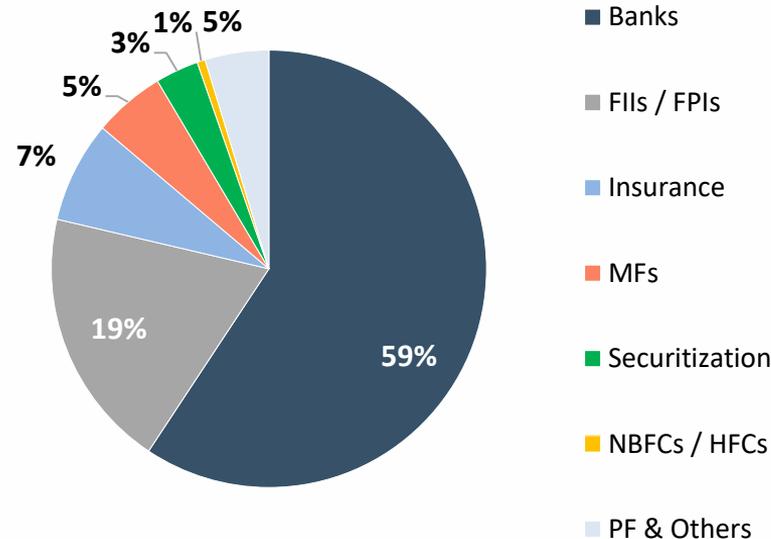
Borrowing mix

As on Dec 31, 2020

Breakdown of borrowing mix by type of instrument



Breakdown of borrowing mix by type of investor



Progressing towards further diversifying the borrowing mix across instruments and investor categories

Note: Data for PEL (excl. Pharma Business)

Performance metrics

Key Performance Indicators: PEL Financial Services

Particulars	9M FY2021
Total Loan Book size	INR 46,370 Cr.
Total Equity	INR 17,384 Cr.
Net Debt	INR 33,145 Cr.
Net Debt-to-Equity	1.9x
Average Yield on Loans	14.6%
Average Cost of Funds	8.4%
Average Cost of Borrowings	10.8%
Net Interest Margin	6.2%
Cost to Income Ratio (CIR)	18.0%
Total Provisioning as a % of loan book (as on Dec 31, 2020)	6.3%
Gross NPA ratio (based on 90 dpd)	3.7%
Net NPA ratio	1.8%
ROA	3.8%
ROE	11.5%

Financial Services: Executing on our strategic priorities

- 1 Increasing diversification and granularity of the loan book
- 2 Taking proactive corrective actions to mitigate potential risks
- 3 Scaling the digitally-led, multi-product retail lending business
- 4 Developing fund-based platforms
- 5 Maintain conservative provisions to manage any future contingences
- 6 Continue to maintain a strong ALM profile and further diversify borrowing mix



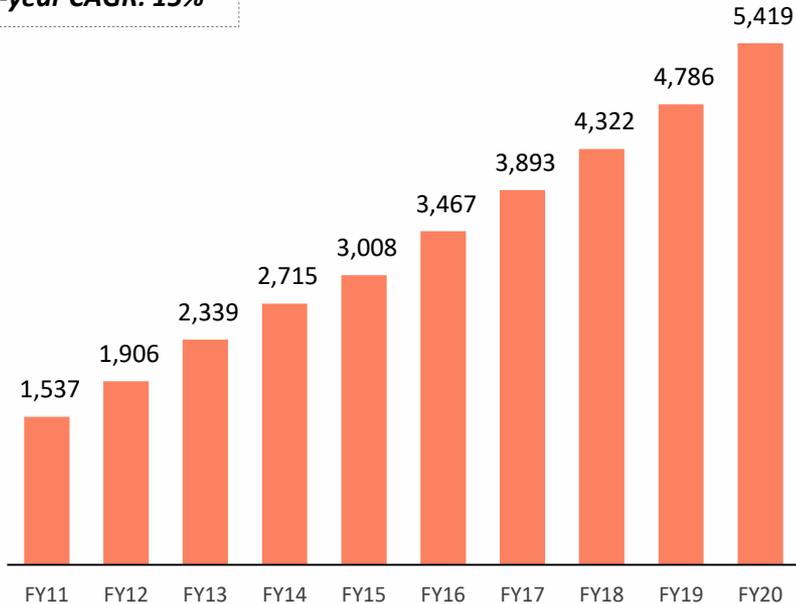
Pharma

Consistent revenue performance trend in Pharma

Pharma Performance

FY20 Performance:
9-year CAGR: 15%

(In INR Crore)

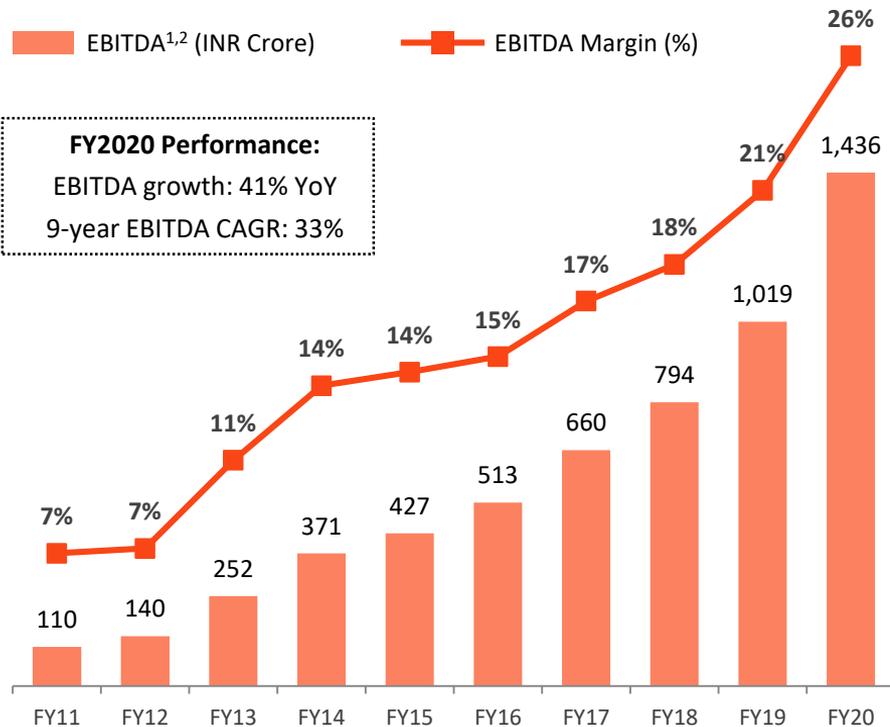


Notes: (1) Pharma includes CDMO, Complex Hospital Generics and India Consumer Healthcare and certain Forex income (2) FY2016 - FY2020 results prepared based on IND AS, prior periods are IGAAP

- **FY20 performance:** Revenues grew by 13% YoY to INR 5,419 Cr.
 - Pharma contributed 41% to PEL's overall revenue
- **Consistent long-term growth:** Revenues grew at a CAGR of 15% over last 9 years; Over 90% contribution from differentiated CDMO & Complex Hospital Generics businesses
- **Delivered strong performance in Q3'FY21:** Delivered revenue of INR 1,374 Cr. (+5% YoY)
 - CDMO and India Consumer Products grew by 16% and 14% YoY, respectively
 - Complex Hospital Generics impacted by volatility in the demand; expected to normalize in the coming quarters
- **Quality & Compliance:** Successfully cleared 36 USFDA inspections, 222 other regulatory inspections, and 1,203 customer audits since start of FY2012
- **JV with Allergan:** PEL has 49% stake in Allergan India
 - Market leader in the ophthalmic category in the India
 - Revenue of INR 393 Cr. & net profit of INR 104 Cr. in FY20

Continued improvement in the profitability over the years

Significant improvement in EBITDA over the last few years



FY2020 Performance:

EBITDA growth: 41% YoY

9-year EBITDA CAGR: 33%

Performance Highlights

- **EBITDA of Pharma business crossed INR 1,400 Cr.** with EBITDA margins at 26% in FY2020
 - 9-Year EBITDA CAGR: 33%
 - Consistent improvement in margin over last few years
- **EBITDA margin remained broadly flat QoQ at 22% in Q3 FY21**
 - Marginally impacted due to volatility in Complex Hospital Generics business
- **Major Capex investments commenced in FY20**
- **Funds raised to help accelerate organic and inorganic growth**

Notes: (1) FY2016 - FY2020 results have been prepared based on IND AS, prior periods are IGAAP

(2) Pharma includes restated for continuing business including Pharma CDMO, Complex Hospital Generics and India Consumer Healthcare and Forex exchange income

Key strategic priorities: Pharma

1 Delivering consistent revenue growth and improving profitability

2 Pursuing organic and inorganic growth opportunities leveraging fresh capital

- ✓ Capacity expansion across multiple sites
- ✓ Acquisitions of niche manufacturing capabilities for CDMO
- ✓ Add new complex hospital generics through in-licensing, acquisitions and capital investments
- ✓ Organically and inorganically add Consumer Healthcare products to further leverage India-wide distribution platform
- ✓ Exploring re-entry into Domestic Formulations

3 Maintaining robust quality culture across manufacturing/development facilities globally

4 Continued focus on patient needs, customer experience, and EHS initiatives



Key investment initiatives during 9M FY21

CDMO: Investing in both organic and inorganic growth initiatives

Acquired Solid Oral Dosage facility in Sellersville



Acquired Solid Oral Dosage facility in Sellersville, Pennsylvania from G&W Laboratories Inc

- Addresses a market need for solid oral dosage form development and manufacturing in the United States
- The site features:
 - Manufacturing and packaging technologies for solid oral dosage forms, liquids, creams, and ointments
 - QC and microbiology labs
 - State-of-the-art preformulation and analytical development infrastructure
- We intend to offer high potency drug manufacturing capabilities at the site

Announced investment of \$32 mn in Riverview facility



Additional capacity in Potent and Non-Potent API development and manufacturing

- Adds both additional capacity and new capabilities in labs and manufacturing
- Growing customer demand is driving the investment
- This expansion covers more than 25,000 square feet, which includes 8,500 square feet of production space
- Enables us to support our customers' immediate and long-term API needs, strengthens our presence in North America
- Planned to be ready for customers by Summer 2022

Complex Hospital Generics: Investing for backward integration

Announced acquisition of 49% remaining stake in Convergence Chemicals at INR 65 Cr.

Dahej facility



- Convergence Chemicals develops and manufactures specialty fluorochemicals, primarily starting material required for PPL's anesthetics production
- As we continue to grow our anesthetics business, the resultant requirement for the starting material is expected to increase in the coming years
- Navin Fluorine would continue to be a key raw material supplier to Convergence Chemicals

Increasing Piramal's stake in Convergence Chemicals to 100% by buying out Navin Fluorine's 49% stake

India Consumer Products: Launched multiple new products/brand extension

Products launched in response to COVID-19



Tri-Activ Spray – 230ml, 100ml & 500 ml



Tri-Activ Sanitizers – 250ml, 100ml & 50ml & 500ml



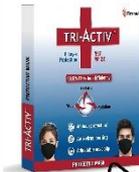
Neko Disinfectant Wipes – 30s & 80s with Lid



Pulse Oximeters (On Distribution model)



Tri-Activ Hand Rub



Tri-Activ Mask



Tri-Activ Disinfectant Liquid



OurDaily Vit C and Zinc

Other Launches



Lacto Calamine Sunshield



JM Doodle Waterz (5 Books)



Lacto Calamine Wipes



OurDaily – Vitamin E



Little's Diapers (S/M/L/XL)



i-activ Menstrual Cups (Medium / Large)

Despite global pandemic, new launches including COVID-19 related products helped in delivering strong revenue performance

15+ new products and 35+ SKUs launched during the year, highest ever new launches with most products delivered healthy performance

Financials

Diversified Revenue Mix

(In INR Crores or as stated)

Net Sales break-up	Quarter III ended			% Sales for Q3 FY2021	9M ended			% Sales for 9M FY2021
	31-Dec-20	31-Dec-19	% Change		31-Dec-20	31-Dec-19	% Change	
Financial Services	1,795	1,963	-9%	57%	5,555	5,931	-6%	59%
Pharma	1,374	1,307	5%	43%	3,853	3,796	1%	41%
Pharma CDMO	846	733	16%	27%	2,326	2,106	10%	25%
Complex Hospital Generics	399	461	-13%	13%	1,162	1,353	-14%	12%
India Consumer Products	130	114	14%	4%	375	336	12%	4%
Total	3,169	3,270	-3%	100%	9,408	9,727	-3%	100%

Note: Pharma revenue includes foreign exchange gains/losses

Consolidated Profit & Loss

(In INR Crores or as stated)

Particulars	Quarter III ended			9M ended		
	31-Dec-20	31-Dec-19	% Change	31-Dec-20	31-Dec-19	% Change
Net Sales	3,169	3,270	-3%	9,408	9,727	-3%
Non-operating other income	96	141	-32%	199	252	-21%
Total income	3,265	3,411	-4%	9,607	9,979	-4%
Other Operating Expenses	1,266	1,144	11%	3,635	3,507	4%
Impairment on financial assets	12	8	61%	87	(144)	n.m.
OPBIDTA	1,987	2,260	-12%	5,886	6,617	-11%
Interest Expenses	1,012	1,360	-26%	3,272	4,025	-19%
Depreciation	142	128	11%	416	377	10%
Profit / (Loss) before tax & exceptional items	834	772	8%	2,198	2,214	-1%
Exceptional items (Expenses)/Income	19	-	-	59	-	-
Income tax						
Current Tax and Deferred Tax	201	227	-12%	566	701	-19%
Profit / (Loss) after tax (before Prior Period items)	652	545	20%	1,691	1,513	12%
Share of Associates ¹	147	126	17%	233	295	-21%
Net Profit / (Loss) after Tax from continuing operations	799	671	19%	1,923	1,808	6%
Profit / (Loss) from Discontinued operations ²	-	53		-	(84)	-
Net Profit after Tax	799	724	10%	1,923	1,724	12%

- Income under share of associates primarily includes our share of profits at Shriram Capital and profit under JV with Allergan, as per the accounting standards.
- Profit / (Loss) from Healthcare Insights & Analytics business, sold in Jan'20.

Appendix

Retail Lending – Leadership Team



Jairam Sridharan

- 21 years of consumer lending experience; proven track record of business development and leadership
- Former CFO, Axis Bank (AUM: INR 9,15,165 Cr.; Market Cap: INR 1,40,366 Cr. as of 31st Mar 2020)
- Previously President, Retail Lending & Payments at Axis Bank
 - Led transformation of Axis into a retail focused lending institution
 - Grew Retail Lending AUM from INR 20,000 Cr. to INR 1,20,000 Cr. over 5 years (2010-15)
- Capital One Inc., 2003-10 – Head of ‘New to Credit’ business segment
- ICICI Bank, 1998-2003 – Responsible for building Analytics capabilities for the consumer banking business
- Director on Boards of various lending and consumer finance companies in India



Jagdeep Mallareddy

- 25 years of consumer lending and life insurance experience; Product and Profitability Expert
- President, Retail Lending at Axis Bank (2010-20)
 - Managed a diverse portfolio comprising of Mortgages, Auto Loans, Unsecured Loans, Small Business lending (MSME) and Rural lending
 - Grew Retail Lending AUM from ~INR 1,25,000 Cr. to INR 2,75,000 Cr. over 5 years (2015-20)
- Previously, held Risk Management & Sales roles at ICICI Pru Life as Senior VP (2001-10), Bajaj Auto Finance, Cholamandalam, Kotak Mahindra Primus and HDFC Bank (1995-2001)
- Experience at India’s leading NBFCs, Private Banks and Insurance companies



Sunit Madan

- 24 years of consumer lending, business process management and life insurance experience
- Expertise in Underwriting, Debt Collections, Fraud Control, Risk Management, Customer Service, and Project Management
- Previously Executive Vice President, Collections, Fraud Control and Underwriting - Retail Lending & Payments at Axis Bank (2015-20)
 - Underwriting - Handled ~16 lakh applications annually, from 3 underwriting centers, apart from ~270 credit processing centers
- Earlier, VP at Genpact, handling a P&L of ~USD 75m, serving clients in Collections & Operations for financial institutions
- In Risk Management roles at ICICI Pru Life (2002-11); Tata Communications Limited and HSBC (1996-2002)

Invested in high quality Management team with deep domain experience

Stage-wise provisioning

Particulars (<i>in INR Cr., unless otherwise stated</i>)	As on Dec-2019	As on Sep-2020	As on Dec-2020
Gross Stage 1 & 2 Loans	50,485	50,243	44,663
Provision - Stage 1 & 2 loans	717	2,542	2,028
Provision Coverage Ratio - Stage 1 & 2	1.4%	5.1%	4.5%
Gross Stage 3 Loans (GNPAs)	944	1,279	1,707
GNPA Ratio (% of loans in Stage 3)	1.8%	2.5%	3.7%
Provision - Stage 3 loans	230	495	907
Provision Coverage Ratio - Stage 3	24%	39%	53%
Net NPA Ratio	1.4%	1.6%	1.8%
Total Provisions	947	3,037	2,935
Total Loans	51,429	51,522	46,370
Total Provision / Total Loans	1.8%	5.9%	6.3%
Total Provision / GNPAs	100%	237%	172%

Note: Stage 1 includes loans which are less than or equal to 30 days past due (dpd); Stage 2 includes loans which are 31-90 dpd, as well as cases considered under one-time restructuring; and Stage 3 includes loans which are 90+ dpd

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