

PIRAMAL ENTERPRISES LIMITED

Transcript of the 75th Annual General Meeting of Piramal Enterprises Limited held at 3:00 p.m. (IST) on Friday, July 29, 2022 through video conferencing

- **Mr. Bipin Singh – Company Secretary, Piramal Enterprises Limited:**
- Dear Shareholders, good afternoon and a warm welcome to you all to the 75th Annual General Meeting of Piramal Enterprises Limited, which is being conducted through video conference. I hope you are safe and in good health. I would like to take you through certain points regarding the participation at this meeting. The facility of joining the AGM through video conference is being made available for members on first come first serve basis. All Members who have joined this meeting are by default placed on mute mode by the host to avoid any disturbance arising from background noise and ensures smooth and seamless conduct of the meeting. The company has received requests from a few Members to register them as speakers at the meeting. Accordingly, the floor will be open for those members to ask questions or express their views. The moderator will facilitate this session once the Chairman opens the floor for question and answers. Once the Q&A session starts, the moderator will announce the names of the Members who have registered as speaker shareholders one-by-one. The speaker shareholder will thereafter be unmuted by the host, to start speaking, the speaker shareholder is requested to click the 'Video On' button. If the speaker shareholder is not able to join through video for any reason, the shareholder can speak through the audio mode. While speaking, we would request the speaker to use earphones so that he/she is clearly audible; minimize any noise in the background; ensure that Wi-Fi is not connected to any other device; no other background applications are running, and there is proper lighting to have a good video and audio experience. If there is a connectivity problem at the speaker shareholders end, we would ask the next speaker to join. Once the connectivity improves, the speaker shareholder will be called again to speak. Once the other speaker shareholder completes their turn. We would like to request the shareholders to limit their speech to three minutes. During the AGM, if a member faces any technical issues, he may contact the helpline number mentioned in the notice of the AGM. Please note that the proceedings of this Annual General Meeting will be recorded. In compliance with the provisions of the Companies Act, 2013, the rules prescribed thereunder and SEBI Listing Regulations, the Company had provided a facility of remote e-voting to all Members. The remote e-voting commenced on 26th July, 2022 at 9:00 a.m. and concluded on 28th July, 2022 at 5:00 p.m. In compliance with the rules on e-voting framed under the Companies Act, 2013, the voting at the AGM will be conducted by the same e-voting system of NSDL which was used during remote e-voting. Members who have already cast their votes by remote e-voting are not eligible to vote again at this meeting. Members who have not cast their vote may please go to the e-voting page on the website of NSDL and cast their vote while watching the proceedings of the meeting. Mr. Bhaskar Upadhyay, practicing Company Secretary failing him, Mr. Bharat R. Upadhyay, practicing Company Secretary, Mr. Mitra Ramesh Ratnani, practicing

Company Secretary of M/s. N.L. Bhatia & Associates, Practicing Company Secretaries have been appointed as the Scrutinizer for the remote e-voting and the e-voting at the AGM. Since the AGM is being held through video conference and the resolutions mentioned in the notice of the AGM have already been put to vote through remotely e-voting, there will be no proposing a seconding of the resolutions. The results of the remote e-voting along with the results of the e-voting at the meeting will be declared by 2nd August, 2022 and be placed on the website of the Company and NSDL and will also be communicated to the Stock Exchanges. I now hand it over to Mr. Ajay G. Piramal, Chairman of the company. Over to you, Sir.

- **Mr. Ajay G. Piramal – Chairman, Piramal Enterprises Limited:**
- Good Afternoon, Ladies and Gentlemen. Welcome to the 75th Annual General Meeting of the shareholders of our Company. I pray that you and your loved ones are in good health. Due to the coronavirus pandemic and the resulting social distancing norms, we are for the third time in a row holding the AGM of the Company through video conference. This is in compliance with the circulars issued by the Ministry of Corporate Affairs and SEBI. Live proceeding of this Annual General Meeting is also being webcast on the e-voting website of NSDL. The Company has taken the requisite steps to enable Members to participate and vote on the items being considered at this AGM. As the requisite quorum is present for AGM, I call the meeting to order. I now take this opportunity to introduce to you the Directors who are attending this meeting.
- Ms. Shikha Sharma, Non-Executive Director has expressed her regrets as not being able to attend the AGM. All the other Directors are present. The Chairman of the Audit and Risk Management Committee, the Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility is Mr. Vaghul, the Senior most Director on our Board.
- We have, Dr. (Mrs.) Swati Piramal as the Vice-Chairperson.
- Mr. Kunal Bahl, Independent Director.
- Ms. Anjali Bansal, Independent Director.
- Mr. Puneet Dalmia, Independent Director.
- Ms. Anita George, Independent Director.
- Mr. Khushru Jijina, Executive Director.
- Mr. Rajiv Mehrishi, Independent Director.
- Mr. Suhail Nathani, Independent Director.
- Mr. Anand Piramal, Non-Executive Director.
- Ms. Nandini Piramal, Executive Director.

- Mr. S. Ramadorai, Independent Director.
- Mr. Vijay Shah, Non-Executive Director.
- Apart from them, we also have key executives and senior management joining from the respective locations. Representatives of the Statutory Auditors and Secretarial Auditors are also present at this meeting. The Company has taken all feasible efforts to enable our members to participate and cast their vote at this AGM. The e-voting facility is active and will be active until 15 minutes after the end of the discussions on the resolutions. We have received authorized representations for 43.8% of the share capital from corporate members, which are valid and accepted by us. Since there is no physical attendance of the shareholders, the requirement of appointing proxies is not applicable. The registers are required to be kept open for inspection at the AGM under the Companies Act, 2013, are open and available for inspection during the meeting, electronically, on the NSDL website under the tab 'AGM documents'. As the notice of the meeting is already circulated to the shareholders, with your permission I take the notice convening the meeting as read. The auditor's report which form part of the annual report, which has been circulated to the shareholders does not contain any qualification, observation, or comment on financial transactions or matters, which have any adverse effect on the functioning of the company. Accordingly, in accordance with the provisions of the Companies Act 2013, the auditor's report is not required to be read out at the meeting.
- I will now proceed with providing you with some of the highlights on the financial performance of the Company. I'm pleased to say that the financial year 2022 was a transformational year for the company marked by the achievement of two major milestones. First of all, was the acquisition and integration of DHFL within our financial services business. We completed the acquisition and integration of DHFL, the first financial service company to get resolved through the Insolvency and Bankruptcy Code route and among the largest resolutions in value terms. The acquisition has been value-accretive and also enabled us to achieve significant growth. The acquisition also enables us to create an India wide platform to address diverse financing needs of the under-served 'Bharat' market, giving a further impetus to our business ambitions and targets. The second important was the progress on the pharma demerger and simplification of the corporate structure. The pharma demerger and simplification of a corporate structure was approved by the Board in October 2021. We have received consents from RBI, SEBI, Stock Exchanges and clearance from our shareholders and creditors. We are on track and the demerger and listing of Piramal Pharma shares is expected to get completed by the third quarter of the current financial year subject to of course remaining approval.
- I will now talk about the financial services. Over the last two years, we have taken several steps to build a resilient business. First of all, improving our capital adequacy. Secondly, reducing the loan book concentration. Third, creating provisions. Forth, reducing leverage and strengthening our liability side. The DHFL acquisition, which enabled a major transaction to do quantum growth and the last year was a pivotal year for our financial services business. We acquired DHFL for a

total consideration of ₹34,250 crores including an upfront cash payment of 14,700 crores and 19,550 crores through 10-year NCD's at 6.75% per annum. Through the DHFL acquisition, we achieved a major portfolio transition as well as significant growth that would have otherwise taken several years to accomplish through the organic route. Our overall, AUM grew 33% year-on-year to 65,185 crores with the retail loan book growing four times year-on-year to 21,552 crores as of March 22. The acquisition helped us to make good progress towards transforming ourselves into a diversified lender. The share of retail loans increased to 36% as of March 2022 from 12% in the year before. The acquisition enabled us to have scale and an access to 1 million life-to-date customers and a network of over 300 branches across 24 States and Union Territories across the country. It also helped us become one of the leading housing finance companies in India focused on affordable housing with an average disbursement ticket size of 13 lakhs during the fourth quarter of FY22.

- We have made significant progress in the integration of DHFL. We retained 3,000 plus employees of DHFL and rolled out several job offers posted DHFL acquisition. We have also reactivated nearly all the erstwhile DHFL branches. With the DHFL integration now largely complete, we are focused on achieving sustained growth and profitability. In the space of retail lending, in 2020, we launched a technology led multiproduct retail lending platform, which is 'digital at its core' and 'phygital' i.e. physical as well as digital at the customers end. Over the last few quarters, we also assembled a best in class leadership team across various businesses. Retail disbursements witnessed a healthy growth of 267% year-on-year growth reaching 1,480 crores in the last quarter of FY22. As a result of this, activation of multiple branches along with new customer acquisition. We are looking forward to expand our branch network further by adding 100 branches in the current year, expand our product suite by launching new differentiated higher yielding products, and the new partnerships with Fintech and consumer tech firms to acquire customers at scale at lower acquisition costs and continue our investments and technology to help us improve cost efficiency and better manage asset quality.
- With all these initiatives, we are on track to achieve loan disbursements in the retail space of 2,000 to 3,500 crores in the third quarter of the current year, which is 5 to 7 times of the premerger levels. On the wholesale lending front, over the last few years, we have significantly increased the granularity of the wholesale loan book. As of today, no single borrower exposure net of provisioning exceeds 10% of the net worth and we have now launched our 'Wholesale Lending 2.0' and we onboarded a new CEO for the wholesale lending business and laid out the foundation for wholesale lending 2.0. With significant consolidation taking place amongst NBFCs in the wholesale lending, we believe that we are among those few NBFC' that have continued to remain strong even after this prolonged crisis environment.
- We aim to cater to a larger addressable market and have started executing new deals in our wholesale lending business. Our new approach will be to make the wholesale lending business a lot more calibrated, granular, focused on smaller loans, and cash flow backed with a superior risk management framework. Coming to our asset quality. Our gross NPA declined during the year to 3.4% as of March 22 versus

4.1% in the previous year and our NNPA ration fell to 1.6% compared to 2.1% in the previous year. The consolidation of DHFL did not have any material impact on our asset quality. Additionally, the asset quality of the acquired DHFL book has been in line with our expectations. We have done a reassessment of our wholesale nonreal estate portfolio. In the fourth quarter of the previous year, we re-evaluated our wholesale portfolio to detect the impact of the pandemic as well as the recent uncertainty in the macro economy on our clients. Based on this assessment, we had to move a few of our non-Real Estate exposures to stage two, resulting in an additional provision of 822 crores and an interest reversal of 215 crores totaling 1,037 crores. Our total provisions post the additional provisions made during the fourth quarter now stand at 3,735 crores equivalent to 5% of our AUM. We continue to remain vigilant across our portfolio.

- I'll now speak about our non-lending businesses. Our alternatives platform, which is our fund management business has marquee institutions such as CDPQ and Bain Capital Credit as our long-standing partners and has \$1 billion in committed capital. We aim to build a robust alternative platform by scaling up the existing funds and expanding the product suite.
- I'll talk now about our life insurance business. Through the DHFL acquisition, we also acquired a 50% stake in Pramerica Life Insurance, which is a JV with Prudential-US. Given the company's robust balance sheet, a solvency ratio of 404%, we aim to drive growth of this business in the coming years. On the liability side, we have significantly improved our ALM by replacing short-term commercial paper, CP borrowings with long term borrowings. The DHFL acquisition enabled us to raise 10-year loans worth 19,550 crores further strengthening our ALM portfolio with significant positive ALM gap across all buckets. Our cost of borrowings have been also gradually declining over the last few quarters. In the last quarter of FY22, the cost of borrowing declined 170 basis points year-on-year to 9.2% while our incremental cost of funds reached nearly 8.5% post the DHFL transaction.
- We expect the borrowing cost to decline further as we continue to diversify the loan book, tap additional funding sources to diversify the borrowing mix, and repay/ re-finance our high cost debt. Moreover, we are well positioned to navigate the current rising interest rate environment, as 79% of our borrowings are on a fixed rate basis. In financial services, with a scalable tech driven lending platform significant firepower for organic growth as well as acquisitions given our low debt equity ratio of the financial services business at 2.7 times and considerable value and lacking potential that is the investment since Shriram. We feel that we are well poised to become one of the largest top-quality NBFC's in the coming years.
- I will now talk about Pharma. The Pharma business has consistently been delivering healthy performance since our Abbott deal in 2010 and post the sale of the domestic pharma business to Abbott, we've rebuilt and entirely differentiated pharma portfolio comprising of these niche verticals the CDMO, complex hospital genetics, and India consumer health. In this period of the last 10 years, the company has consistently delivered strong performances. Pharma revenue has grown 3.5 times at

a CAGR of 13% from 1906 crores in FY12 to 6,700 crores in FY22. EBITDA has gone up 9X at a CAGR of 24% from 133 crores in FY12 to 1,206 crores in FY22. With EBITDA margin improving from 7% in FY12 to 18% in the last year. We continue to deliver in line with our long-term performance track record.

- Our pharma business recorded a 16% year-on-year revenue growth in the last year, despite a challenging macro environment demonstrating the strength of our business model as well as the agility of our teams to deliver a resilient performance even in a tough environment. Our uniquely positioned CDMO business grew 10% year-on-year. The business grew despite some execution related challenges that we faced related to logistics, availability of raw material, and manpower. We have in the year acquired a 100% stake in Hemmo Pharmaceuticals and a 33% stake in Yapan Bio. These acquisitions added peptide API development and manufacturing to our capabilities and enabled us to add new technologies and capabilities in large molecules including vaccines and gene therapy. We have committed 157 million of growth-oriented CapEx investment across our various sites. The complex hospital generics business witnessed significant recovery with a 20% year-on-year growth during the year. We continue to retain our leadership position in key portfolio products across multiple geographies. We leveraged a differentiated portfolio of 40 existing products and have a strong pipeline of 36+ SKUs in niche areas.
- Coming to our India consumer healthcare business, we delivered a 48% year-on-year growth during the year. We witnessed strong performance in power brands which contribute 57% of our FY22 revenues. We also launched 40 new products and 18 SKUs during the year. To improve the brand recall of our key brands we continued to significantly invest in media and trade spends and have engaged several well-known ambassadors. We strengthened our presence on the alternative channels of distribution with the launch of our own website. Each of the pharma businesses has a compelling plan for organic and inorganic growth in future and we expect to deliver in line with our long term growth record.
- Now I will come to the work which is being done by our foundation. Doing well and doing good is our corporate purpose. Piramal Foundation teams continue to support government efforts to battle the pandemic serving the most underserved communities across India. We served 2.73 million people across 112 aspirational districts and 6 tribal districts through our campaigns on Covid 19 awareness and vaccine hesitancy whilst strengthening government systems to deliver better to citizens by building a capacity of 97,604 people. We are forging partnerships and collaborations with like-minded value based entities along with local influencers to complement the government's efforts. We also strengthened our partnerships with Niti Aayog, various district governments and other organizations such as USA, BMGF, Rockefeller, Google and the Children's Investment Fund Foundation.
- In summary I could say that during the last year FY 2022 our businesses have demonstrated a resilience performance and navigated the Covid 19 pandemic along with other macro economic uncertainties. Moreover, the Company has undergone a major transformation to build a solid foundation for our long term success. After

years of successful transformation the Company is well on track to achieving its future plans. In financial services we have set ourselves an ambitious set of goals and remain confident about the long term success of the financial services business.

- Over the next 5 years we aspire to expand our presence across 1000 locations with 500-600 branches across India, grow retail disbursements by 40 to 50% on a CAGR basis, double the overall AUM from FY22 levels, achieve a loan book mix moving to 2/3rd retail and 1/3rd wholesale loans. In the pharma sector, in the medium to the long term we expect nearly 15% CAGR revenue growth across the businesses, our global footprint with a diversified revenue base, presence in attractive segments with high entry barriers, our capability to meet a wide range of customer requirements across multiple geographies and best in class quality track record provides greater stability from a long term investment perspective. We believe that both the emerging listed financial services and pharma companies with their balance sheet strengths and uniqueness of our business models are well positioned to tap organic and in organic growth opportunities and create long-term value for our shareholders in the years to come.
- In terms of dividend the Board has recommended a dividend of Rs. 33 per share subject to the shareholders' approval at this AGM. The total dividend payout would be Rs. 788 crores.
- Now I will take up the resolutions as set forth in the notice. Thereafter we will move to our discussions and the question and answer session.
- I take up the first agenda item in the resolution which is of ordinary business.
- The adoption of audited financial statements (Standalone and Consolidated) and the reports of the Directors and Auditors thereon for the financial year ended 31st March, 2022.
- The second point on the agenda is the declaration of dividend. The board has recommended a final dividend of Rs. 33 per equity share for the financial year ended 31st March , 2022.
- The third is the re-appointment of Dr. (Mrs.) Swati Piramal who retires by rotation.
- The fourth is the appointment of M/s. Suresh Surana & Associates, LLP, Chartered Accountants as Statutory Auditors of the Company.
- We now move to the special business which is the appointment of Mr. Rajiv Mehrishi as an Independent Director.
- The sixth point on the agenda, Ratification of the remuneration of the Cost Auditor.
- The seventh is the Issue of Non-Convertible Debentures on a private placement basis.
- The text of the resolutions along with the explanatory statements is provided in the notice circulated to the shareholders.

- I now invite shareholders who have pre-registered as speakers. To avoid repetition the answers to all the questions will be provided towards the end.
- **Moderator:**
- Dear Shareholders, when your name is announced you will be placed in the meeting, kindly unmute your microphone, switch your camera on and speak. Kindly restrict your queries and comments to a maximum of 3 minutes. Our first shareholder who has registered to speak is Mr. Yusuf Yunus Rangwala. Mr. Rangwala, you are now placed in the meeting kindly go ahead.
- **Mr. Yusuf Yunus Rangwala – Shareholder:**
- Good afternoon, sir, can you hear me? Respected Chairman and my fellow shareholders, my name is Yusuf Rangwala, I greet all of you. This is the 75th year which is a wonderful thing and I would like you to accept my greetings. Sir, I will now start my speech. In your balance sheet, there is your son, daughter and your whole family. So wherever your daughter is there, your son is also there. Ajay sir, please arrange for a physical meeting next year or a small get together for Diwali, this is my humble request. You have given us a very good dividend. I would like to request you to give us a bonus for this year also, and would like to know your view on that. I support all the resolutions. And I would like to wish you for all the future festivals. Thank you very much. I pray to God/Allah that you are healthy and wealthy. Thank you very much, Jai Hind, Jai Maharashtra. Nothing more to add, I end my speech here only.
- **Moderator:**
- Thank you, Mr. Rangwala, our next speaker shareholder is Ms. Lekha Satish Shah. Ma'am, you have now been placed in the meeting, kindly unmute your microphone and speak.
- **Ms. Lekha Shah – Shareholder:**
- Respected Chairman Sir, Board of Directors and my fellow Members, good afternoon to all of you, myself Lekha Shah from Mumbai. First of all I am very much thankful to the Company Secretary, Bipinji and his team, Archana ma'am, for extending very good investor services and also sending me the AGM notice well in time which is full of knowledge, facts and figures in place. So I am very grateful to our Company Secretarial team. Thank you, Ajay sir, for explaining about the Company. Congratulations for excellent work. Sir, I pray to God that he always showers his blessings upon you. First of all I would congratulate our Company for completing 75 years. I am proud to be a Shareholder of this Company. Thanks for the dividend, Sir. At the outset I congratulate the management and his team for the awards and recognition received by our Company and also I am glad the Company is doing very well in the field of CSR activities. Sir, I would like to ask a few questions. My first question is how much of investments in real estate is there and lending to

developers. My second question is in the consumer healthcare which are the new products launched and our investment in brand promotion at marketing, please highlight. Ajay Sir, I strongly support all the resolutions for today's meeting and my best wishes always for the Company's prosperity. Thank you, Sir. Namaste, Sir.

– **Moderator:**

– Thank you, Ms. Shah. Our next speaker shareholder is Mr. Dinesh Bhatia. Mr. Bhatia, you have now been placed in the meeting, do switch your camera on, unmute your microphone and speak.

– **Mr. Dinesh Bhatia – Shareholder:**

– Hello, can you hear me and see me also?

– **Moderator:**

– Yes, Sir.

– **Mr. Dinesh Bhatia – Shareholder:**

– I congratulate you and your team, Mr. Chairman, excellent work, excellent results, the profits that our Company has made during the pandemic period is very good. Our earnings against Rs. 2 per share is Rs. 24 standalone basis, so if you see on a consolidated basis, our earnings against Rs. 2 per share will be Rs. 80.70 paise, it is up 40 times, this is excellent. This is excellent work by you, your team and your finance team. [Our profits in the standalone and consolidated where our subsidiaries also earn a lot. We see in many companies that if there is profit in standalone that profit is put into the subsidiaries. Our Company is doing well and we are happy to be shareholders of such a big company. I have just one request, now our Company has completed 75 years, and this is a milestone, 25 and 50 and now 75, and we expect that we should get some benefit this year. I don't wish that our capital should increase. My request is that our share which is of Rs. 2 is valued at Rs. 1833 in the market, and this shows the trust on our Company and its growth. If possible I request you to split this Rs. 2 into Re. 1 so that we will get two shares, it will be a sort of mini bonus and at the same time we will get some satisfaction that we are getting some gift for the 75th year. Apart from that the performance of our Company is excellent. I would like to ask one question that the articles that we read in the newspaper regarding DHFL shareholder whose equity value has become nil that is 0 value, so one big investor who has some 200 crores in DHFL has filed a case in High Court, what is the status of that, whether it is still continuing? And finally you are excellent in everything, your Board of Directors is excellent, your team is excellent, and your secretarial department is also excellent. They make sure that the maximum number of shareholders participates in this meeting, they called us yesterday as well as today. I had 4 meetings today, but I didn't attend the other 3 meetings, I attending this meeting due to their Shareholder services. Thank you, secretarial team. Congratulations to all of you for giving excellent dividend. I have given some suggestions to you, so during the next meeting of the Board of Directors do discuss on this matter, if you can split the shares it will be very good. Thank you. All the best.

– **Moderator:**

– Thank you, Mr. Bhatia, we move onto our next speaker shareholder Mr. Manoj Kumar Gupta. Mr. Gupta, you have now been placed in the meeting, kindly switch your camera on.

– **Mr. Manoj Kumar Gupta – Shareholder:**

– Hello.

– **Moderator:**

– Yes, Mr. Gupta, we can hear you.

– **Mr. Manoj Kumar Gupta – Shareholder:**

– Chairman, Board of Directors and my fellow shareholders, my name is Manoj Kumar Gupta and I have joined this meeting from my residence in Calcutta. I have full faith and confidence and I am very proud that you have changed the direction of the Company and given good returns to the investors. The investors are very happy. I thank the Company Secretary and his team who have helped us to join this meeting through VC especially Archana ma'am who has called us twice or thrice that we have got your request and we will send you the link. We are very lucky and we are very happy that the country is celebrating 75 years and our Company is also celebrating 75 years. Our Company and our country both are celebrating 75 years, it is a matter of pride for us. And I give a warm welcome to Rajiv Mehrishi on our Board. Sir, what is your future outlook for the business? And what's your expectation from the market in the near future because there is a tough condition in nearby countries and Russia-Ukraine war and global impact of inflation, so what's your view on the inflation. Inflation has gone up by 20% to 30%, so how do you face the challenge of inflation. Sir, what is the average rate of interest rate on housing loans. And I thank you for keeping on the board the excellent Mr. Ramadorai who is also from TCS and he is on our Board and today you have inducted Mr. Rajiv Mehrishi who has served the country as finance secretary and home secretary. So, Sir, thanks. And, Sir, last but not least on 75 years we are expecting that you will reward the shareholders by splitting of shares or by memento, those who are taking interest kindly take care of that. Sir, I am proud of you, your wife and your family that you are doing a lot of work for the community and society especially when I go to Rajasthan Jhunjhunu, I see Piramal Nagar, I see you have done a lot of things for Piramal Nagar. Please continue doing that, thank you.

– **Moderator:**

– Thank you very much, Mr. Manoj Kumar Gupta. We move onto our next speaker shareholder Mr. Santosh Kumar Saraf. Mr. Saraf, you are now placed in the meeting, kindly switch on your camera and unmute your microphone and speak.

– **Mr. Santosh Kumar Saraf – Shareholder:**

– Hello.

– **Moderator:**

– Yes, Sir, we can hear you.

– **Mr. Santosh Kumar Saraf – Shareholder:**

– One minute let me start my video.

– Respected Chairman, esteemed Directors and my fellow Shareholders who are present in this video conferencing. I am Santosh Kumar Saraf, and I greet you all. I hope that all the Directors and employees and all my fellow shareholders present in the video conference are in good health. I don't have anything to say about the progress that our Company has done under your guidance, because if I say something it will seem as if I am doubting your capability. The secretarial team is also very good, I had sent them some questions today and I have already got their reply. I have one request, Sir, that you should involve women in your Company and now as you see a woman has become a President of the country, and in our Management also we have a woman . And women are toppers in all the examinations, they beat the men, and they also do it in the field of sports like badminton and all. So I request you to give them a chance in the future and the Labour Ministry has allowed women to work in all the three shifts and if you give them a chance they will show their talent and maybe you will be able to get someone who will take the name of our Company to great heights. I don't have any other questions as I have got the answers. My only request is that we don't know whether there will be a physical meeting or a video conference meeting, I request you to hold a hybrid session in dual system, so that the shareholders are able to share their feelings with you and also meet you. There is a company in Calcutta belonging to Birla you may have heard about it, they held a physical meeting at Kalamandir and they held a hybrid meeting also. And they first gave the people who were at the physical meeting to first talk and then later the ones that were in the hybrid meeting. I used to go to Bangalore to attend meetings as my children were staying there. They also used to keep physical meetings, but in the hybrid meeting Ashalataji, Gautam Tiwari and Adi, etc., would attend from Bombay. Please see if this is possible, and if you take the first step, other companies will also follow you. You are the leader of the industry and you are an industrialist who is like the soul of the country and you are the future of the country. Jai Hind, Jai Bharat, thank you for your time. Once again I pray for a long and healthy life for you, your family, for the Directors and their families and my fellow shareholders and their families, and I pray to God that 2022 should be healthy, wealthy for everyone. Jai Hind, Jai Bharat.

– **Moderator:**

– Thank you, Mr. Saraf. We move onto our next speaker shareholder, Mr. Abhishek J.

– **Mr. Abishek J. – Shareholder:**

– Can you hear me, Sir, am I audible?

– **Moderator:**

– Yes, Sir, we can hear you, we can see you, Sir.

– **Mr. Abhishek J. – Shareholder:**

– Thank you, sir. My name is Abhishek, shareholder of the company. DP id IN 301667 and client id is 41359155. Sir, first of all I congratulate the management on the eve of 75th Annual General Body Meeting. This is our diamond jubilee year, sir, we are grateful to the Company for having rewarded the minority shareholders with large numbers. Sir, I trust all is well with you and your family in this challenging situation. Our Company deserves much more respect than the current market cap after completing more than a decade of successful operations, profitability, dividend history and becoming one of the strongest brands in our respective segment. Sir, I would like to know how our business has been impacted in these past three years of Covid time, the Corona virus and subsequent lockdowns have left virtually no industry untouched after Covid so whether any employees have been sacked, hired salary cut and percentage if any I would like to know from you, Sir. And what are the steps being taken by the management to conduct concall quarterly presentations and meeting with global investors on a regular basis. I am thankful to the Company Secretary and the entire team for conducting this meeting virtually and making all the investors join on this virtual platform, and making this 75th Annual General Body Meeting a grand success. Since this is the 75th occasion, our Company has completed 75 glorious years I would like to reward our Chairman with a memento and a shawl, Sir, so please give me an appointment to meet you in the month of October so that I can meet you and honour you in Mumbai. Nothing much to add, I wish the Company and the Board of Directors a great success and prosperity in the coming future, and thank you for giving the opportunity. Hope to see you in the physical meeting next year, sir, thank you very much, sir.

– **Moderator:**

– Thank you, Mr. Abhishek. We move onto our next speaker shareholder is Ms. Prakashini Ganesh Shenoy. Ma'am, you have now been placed in the meeting, yes, ma'am.

– **Ms. Prakashini Ganesh Shenoy – Shareholder:**

– I am Prakashini Ganesh Shenoy from Bombay. Respected honourable Chairman Shri Ajay Piramal, other dignitaries on the board and my fellow shareholders, good afternoon to all of you. First of all I want to wish one and all of the Company for completing 75 successful years. Congratulations, Ajayji and others. I received the annual report well in time which is colourful, knowledgeable, transparent and contains all the information as per the corporate governance. I thank Bipinji for the same and also his members, his subordinates for the same.

- I should not forget to thank them once again for reminding me of today's meeting and giving me the link for today's meeting to speak, without which I wouldn't be in a position to speak. So, once again, thank you Singh ji. I'm happy to note that we have a former demerger and optimization of DHFL. And also, our company is one of the leading Housing Financial Company; congratulations for the same. Sir, I congratulate the Board for recommending dividend at the rate of Rs. 33 per share for the Financial Year 21-22. I should not forget to thank once again for the management for doing a great work in respect of CSR in the field of health care, education etcetera. The Chairman has given a fine picture about the company, it's working in different parameters. Sir, many questions I wanted to ask and most of them are covered by the Chairman speech, so I only have one question. How is the Company planning to progress towards digital future? I wish the Company good luck for a bright future and pray God that the profit of the Company shall reach the peak in due course. Sir, I strongly and wholeheartedly support all the resolutions put forth in today's meeting. Thank you, Sir.
- **Moderator:**
- We move on to our next speaker shareholder, Mr. Aspi Bhesania. Mr. Bhesania, you are now placed in the meeting. Could you kindly unmute your microphone, switch your camera on and speak?
- **Mr. Aspi Bhesania – Shareholder:**
- Sir, can you see me and hear me?
- **Moderator:**
- Yes Sir, we can see you. We can hear you as well.
- **Mr. Aspi Bhesania – Shareholder:**
- Chairman Sir, I and Aspi from Bombay. Sir, I also miss the physical AGM. Sir, welcome Mr. Rajiv Mehrishi as Independent Director and I hope he doesn't consider our company and run it like a bureaucrat. Sir, can I ask split a Profit Before Tax between Pharma and Finance for March,22?And henceforth when you give quarterly results, please give breakup. Although you give segment reporting but I would like to have more breakup. Sir, 20% Pharma company has been sold to Carlyle. Sir, what was the company's valuation at that time? Sir, page 383, what segments have shown lower profit? How do we see profits going forward? Any roadmap for the next 2-3 years? Sir, I was a small shareholder of Dewan Housing and didn't get anything, Sir, and everybody's commenting that we got a call from Piramal and all but I didn't get a call from anybody from the share department. So, please ask them not to differentiate and do partiality. They should call every speaker or not call anybody. Thank you very much and all the best for the future.

- **Moderator:**

- Mr. Bhesania. We move on to our next speaker shareholder, Mr. Prateek Kumar Sen. Mr. Sen, you've been placed in the meeting. Kindly unmute your microphone. Mr. Sen, could you kindly unmute your microphone?

- **Mr. Prateek Kumar Sen – Shareholder:**

- Yeah, I have unmuted it. Am I audible?
- **Moderator:**

- You are now audible, Sir.

- **Mr. Prateek Kumar Sen – Shareholder:**
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- Good afternoon to everyone. I'm Prateek Sen from Chhattisgarh. First of all, congratulations to everyone on completing 75 years and to the management for delivering consistently overall this year. I have just two small questions. May I ask them? Yeah. So, my first question is that, about a few quarters back we started BNPL and business loan partnership with some of the FinTech's, so what's our progress on that front? And actually I'm afraid, is it going to be a significant part of our unsecured lending portfolio? And my second question is to Piramal Sir on the pharma side, Sir, what are your projections on Piramal Pharma over the say next 4-5 years now that the business is about to be carved out? That is it. Thank you very much.

- **Moderator:**

- Thank you very much, Mr. Sen. We move on to our next speaker shareholder, Ms. Celestine Elizabeth Mascarenhas. Ma'am, we can see you. Kindly unmute your microphone.

- **Ms. Celestine Elizabeth Mascarenhas – Shareholder:**

- Hello?

- **Moderator:**

- Yes Ma'am, we can now hear you as well.

- **Ms. Celestine Elizabeth Mascarenhas – Shareholder:**

- Yeah and see also, right. Okay, very good. Good afternoon Chairman Mr. Ajay Piramal, Vice Chairman Madam Swati Piramal, members of the Board. Number of members, right! We have all the dignitaries on the Board. I was just looking at each and everyone's photos. We have got Vaghul, we have got Ramadorai; we have got so

many. A great Board, you know, and a great business! My fellow shareholders in this virtual meet, I am Mrs. Celestine Elizabeth Mascarenhas. I'm speaking from Mumbai. First of all, I thank the Company Secretary and the team for sending me an e-notice and also registering me as a speaker and also giving me a very-very good platform. Among all the platforms, I find this platform was very easy to open and video and everything. From the guests to the panelists and all, everything was very nice. Thank you so much. Now, Annual Report is very exhaustive with lots of information as there is so many businesses and it is self-explanatory. Working is definitely good. No, any regrets. PBT and PAT up, dividend is very good i.e. Rs. 33 per share in these difficult economic conditions. Sir, you and your team has fared excellently. Also, very good Market cap also. Next is, I congratulate for all the awards and accolades as given in the Annual Report. Also, I appreciate very much the CSR work done and also ESG initiatives are taken. Here I would like to ask, whether ESG rating is done, and if so, what is the rating and who is the rating agency? My queries, Sir. Number one, when will the demerger process be completed and when will both the companies be listed? And all the expenses of the demerging will go to which company means the demerged or demerger? How it will be spread out? Number two, whether all the employees are coming to office every day or alternate days? Because we have total employees of 13,561. Such a big figure! As a big conglomerate, so many employees and they are getting their salaries and everything. I would like to know what is the average age of the employees and the attrition level? After the Pharma companies demerged, Sir, whether you're thinking of any further demergers? Because there are ample of business- hospital, business, insurance business; lots of businesses are there. So, whether you will be thinking of further means you can go...I think you can go every year with demergers, you know, that is there and acquisitions also. Now, on page 6, it is given that DHFL acquisition is completed in September, 21. Significant growth in the AUM. I'm very happy and DHFL is the first finance company to get resolved through the IBC route. Good but very sad! I was the shareholder of this DHFL and there may be many shareholders like me and I did not get anything, any sort of thing. I didn't get any penny and just my shares disappeared. And we have such strong fathers, Sir, you. Ajay you are like a father, you know, very strong and you didn't feel like giving us something? The banks got everything. Actually banks should be accountable. We were not in the management and we don't know anything. We were just, we were thinking company is good and we were invested and we have lost everything there, you know. I would take the example of Baba Ramdev like whatever it is he took Ruchi Soya. He took Ruchi Soya and another defunct IBC company. There Adani but then Adani also felt 'This is no use', so then ultimately Baba Ramdev took under Patanjali and something or the other he gave us which has now appreciated like anything means my 1000 shares became 10 shares but now I'm still shareholder of that Patanjali; Patanjali or Ruchi. Last AGM I told him 'Please, change the name of that Ruchi only'. I have suggested that, I don't know when he will change the name but we got something and we know we are part of the growth story. But your DHFL, Sir, I really feel that you should have thought about us. You would have got so much blessings from so many shareholders. You are good, I'm not saying anything, but you have not considered. Just like that. Essar Steel also did like that. Nothing. Essar took everything and we are nothing. I have gone and

seen the plant and everything. Such a beautiful place, so much, and there is school and everything and we were not given anything. Zero, straightaway the shares have disappeared, you know. Sir, I only request, I hope these more and more promoters don't do this. So, that is my request and why I'm telling in this meeting because I see lots of high-fi dignitaries, directors, so they will at least intersect for the small shareholders, you know. I hope that they will, you know, that equity cult should continue because interest we can't depend now the senior citizens. So, please something you do for us you know, those who lost our shares. I don't know now what can be done but you are so much great at heart because you have brought foundations, this and that. I don't ask but I want something from my share; growth. I know only thing I can be more in Piramal. So, that is there. Anyway, I supported all the resolutions. I've got faith in you and your management and even then I wish you the best so that what I lost there I may get reward. Hundred points here, that is what I look out. What can I say more, you know, because whatever it is we have to resign to our faith. As it is the age is making us more and more not healthy. So with this I thank you very much. I wish you all the best. I wish you good health and wish good health for our entire PEL and whichever demerged also for them also. Thank you so much for giving me this patient hearing. Namaskar, Sir.

– **Moderator:**

- Thank you, Ms. Mascarenhas. We have three shareholders- Ms. HS Patel, Mr. Ravi Kumar Naredhi and Mr. Vinay Vishnu Bhide who registered to speak but haven't joined in. So, with that, all shareholders who registered to speak at this AGM and did join in have now spoken and I shall hand the proceedings back to our Chairman. Over to you, Sir.

– **Mr. Ajay G. Piramal – Chairman, Piramal Enterprises Limited:**

- Good afternoon, my dear Shareholders. Once again, I'm really very happy that so many of you have taken part in this AGM actually by giving your comments and your questions. Just like many of you are missing physical meeting, so am I and I hope that Covid and all is behind us and next year we can meet together and see each other because these meetings give us, the management and me personally, a lot of energy.
- So, let me first start by answering the questions. First comment that I want to make is, that I'm really very-very touched with all your warm sentiments, all your congratulations and good wishes for us and our management team. Each one of you has spoken so well. So, thank you so much. Now my old friend Mr. Yusuf Rangwala, I want to say that you know bonus is just like...whether we could have given you a little lower dividend or we could have given you bonus. So, we said that let's keep the dividend which was good. And one way to look at the bonus is that now for all those who are holding Piramal Enterprises shares, once this whole demerger takes place you will own not only Piramal Enterprises shares but you'll also own Piramal Pharma Ltd. shares. So, in that sense there will be now instead of one share you hold shares of two companies.

- Lekha Ben, thank you for all the warm wishes that you have given us and it was good to see you again.
- Mr. Bhatia, you wanted, again I think, as far as the question that you had was about the DHFL case that was going on. So, in DHFL there was one, not a shareholder but a debenture holder, who had said that some of the proceeds should not be given and should come back to the COC. Now the COC had decided against it. The matter is now before the Supreme Court of India and when the Honorable Court decides, which I hope will be in the near future, we will come to know what is the case. But the as far as the last judgment of the NCLAT is concerned, it was that the scheme remains untouched except one small part of it. So, I presume that things will go on and we will wait for the results to come.
- Manoj Kumar ji, thank you very much once again and reminding us of this that we are also celebrating our Amrit Mahotsav just like the nation is. The future outlook, I have actually spent some time in detail in my speech. I will request you to just go through that. I don't want to repeat that. You wanted to know about inflation. I think compared to the rest of the world, whether it is the U.S. or whether it is Europe, India is much better placed. The expectation of inflation would be about, I'm told economists say, about 6.5% to 7.5% but we will watch because the times are uncertain as you know and every day there's something new or the other and therefore we will have to watch. You wanted to know about the average interest rate for home loans. Our home loans are really given in Tier 2, Tier 3 cities where it is very difficult to reach, where not many other banks give. So, our home loan rates would be in the region of between 10.5%-11.5%.
- Santosh ji, I just want to tell you that we are very conscious about women and you will be happy to note that on our Board, probably, we have the highest representation of women than any other Board. We have five women directors. Let me tell you their names and all very distinguished in their own capacity. Dr. Swati Piramal, Nandini Piramal, Ms. Anita George who was heading the whole a large part of one of the largest pension funds in the world CDPQ, Ms. Shikha Sharma who was the Managing Director of Axis Bank and Ms. Anjali Bansal who herself is a big investor and she is in the new tech world. And, therefore, we are conscious of it. But I'm glad you raised it and we will ensure that this representation continues in the future as well.
- Mr. Abhishek, your questions are actually been answered. So, I hope that's enough and you are satisfied with those. If there's anything else that you want us to answer, please just contact us.
- Mrs. Prakashini Shenoy, thank you very much. I'm glad that you could read the Annual Report, and therefore, your questions were answered.

- Aspi, you said that nobody contacted you from the secretarial. I believe that everybody knows that Aspi is the expert in all these things. You are a veteran shareholder, not only for us, but so many other companies and that is why they assumed that you would think that they are teaching somebody who should teach others. So, that's why. But anyway, next time I'll ensure that they will talk to you if you like.
- Mr. Sen, thank you very much. You wanted a question. You had two questions. I'm just going to answer those. Yeah. BNPL; it's not a very big part of our business. Most of our loans are secured. We are very conscious of the fact that we don't want to make too many unsecured loans. Yes, there will be some unsecured loans but not too much on BNPL because as you know it is quite risky and now the Reserve Bank has also come out with very strong guidelines. 'For Pharma what is the growth expected in the next 4-5 years?'. We expect that Pharma in the past has had a track record of giving about 15% annual growth in terms of sales and we think that that should continue. As far as profitability is concerned, over the next 5-6 years we want to take to a profitability margin somewhere EBITDA margin anywhere between 25%-28%.
- Ms. Mascarenhas, I just want to tell you about DHFL and shares. I mean, first of all, I appreciate your long-term interest in our company and I know that you've been an old shareholder and every time you have come in and spoken, so I appreciate your interest in us. We will try and do whatever we can to ensure that you remain satisfied. As far as DHFL is concerned, as you know, this was referred to by the Reserve Bank of India. A case which was referred to the IBC and we have to follow exactly what the ruling in the IBC, as you know, it goes up into court and the resolution which was done came up into the court and we had to follow the guidelines. We had followed the orders of the court which meant that the shareholders of DHFL would not get anything. You know, in this case as you know probably that there were loans outstanding with the banks and other creditors of almost Rs. 90,000 crores and every day you're hearing some new you know news item as to what has happened to these funds We could give about, we paid about Rs. 38,000 crores for this acquisition. I'm sorry but the shareholders...and we kept, I mean, there were so many news items given, there were so many notices that we sent out saying that there is no value to the shares but yet, I think, some people unfortunately got trapped in it. I'm really sorry about what has happened to you and so many other shareholders of the erstwhile DHFL. I just express my sympathy for them. I can only say that, Miss. Mascarenhas, we will work harder to ensure that your shares whether in PEL or the Pharma will continue to grow in value and you get an adequate return.
- So, with this, I think I have answered all the questions. I appreciate all your involvement in our Company. With this, I would now request all the Members who have not cast their vote on the items set out in the notice of the AGM are requested to exercise their vote through the e-voting facility available on the NSDL platform which will be available for the next 15 minutes.

- With your consent, I and the other Board members, would like to leave the meeting and authorize our Company Secretary whom you really like, Mr. Bipin Singh, to conduct the voting procedure and conclude the meeting. I once again take this opportunity to thank all of you for attending this meeting and for our Board of Directors to also come and attend this. Thank you all for your support. All the Best. May the Lord bless you.

- ***END OF TRANSCRIPT***