

October 7, 2021

BSE Limited

1st Floor, New Trading Ring,
Rotunda Building,
P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001
BSE scrip code: 500302

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,
Plot No. C/1, G-Block,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
NSE symbol: PEL

Dear Sir/Madam,

Sub: Intimation under Regulations 30 and 51 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI Listing Regulations') and Securities and Exchange Board of India's circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015

In accordance with the provisions of Regulations 30 and 51 of the SEBI Listing Regulations and SEBI circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015, we wish to inform you that the board of directors ('Board') of Piramal Enterprises Limited ('PEL' or 'Company'), at their meeting held today on October 7, 2021, has *inter alia*, approved the composite Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder between PEL, Piramal Pharma Limited ('PPL'), Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited ('HPPL'), PHL Fininvest Private Limited ('PFPL') and their respective shareholders and creditors ('Scheme').

The Scheme *inter alia* provides for the following:

- (i) the transfer by way of demerger of the Demerged Undertaking (*as set out in the Scheme*) from PEL to PPL, a subsidiary of PEL, and the consequent issue of equity shares to shareholders of PEL by PPL per the Share Entitlement Ratio (*as set out in the Scheme*) ('Demerger').
- (ii) the amalgamation of CCPL and HPPL (both being wholly owned subsidiaries of PPL) into PPL ('Pharma Amalgamations').
- (iii) the amalgamation of PFPL (a wholly owned subsidiary of PEL) into PEL ('FS Amalgamation').

The Scheme will be undertaken in compliance with Sections 2(19AA) and 2(1B) of the Income-tax Act, 1961, and SEBI Master Circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 consolidating SEBI circulars dated March 10, 2017, March 23, 2017, May 26, 2017, September 21, 2017, January 3, 2018, September 12, 2019 and November 3, 2020 (collectively, the 'SEBI Circulars').

Piramal Enterprises Limited

CIN : L24110MH1947PLC005719

Registered Office: Piramal Ananta, Agastya Corporate Park, Opp Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai 400 070 India
Secretarial Dept : Ground Floor, B Block, Agastya Corporate Park, Opp. Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai, Maharashtra 400070, India
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The Scheme is subject to the approval of the requisite majority of the shareholders and creditors of the companies, SEBI, BSE Limited, National Stock Exchange of India Limited, National Company Law Tribunal (NCLT) and other regulatory authorities, as applicable.

The disclosure in respect of the Scheme as required under Regulation 30 of the SEBI Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/20115 dated September 9, 2015 is enclosed as Annexure I.

The meeting commenced at 11 a.m. and concluded at 1 p.m.

We request you to take this on record, and to treat the same as compliance with the applicable provisions of the SEBI Listing Regulations.

Also, enclosed herewith is a press release and presentation being issued by the Company in this regard.

Thanking you.

Yours truly,

For Piramal Enterprises Limited

Bipin Singh
Company Secretary

Encl: As above.

Disclosures in terms of Regulation 30 of the SEBI Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015**Part A - Demerger of Demerged Undertaking (as defined in the Scheme) from PEL to PPL****1. Brief details of the divisions(s) to be demerged**

The Scheme provides for transfer by way of demerger of the Demerged Undertaking (*as more particularly defined in the Scheme*), i.e. *inter alia* all businesses, undertakings, activities, operations and properties of PEL, of whatsoever nature and kind and wheresoever situated, exclusively related to or pertaining to the conduct of, or the activities of, the Pharma Business (*as defined in the Scheme*) conducted by PEL as a going concern, including but not limited to: (a) the manufacturing facility situated at Mahad, India; (b) PEL's strategic investment in PPL; (c) all assets, as are movable in nature and which exclusively form part of the Pharma Business; (d) all permits, licenses, approvals, etc. for the purpose of carrying on the Pharma Business; (e) all contracts, agreements, purchase orders/ service orders etc. exclusively forming part of the Pharma Business; (f) all Intellectual Property (*as defined in the Scheme*) that exclusively forms part of the Pharma Business; (g) the Demerged Liabilities (*as defined in the Scheme*); (h) the Demerger Transferred Employees (*as defined in the Scheme*); (i) all legal or other proceedings that exclusively form part of the Pharma Business, which are capable of being continued by or against PPL.

2. Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year

The turnover of the Demerged Undertaking for the financial year 2020-21 was Rs. 535.30 crores representing 29% of the total turnover of the Company for the said financial year.

3. Rationale for demerger

The proposed Scheme is a composite scheme of arrangement which *inter alia* provides for the Demerger as well as the Pharma Amalgamations and the FS Amalgamation.

The brief rationale for the Scheme is as under:

- (i) PEL undertakes pharmaceutical business and the financial services business (directly and indirectly), both of which have different requirements and are operated independent of each other as separate business verticals. Each of these business verticals are significantly large and mature and have a distinct attractiveness to divergent set of investors, strategic partners and other stakeholders. The depth, scale of operations, and growth potential of these distinct businesses has been significantly augmented by the recent transactions undertaken in respect of the pharmaceutical business (being the strategic investment by the Carlyle Group) and the financial services business (being the merger of Dewan Housing Finance Corporation Limited and Piramal Capital & Housing Finance Limited, a subsidiary of PEL).

- (ii) Therefore, in the wake of the aforesaid landmark transactions, this being an opportune time to unlock the potential value of each business vertical, it is proposed through the Scheme, to:
- (a) completely segregate the pharmaceutical and the financial services businesses, through transfer of the Demerged Undertaking by way of demerger from PEL to PPL, thereby creating two strong and distinctive platforms;
 - (b) realign the pharmaceutical and financial services businesses to rationalise and streamline the group structure with the domestic pharmaceutical business being consolidated under PPL by merging CCPL and HPPL with PPL, and PEL continuing to focus on the financial services business, directly (with consolidation of the lending business across PEL and PFPL under PEL post the merger of PFPL) and through subsidiaries and associate companies.
- (iii) The proposed Demerger will facilitate pursuit of scale with more focused management and flexibility as well as liquidity for shareholders (following the listing of the shares of PPL pursuant to the Scheme) and will also insulate and de-risk both the businesses from each other and allow potential investors and other stakeholders the option of being associated with the business of their choice.
- (iv) The proposed Pharma Amalgamations will comprehensively consolidate and streamline the pharmaceutical business in India under PPL and are also expected to enable faster decision making .
- (v) The proposed FS Amalgamation will enable establishment of a distinct platform with dedicated focus on the financial services business and the consolidation of the lending business across PEL and PFPL in PEL. This will also enable streamlining of the group structure in a manner that results in the creation of a single non-banking financial company entity (subject to requisite approvals).

Further particulars in respect of the Pharma Amalgamations and the FS Amalgamation are set out in Part B below.

4. Brief details of change in shareholding pattern (if any) of all entities

In consideration of the transfer of the Demerged Undertaking from PEL to PPL, for every 1 (one) equity share of face and paid-up value of Rs. 2/- (Two) held in PEL, 4 (Four) equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL shall be issued by PPL, in accordance with the Share Entitlement Ratio (*as set out below*).

Pursuant to the Demerger, the equity shares of PPL, forming part of the Demerged Undertaking shall stand cancelled.

There will be no change in the shareholding pattern of PEL pursuant to the Demerger.

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5. In case of cash consideration – amount or otherwise share exchange ratio – with respect to Demerger

Upon the Scheme becoming effective and in consideration of transfer and vesting of the Demerged Undertaking from PEL to PPL in terms of the Scheme, PPL shall issue and allot equity shares having face value of Rs. 10 each, credited as fully paid-up, to the members of PEL, holding fully paid up equity shares having face value of Rs. 2 each, based on the Registered Valuer’s Report/Share Entitlement Ratio Report of Drushti Desai of Banshi S. Mehta & Co. (‘Registered Valuer’) in accordance with the following:

“for every 1 (one) equity share of face and paid-up value of Rs. 2/- (Two) held in PEL, 4 (Four) equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL” (‘Share Entitlement Ratio’)

6. Whether listing would be sought for the resulting entity

Upon the issue and allotment of equity shares pursuant to the Scheme as mentioned in Sl. No. 4 above, the equity shares of PPL are proposed to be listed on BSE Limited and National Stock Exchange of India Limited.

Part B - Pharma Amalgamations of CCPL and HPPL into PPL and FS Amalgamation of PFPL into PEL

7. Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.

Sl. No.	Particulars	Turnover (FY 2020-21)	Total net worth
1.	CCPL	119.44	101.67
2.	HPPL* ¹	126.87	151.22
3.	PPL	2,938.81* ²	4,100.62
4.	PFPL	2,007.92	5,205.61
5.	PEL	1,824.70* ³	23,183.74

(Rs. in crores)

*¹As per unaudited financials for FY 2020-21.

*² As per financials for the period from March 4, 2020 (date of incorporation) to March 31, 2021.

*³ from continuing operations.

8. Whether the transaction would fall under related party transaction? If yes, whether the same is done at “arms length”.

Pursuant to the Scheme, the shares to be allotted to the shareholders of PEL as consideration for the Demerger are based on the Registered Valuer’s Report/Share Entitlement Ratio Report of the Registered Valuer and Fairness Opinion given on the same by ICICI Securities Limited, a SEBI registered Category I Merchant Banker.

The Pharma Amalgamations are between CCPL, HPPL and PPL. CCPL and HPPL are wholly owned subsidiaries of PPL. Therefore, the proposed merger between CCPL, HPPL and PPL as set out in the Scheme would fall within the ambit of related party transactions, and such transaction will be done at arm's length. No valuation report has been obtained for the Pharma Amalgamations as no shares are being issued by PPL pursuant to the same.

The FS Amalgamation is between PFPL, and PEL. PFPL is a wholly owned subsidiary of PEL. Therefore, the proposed merger between PFPL and PEL as set out in the Scheme would fall within the ambit of related party transactions, and such transaction will be done at arm's length. No valuation report has been obtained for the FS Amalgamation as no shares are being issued by PEL pursuant to the same.

It is pertinent to note that the Ministry of Corporate Affairs vide Circular No. 30/2014 dated July 17, 2014 has clarified that '*transactions arising out of Compromises, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 1956/Companies Act, 2013 will not attract the requirements of Section 188 of the Companies Act, 2013.*'.

9. Area of business of the entity(ies)

PEL is engaged in the business of (i) providing financial services including retail and wholesale lending services, directly and indirectly, and (ii) in the pharmaceutical sector, directly and indirectly, including through its subsidiary, PPL, comprising (a) contract development and manufacturing organization services, ranging from discovery clinical development to commercial manufacturing of active pharmaceutical ingredients vitamins and mineral pre-mixes and formulations; (b) manufacturing, selling and distributing complex hospital generics including inhalation anaesthesia, injectable anaesthesia, intrathecal spasticity and pain management and select antibiotics; and (c) manufacturing, marketing and distributing consumer healthcare products.

PPL is primarily engaged, directly and indirectly, in the business of contract development and manufacturing organization services, ranging from discovery clinical development to commercial manufacturing of active pharmaceutical ingredients, formulations; business of manufacturing, selling and distribution of complex hospital generics including inhalation anaesthesia injectable anaesthesia, intrathecal spasticity and pain management and select antibiotics, and developing and marketing of consumer healthcare products.

CCPL is engaged in the business of development, manufacture and sale of specialty fluorochemicals.

HPPL is engaged in the business of manufacturing and development of synthetic peptide, an active pharmaceutical ingredient.

PFPL is engaged primarily in the business of lending and investment.

10. Rationale for amalgamation/merger

The Scheme is a composite scheme of arrangement which provides for the Demerger as well as the Pharma Amalgamations and the FS Amalgamation. The rationale for the same is set out in Sl. No. 3 above.

11. In case of cash consideration – amount or otherwise share exchange ratio - with respect to Amalgamation

Pursuant to the Scheme, the equity shares of each of CCPL and HPPL held by PPL and its respective nominee, shall stand cancelled and extinguished upon the Scheme coming into effect. Similarly, the equity shares of the PFPL held by PEL and joint shareholders shall stand cancelled and extinguished upon the Scheme coming into effect.

On the Effective Date (*as defined in the Scheme*), each of CCPL, HPPL and PFPL shall stand dissolved without being wound-up and without any further act or deed.

No new shares shall be issued or payment be made in cash or in kind, whatsoever, by PPL in connection with the Pharma Amalgamations or by PEL in connection with the FS Amalgamation.

12. Brief details of change in shareholding pattern (if any) of listed entity

As stated in Sl. No. 4 above, there will be no change in shareholding pattern of the listed entity, being PEL.

PRESS RELEASE

Piramal Enterprises Announces Demerger and Simplification of Corporate Structure; To Create Two Separate Listed Entities in Financial Services and Pharmaceuticals

- The Board of Directors of Piramal Enterprises Limited ('PEL') today approved the demerger of the pharmaceuticals business and simplification of the corporate structure
- Shareholders[#] of PEL will get 4 (four) shares of PPL for every 1 (one) share in PEL, in addition to their existing holding in PEL
- The demerger is expected to unlock significant value for PEL shareholders
- Both listed entities to have a leadership position in their respective sectors
- The demerger is subject to shareholders, creditors and regulatory approvals

Highlights:

- **Pharmaceuticals**
 - The pharmaceuticals business will get vertically demerged from Piramal Enterprises Limited and consolidated under Piramal Pharma Limited ('PPL').
 - Post the demerger, Piramal Pharma Limited will become one of the large pharma companies listed on NSE and BSE.
 - Two operating subsidiaries (wholly-owned by Piramal Pharma Limited) will also be amalgamated with Piramal Pharma Limited, to further simplify the Pharma corporate structure.
- **Financial Services**
 - PHL Fininvest Private Limited, the non-banking financial company (NBFC) will be amalgamated with Piramal Enterprises Limited to create a large listed NBFC*.
 - The merged Housing Finance company, post the DHFL acquisition, will remain a wholly-owned subsidiary of Piramal Enterprises Limited.

PEL is transforming itself from a multi-sector conglomerate structure into two separate sector-focused listed entities in Financial Services and Pharmaceuticals.

- **Piramal Enterprises Limited** will be one of India's large listed diversified NBFCs*, with significant presence across both retail and wholesale financing, offering multiple retail products through a technology-driven platform. The Housing Finance company (HFC) merged with DHFL, a 100% subsidiary of PEL, will be amongst the leading HFCs in India, focused on affordable housing finance.
- **Piramal Pharma Limited** will be one of the large India-listed Pharma companies offering a portfolio of differentiated products and services through end-to-end manufacturing capabilities across 15 global facilities and a global distribution network of over 100 countries. PPL's Contract Development and Manufacturing (CDMO) business is one of the top three in India and the 13th largest globally. PPL's Complex Hospital Generics and India Consumer Healthcare businesses are well-positioned with differentiated products and business models. The JV with Allergan is the market leader in the fast-growing ophthalmology category in India.

Mumbai, India | October 07, 2021: The Board of Directors of Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302), in their meeting held today, approved a composite scheme of arrangement providing for the demerger of the pharmaceuticals business from PEL and simplification of the corporate structure to create two industry-focused listed entities in Financial Services and Pharmaceuticals.

Mr. Ajay Piramal, Chairman, Piramal Group, said, “Over the years, Piramal Enterprises has grown multi-fold with diverse businesses under one listed holding company structure. In line with our stated strategy, the Board has today approved the demerger and simplification of our corporate structure, to create two independent listed entities in Financial Services and Pharmaceuticals, with a leadership position across the business segments they operate in. It will firmly empower both entities to be future-ready and enable them to independently pursue their growth strategies with sharper focus and identity.

Piramal Enterprises Limited will get transformed into a large listed diversified NBFC, focused on retail and wholesale financing, with a consolidated loan book of ~INR 65,000 Crores. Our retail lending platform will be digitally-led, that will serve the financing needs of the under-served customers in the ‘Bharat’ market. With the recent acquisition of DHFL, the wholly-owned housing finance subsidiary has been significantly scaled to become one of the largest HFCs of our country, focused on affordable housing finance.

Piramal Pharma Limited will be a large India-listed pharma company with proven capabilities in Contract Development & Manufacturing, global distribution of complex hospital generics, and a large geographic footprint in the consumer products market in India. PPL’s Contract Development and Manufacturing (CDMO) business is one of the top three in India and the 13th largest globally. PPL’s Complex Hospital Generics and India Consumer Healthcare businesses are well positioned with differentiated products and business models.

Going forward, in line with our philosophy of ‘Doing Well and Doing Good’, both the listed entities will continue to work towards creating value for all our stakeholders.”

About the Demerger and Simplification of the Corporate Structure:

Pharma:

The pharmaceuticals business will get demerged from Piramal Enterprises Limited and consolidated in Piramal Pharma Limited (PPL). Hemmo Pharma Private Limited (focused on peptide APIs development and manufacturing capabilities) and Convergence Chemical Private Limited (setup for development, manufacturing and selling speciality fluorochemicals), will get amalgamated with PPL to create a consolidated listed Pharma entity.

In consideration of the demerger, PPL shall issue 4 (four) fully paid-up equity shares of PPL of Rs. 10 each to the shareholders of PEL for every 1 (one) fully paid-up equity share in PEL having a face value of Rs. 2 each held by them, in accordance with the Share Entitlement Ratio.

Financial Services:

The amalgamation of PHL Fininvest Private Limited with PEL will create a listed Non-banking Financial Services (NBFC) entity. The merged Housing Finance company, (HFC) post DHFL acquisition, will remain a 100% subsidiary of PEL.

Through this demerger and simplification of the corporate structure, the shareholders of PEL will directly own shares in both the listed entities, without any cross-holdings and minority stakes.

The composite Scheme of Arrangement is subject to the approval of the shareholders and creditors of the companies, the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), National Stock Exchange of India Ltd. (NSE), Bombay Stock Exchange Ltd (BSE) Limited, Hon'ble National Company Law Tribunal (NCLT) and other regulatory authorities, as applicable.

Strategic Rationale:

The demerger and simplification of the corporate structure is expected to create synergies for both the companies and unlock significant value for both the companies and stakeholders.

- It will simplify the Piramal Enterprises' corporate structure with two separate pure-play entities in Pharmaceuticals and Financial Services.
- It will further strengthen governance architecture for the businesses with separate dedicated Boards and Management teams.
- It will create an optimal capital structure for each business.
- It will give both entities the ability to independently pursue growth plans organically and inorganically.
- It will enable a better understanding of each sector-focused listed entity by the investor and analyst community.

Outcome:

The demerger and simplification of the corporate structure will lead to the creation of separate sector-focused listed entities in Financial Services and Pharmaceuticals.

Piramal Enterprises Limited

- Pursuant to the amalgamation, PEL will become one of the leading diversified NBFCs* in India. The company offers a wide range of financial products and solutions across both retail and wholesale financing. Through its digital-led multi-product retail lending platform, the company will provide home loans, small business loans, loans for working capital to customers, used cars/two-wheeler loans, education loans, personal loans and loan against securities.
- PEL will continue to own 100% stake in the Housing Finance company (merged with DHFL) focused on affordable housing finance. The HFC will address the diverse financing needs of the under-served 'Bharat' market through its India-wide platform across 24 states through 301 branches and a reach to ~1 million customers.
- The DHFL acquisition has enabled the transformation of the financial services business from a largely wholesale led model to a well-diversified financial services player. The retail loan book has increased nearly five-fold, paving the way to achieve a balanced retail-wholesale mix in the near term and 67:33 in the medium-to-long term. The DHFL transaction will enhance capital efficiency (net debt-to-equity to increase from 1.6x as in June 2021 to 3.5x in the near term).
- Within wholesale lending, the company continues to provide financing to real estate developers, as well as corporate clients.
- Over the last two years, the company has significantly strengthened the balance sheet and reduced its debt-to-equity, thereby creating a headroom for growth in coming years.

- PEL has also formed strategic partnerships with leading financial institutions such as CPPIB, APG and Ivanhoe Cambridge, and others, across various investment platforms. Piramal Alternatives, the fund management business, provides customised financing solutions to high-quality corporates through – 'Piramal Credit Fund' and 'IndiaRF' (a distressed asset investing platform with Bain Capital Credit).
- PEL also has equity investments in Shriram Group, a leading financial conglomerate in India.

Piramal Pharma Limited

- PPL will be one of the large India listed Pharma companies focused on customer and patient centricity, with presence in the Contract Development and Manufacturing Organization (CDMO), Complex Hospital Generics (CHG), and India Consumer Healthcare markets. PPL operates in large, fragmented and growing markets and industry segments with high entry barriers, where it has a strong position.
- PPL offers a portfolio of unique services and products through development and end-to-end manufacturing capabilities across 15 global facilities and a distribution network in over 100 countries.
- PPL's Contract Development and Manufacturing (CDMO) business, one of the top three in India and the 13th largest globally, provides differentiated CDMO offerings across large, growing categories such as the development and manufacturing of highly potent active pharmaceutical ingredients, antibody drug conjugation, sterile fill/finish with and without containment, potent solid oral drug products, peptide API products and custom peptide synthesis.
- PPL's Complex Hospital Generics business caters to hospitals, surgical centers, and veterinary centers with a portfolio of inhalation anaesthetics (amongst top 4 globally), intrathecal therapies for spasticity and pain management (US market leader), injectable pain and anaesthetics, injectable anti-infectives and a growing pipeline of more than 30 products.
- PPL's Consumer Healthcare business has built a diverse and extensive portfolio of 21 brands across multiple categories and many of its brands such as Saridon, Littles, I-pill, Lacto, etc. feature in the top 100 OTC brands in India.
- The JV with Allergan is the market leader in the fast-growing ophthalmology category in India.
- Excellent US FDA compliance track record having successfully cleared all 36 USFDA inspections, 243 other regulatory inspections, and 1,261 customer audits, since the beginning of FY12.
- PPL has a track-record of building scalable and diversified pharma businesses with world-class talent in attractive markets. Pharma revenue has grown 3.8 times since the Abbott deal at a CAGR of 14% to INR 5,776 Crores in FY 2021, and EBITDA has gone up 13 times at a CAGR of 28% to INR 1,283 Crores in FY 2021, improving the EBITDA margin from 7% in FY2011 to 22% in FY 2021. It successfully closed and integrated nearly 15 M&A transactions over INR 4,000 Crores, since the Abbot deal in 2010.
- PPL raised growth equity from the Carlyle Group in October 2020, significantly strengthening the balance sheet that will accelerate its growth plans. Since FY21, PPL has completed three acquisitions.

*Subject to RBI approvals

Record date to be determined for PEL shareholders

About Piramal Enterprises Ltd:

Piramal Enterprises Limited (PEL) is one of the large companies in India, with a presence in Financial Services and Pharmaceuticals. PEL's consolidated revenues were US\$1.7 Billion in FY 2021, with ~37% of revenues generated from outside India.

In Financial Services, the company offers a wide range of financial products and solutions, with a presence across both retail and wholesale financing. Within retail lending, through its multi-product platform, the company offers home loans, loans for small businesses and loans for working capital to customers in affordable housing and mass affluent segments across Tier I, II and III cities. Within wholesale lending, the business provides financing to real estate developers, as well as corporate clients. The company has also formed strategic partnerships with leading financial institutions such as CPPIB, APG and Ivanhoe Cambridge, etc., across various investment platforms. Piramal Alternatives, the fund management business, provides customised financing solutions to high-quality corporates through – 'Piramal Credit Fund', a performing, sector-agnostic credit fund with capital commitment from CDPQ; and 'IndiaRF', a distressed asset investing platform with Bain Capital Credit, which invests in equity and/or debt across non-real estate sectors. PEL also has equity investments in the Shriram Group, a leading financial conglomerate in India.

Piramal Pharma Limited

Piramal Pharma Limited (PPL) offers a portfolio of differentiated products and services through end-to-end manufacturing capabilities across 15 global facilities and a global distribution network over 100 countries. PPL includes: Piramal Pharma Solutions (PPS), an integrated Contract Development and Manufacturing Organization; Piramal Critical Care (PCC), a Complex Hospital Generics business, and the India Consumer Healthcare business, selling over-the counter products. PPS offers end-to-end development and manufacturing solutions through a globally integrated network of facilities across the drug life cycle to innovator and generic companies. PCC's complex hospital product portfolio includes inhalation anaesthetics, intrathecal therapies for spasticity and pain management, injectable pain and anaesthetics, injectable anti-infectives, and other therapies. The Indian Consumer Healthcare business is among the leading players in India in the self-care space, with established brands in the Indian consumer healthcare market. In addition, PPL has a joint venture with Allergan, a leader in ophthalmology in the Indian formulations market. In October 2020, the company received growth equity investment from the Carlyle Group.

For more information, visit: www.piramal.com, [Facebook](#), [Twitter](#), [LinkedIn](#)

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Piramal Enterprises Limited

Demerger and Simplification of Corporate Structure

To create two separate listed entities in Financial Services and Pharmaceuticals

7th October 2021

Disclaimer



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

These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements.

These risks and uncertainties include, but are not limited to Piramal Enterprise Limited's ability to successfully implement its strategy, the Company's growth and expansion plans, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, cash flow projections, exposure to market risks as well as other risks.

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

These materials are not a prospectus, a statement in lieu of a prospectus, an offering circular, an invitation or an advertisement or an offer document under the Indian Companies Act, 2013 together with the rules and regulations made thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or any other applicable law in India. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States or in any other jurisdiction.

Demerger and simplification of the corporate structure

The pharmaceuticals business will get vertically demerged from Piramal Enterprises Limited (PEL) and consolidated under Piramal Pharma Limited (PPL)

PHL Fininvest Private Limited, the non-banking financial company (NBFC) will be amalgamated with PEL to create a large listed NBFC in India



To create two separate sector-focused listed entities



Both entities to have a leadership position in their respective sectors



Expect to unlock significant value for shareholders

Transforming from a multi-sector conglomerate structure into separate sector-focused listed entities in Financial Services and Pharmaceuticals

Note: Subject to shareholders, creditors and regulatory approvals

Key Steps and Outcome (1/2)

Piramal Pharma Limited (PPL)

The Pharmaceuticals business will get vertically demerged from PEL and consolidated under PPL

PPL will become one of the largest pharma companies listed on NSE and BSE, post the demerger

Two operating subsidiaries* (wholly-owned by PPL) **will also get amalgamated with PPL,** to further simplify the Pharma corporate structure

PPL will be a large India listed Pharma company, focused on Contract Development and Manufacturing, Complex Hospital Generics and India Consumer Healthcare

In consideration of the demerger, PPL shall issue 4 (four) fully paid-up equity shares of PPL of INR 10 each, to the shareholders of PEL for every 1 (one) fully paid-up equity share in PEL having a face value of INR 2 each, in accordance with the Share Entitlement Ratio

Note: The Scheme of Arrangement is subject to the approval of the shareholders and creditors of the companies, Securities and Exchange Board of India (SEBI), National Stock Exchange of India Ltd. (NSE), BSE Limited, Hon'ble National Company Law Tribunal (NCLT) and other regulatory authorities, as applicable.

*Hemmo Pharma Private Limited and Convergence Chemical Private Limited

Key Steps and Outcome (2/2)



Piramal Enterprises Limited

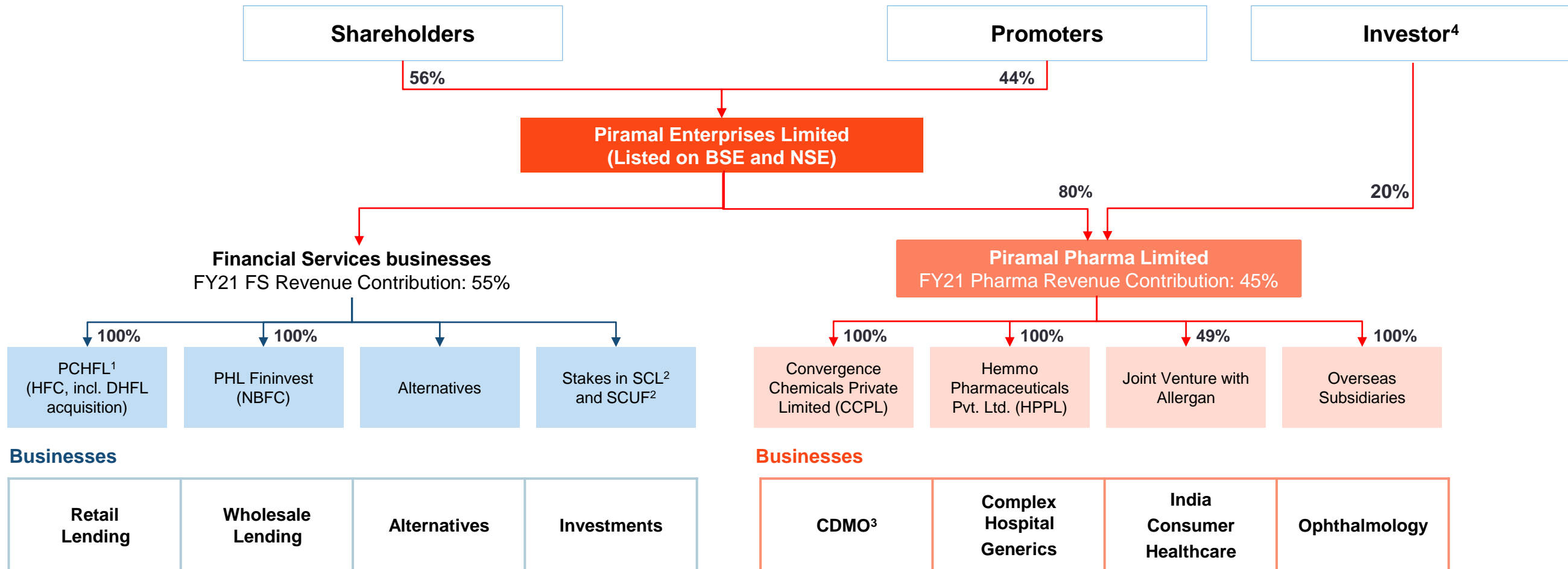
PHL Fininvest Private Limited, the non-banking financial company (NBFC), **will be amalgamated with Piramal Enterprises Limited to create a large listed NBFC in India**

The **merged Housing Finance Company (HFC)**, post the DHFL acquisition, **will remain a wholly-owned subsidiary of Piramal Enterprises Limited**

PEL will be a large diversified listed NBFC, with significant presence across both retail and wholesale financing

Note: The Scheme of Arrangement is subject to the approval of the shareholders and creditors of the companies, Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), National Stock Exchange of India Ltd. (NSE), BSE Limited, Hon'ble National Company Law Tribunal (NCLT) and other regulatory authorities, as applicable.

PEL Corporate Structure: Pre Demerger



Notes: (1) Subject to name change approval
(5) Shareholding as of June 30th 2021

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

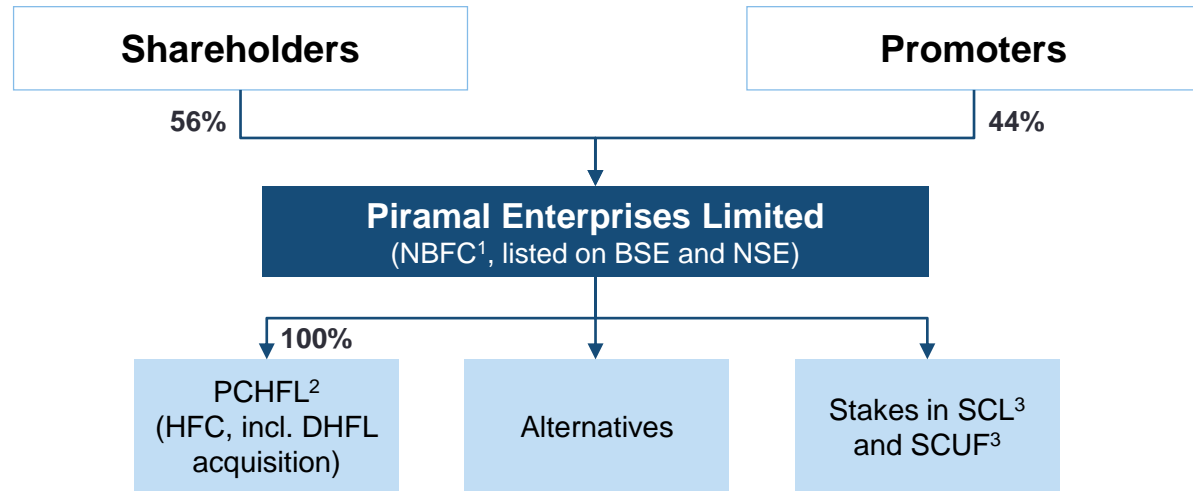
(3) Contract Development and Manufacturing Organization

(4) The Carlyle Group

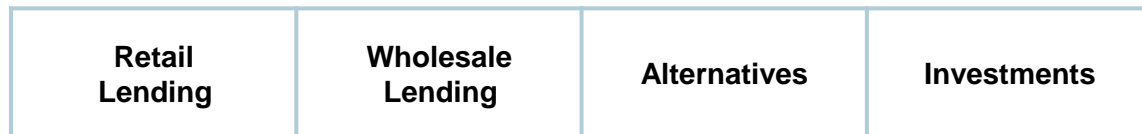
Corporate Structure: Post demerger and simplification of the corporate structure



PEL Structure – Post-Demerger

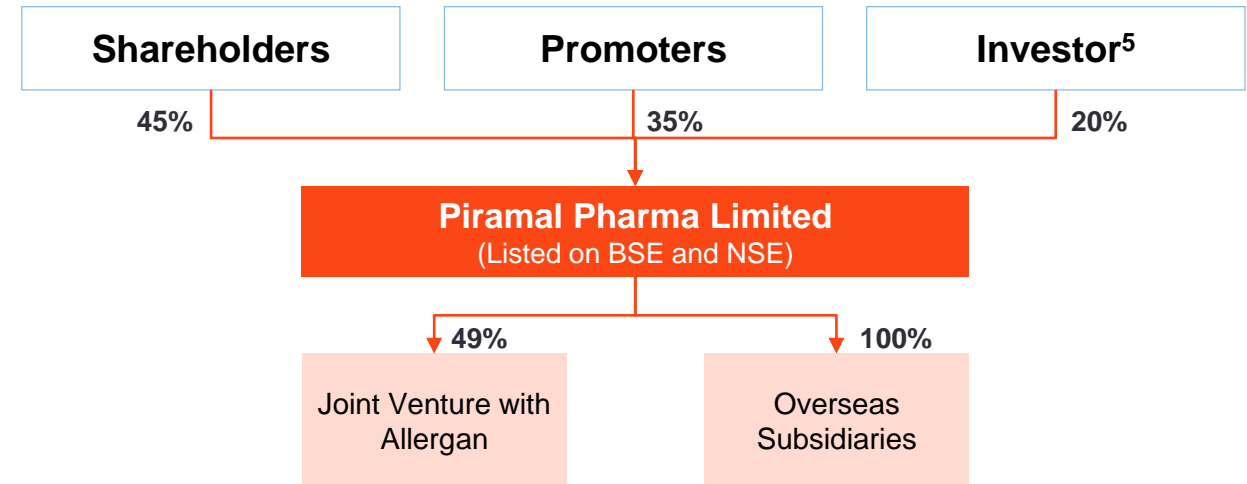


Businesses



- ✓ PHL Fininvest to get merged with PEL
- ✓ PEL to become listed NBFC¹ post transfer of Pharma business
- ✓ Merged HFC, post DHFL acquisition, will remain a 100% subsidiary of PEL

PPL Structure – Post-Demerger



Businesses



- ✓ Pharma business will get vertically demerged from PEL and consolidated under PPL
- ✓ CCPL and HPPL to merge with Piramal Pharma Limited to further simplify Pharma structure
- ✓ Shareholders⁶ of PEL will get 4 (four) shares of PPL for every 1 (one) share in PEL

Notes: (1) Subject to RBI approval (2) Subject to name change approval
(5) The Carlyle Group (6) Record date to be determined for PEL shareholders

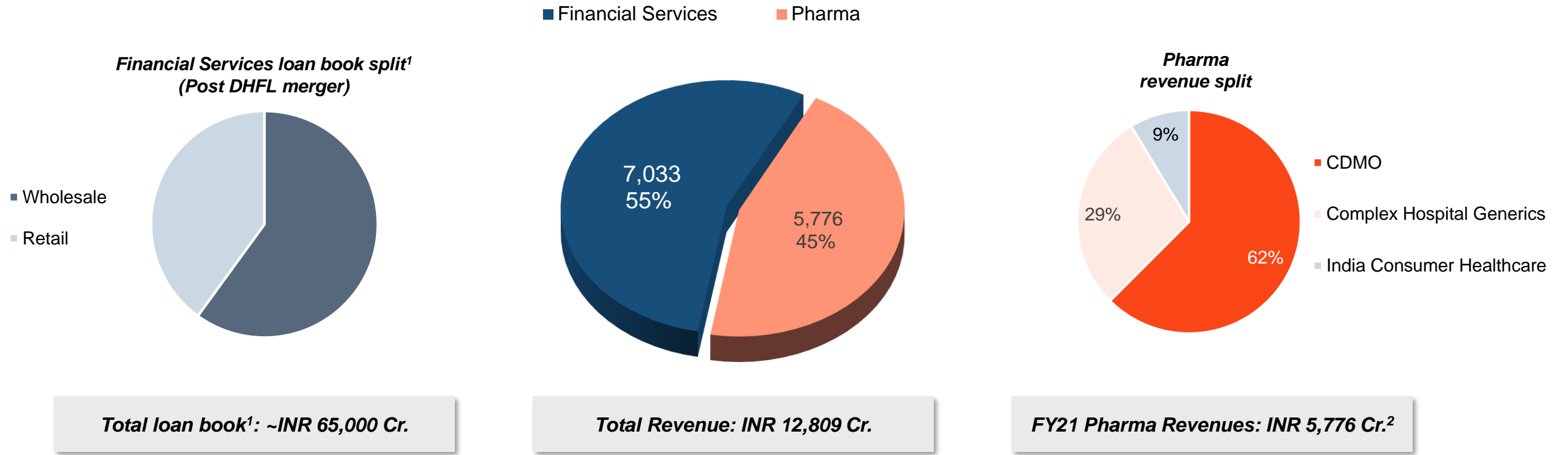
(3) SCL: Shriram Capital Limited and SCUF: Shriram City Union Finance
(7) Shareholding as of June 30th 2021

(4) Contract Development and Manufacturing Organization

PEL – Revenue Breakdown

PEL – Revenue by Businesses

FY 2021, in INR Crores



Both the Financial Services and Pharma will be at-scale listed entities

Notes: (1) Post DHFL merger, pro forma as of Jun-2021

(2) Excludes financials corresponding to JV with Allergan (Piramal has 49% stake in this JV)

Well-prepared for demerger; in line with our stated strategy

Strengthened the Balance Sheet

- Equity inflows of >INR 18,000 Cr. since Mar-2019

Deleveraged the Company

- PEL's net debt-to-equity reduced to 0.9x in Mar-21 vs. 2.0x in Mar-19

Divested non-core businesses

- Sale of DRG (Decision Resources Group)

Strengthened teams across businesses

- Hired top talent from external and internal talent pools for key positions

Significant preparation
and advance planning
undertaken
over the last two years
ahead of demerger
announcement

Brought all Pharma businesses under one subsidiary

- Raised USD 490m as fresh equity from The Carlyle Group for a 20% stake in the Pharma business in Oct-2020

Carried out three value accretive acquisitions in the Pharma business since FY21

- (1) Hemmo Pharma; (2) solid oral dosage facility in Sellersville, Pennsylvania; (3) remaining 49% stake in Convergence Chemicals

Organic build-up of retail lending

- Growing the multi-product retail lending platform, since its launch in Nov-2020

Completed the DHFL acquisition

- Significantly increases the size and scale of the retail lending business, focused on affordable housing finance, making the Financial Services business more resilient and future ready

Strategic Rationale

Value creation levers

A	Simplifies corporate structure	➤	Creates two separate pure-play entities in Financial Services and Pharmaceuticals
B	Strengthens governance architecture	➤	Dedicated Boards and Management teams for the two businesses
C	Optimizes capital structure	➤	Optimal capital structure for each business
D	Facilitates business independence	➤	Facilitates businesses to independently pursue growth plans , organically and inorganically
E	Enables better understanding of each business	➤	Enabling better understanding of each sector-focused listed entity by the analyst and investor community

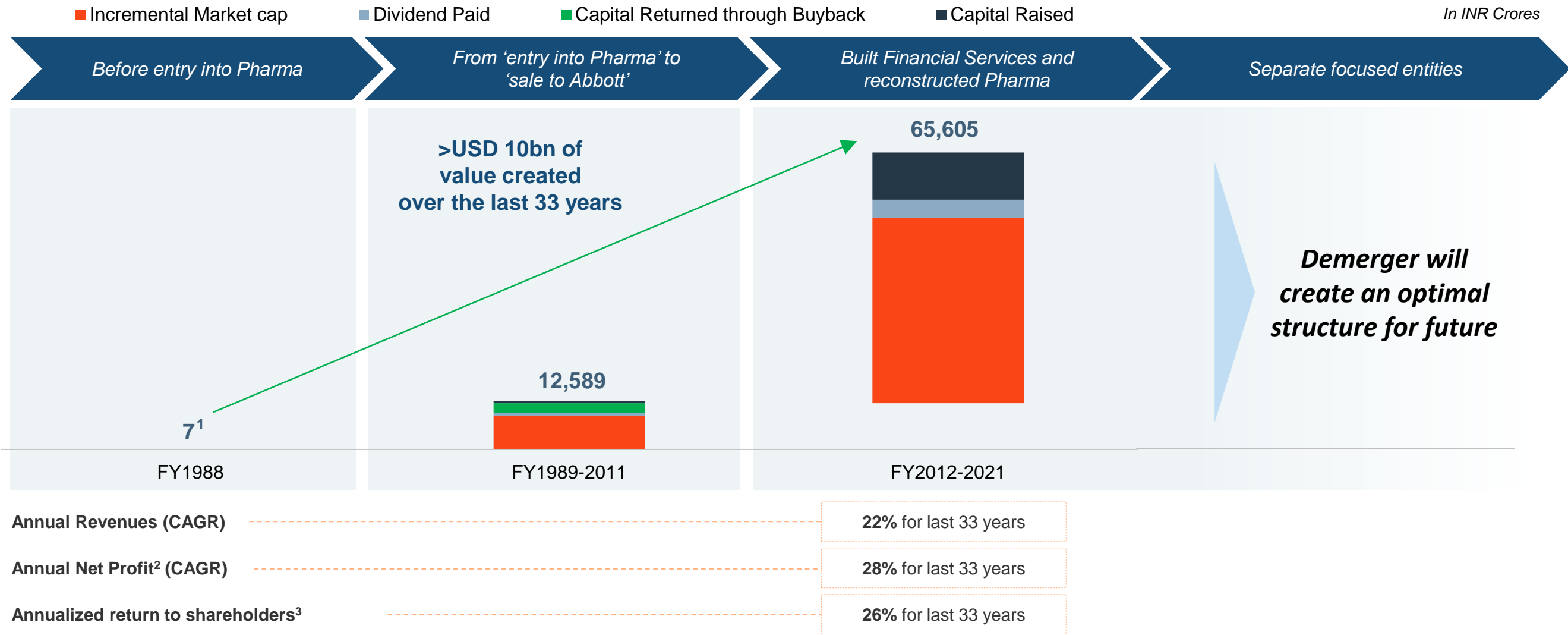
Implications for shareholders¹

- ✔ **Shareholders of PEL will get 4 shares of PPL for every one share in PEL**, in addition to their existing holding in PEL
- ✔ **Shareholders of PEL will directly own shares in both the listed entities**, without any cross-holdings and minority stakes
- ✔ **No change in the shareholding pattern of PEL** pursuant to the demerger

Transaction expected to unlock significant value for stakeholders

Notes: (1) Record date to be determined for PEL shareholders

Creating significant value for shareholders



Notes: (1) All numbers till 1992 represents book value

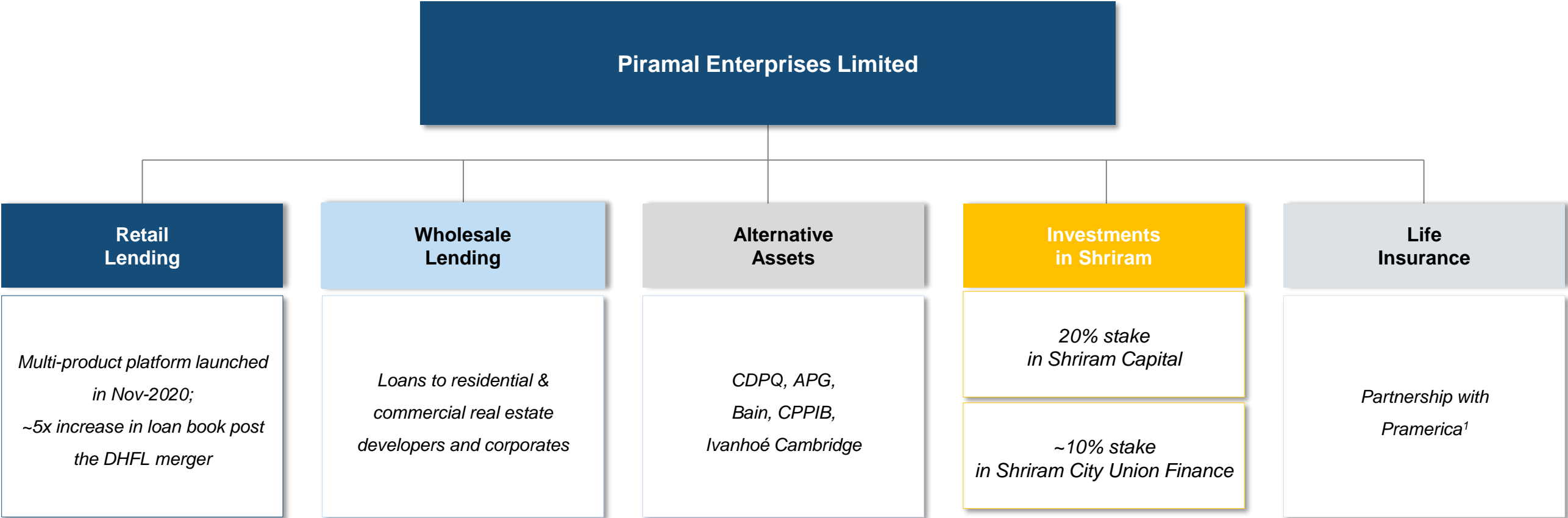
(2) Based on closing share price as of 5th Oct 2021; assumes re-investment of dividend in the stock



1. Piramal Enterprises Limited

Will be a listed diversified NBFC, with presence across retail and wholesale financing

Piramal Enterprises Limited: Company Overview



Presence across retail and wholesale lending, as well as fund-based platforms and investments

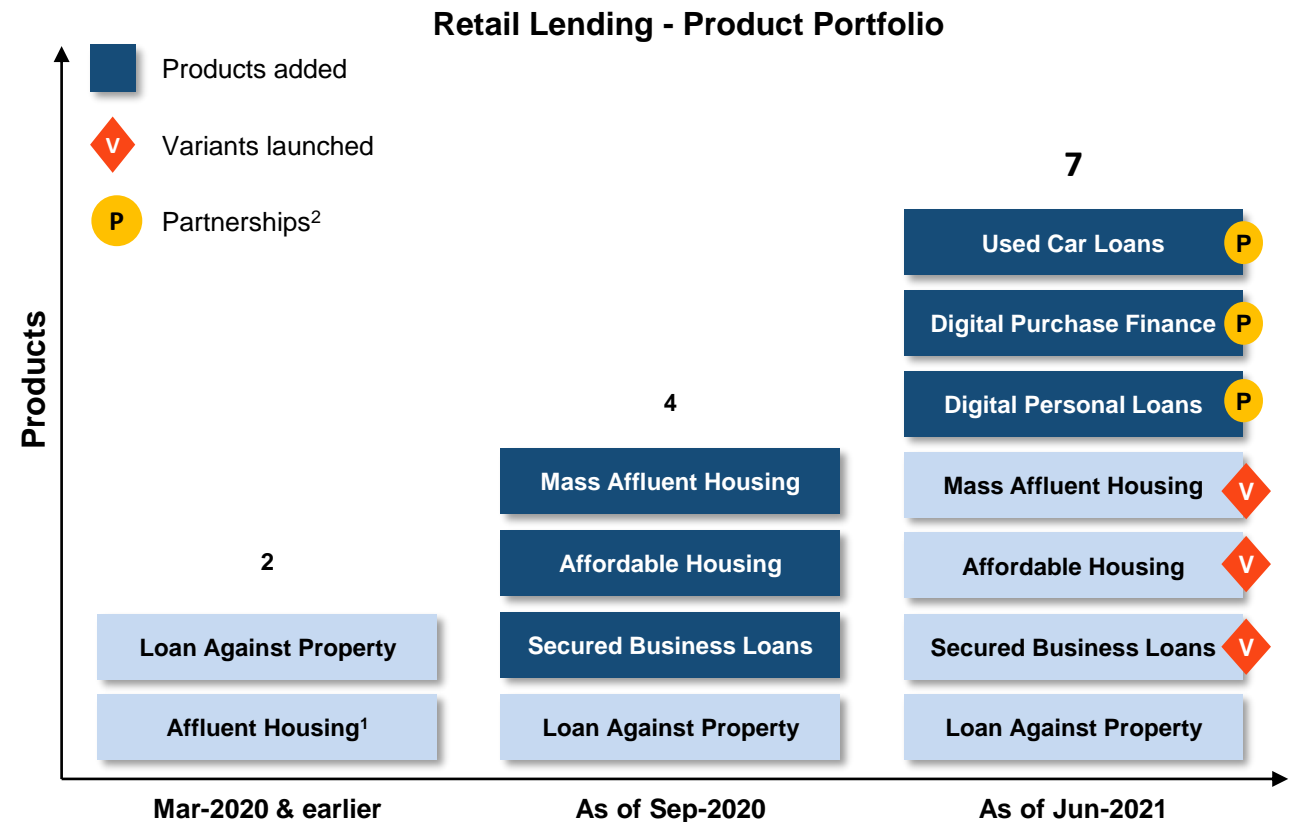
Notes: (1) Subject to regulatory approval

Organic build-up of the multi-product retail lending platform

Strategic Priorities: Multi-product platform

	Products	<i>Differentiated products where banks are less interested, or less significant</i>
	Geographies & Customers	<i>'Budget customers' of 'Bharat' (Tier 2/3 cities)</i>
	Partnerships	<i>Tech-led partnerships for customer access at scale</i>
	Technology	<i>'Digital-at-the core' augmented with physical channels, leveraging modular, next-generation tech capabilities</i>
	Talent	<i>On-boarding top-quality talent</i>

Expanding the product portfolio



Pivoting to a multi-product retail lending strategy; creating product differentiation by continuously launching new products since launch in Nov-2020

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

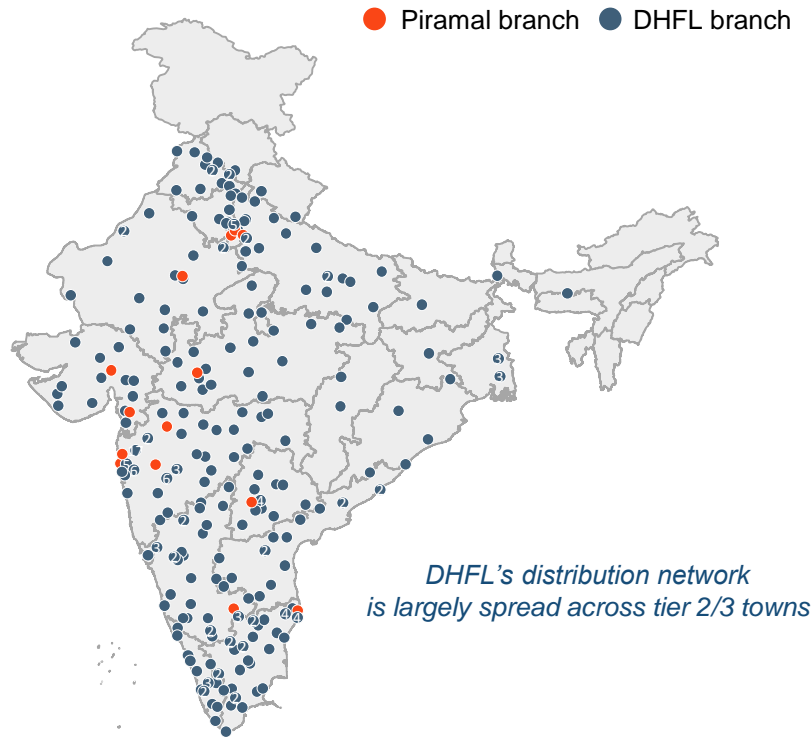
(2) Launched in partnership with leading FinTech and Consumer Tech firms

DHFL acquisition: Transforming into a well-diversified lender, with significant increase in retail AUM and pan-India presence



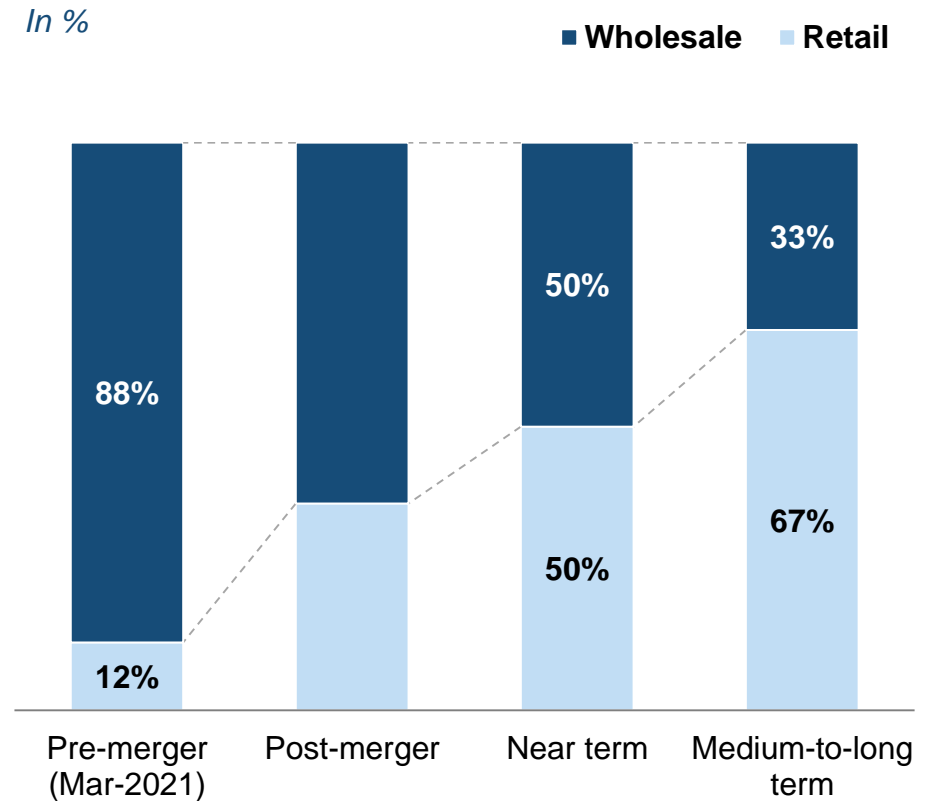
Significant increase in size and scale post the DHFL merger

Distribution network post DHFL merger¹



- ~5 times**
Increase in retail loan book
- ~1 million customers**
Life-to-date
- ~17 lacs**
Average ticket size
- 301 branches**
22x increase
- 24 states / UTs**
Pan-India footprint

PEL Financial Services: Loan Book Mix



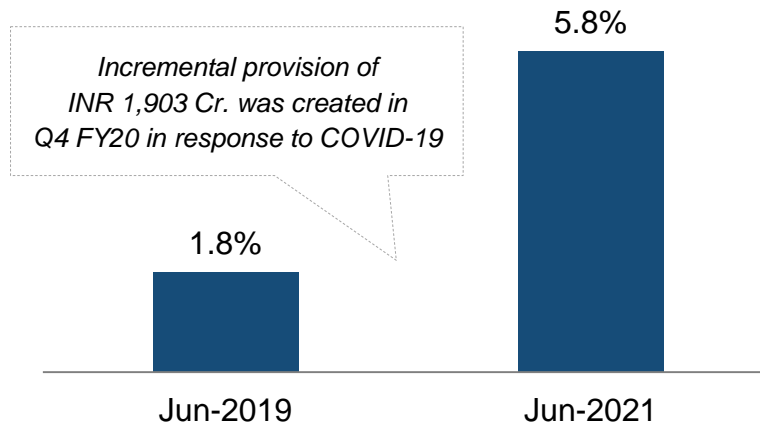
DHFL acquisition creates one of the leading NBFCs in India, focused on affordable housing, with total loan book of ~INR 65,000 Cr.

Note: (1) Map not to scale

Building business resilience

Significantly improved provision coverage

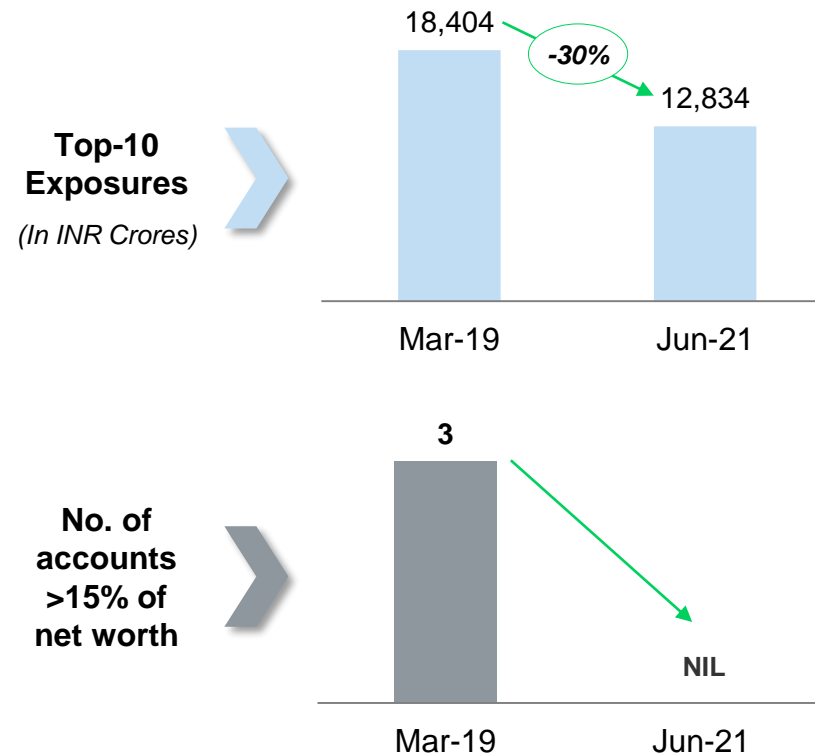
Provisioning as a % of total AUM



- Adopted a conservative & prudent approach to provisioning, at the onset of the COVID-19 pandemic
- Total provisions stood at INR 2,748 Cr. as of Jun-2021
- Provisions against wholesale assets are even higher at 6.3%

Conservative provisioning to take care of any contingencies

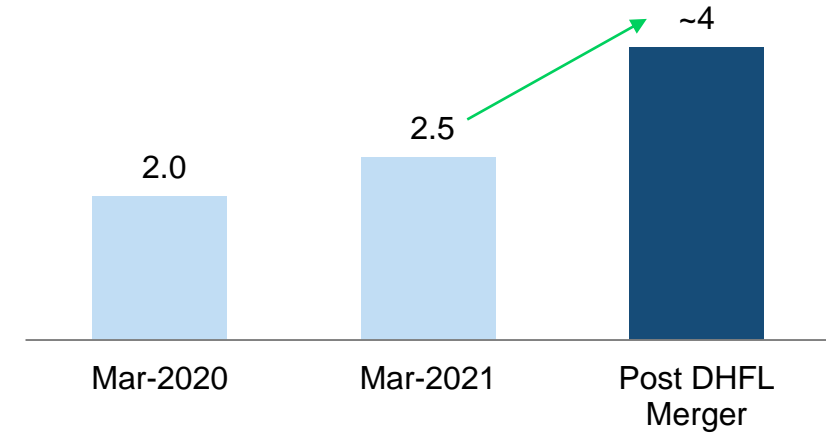
Increasing granularity of wholesale loan book



Progressing in line with our stated strategy to make the book more granular

Strengthening the liabilities side

Weighted average maturity of borrowings, in years, on a residual basis



- ✓ DHFL acquisition partly funded by long-term borrowings
- ✓ NCDs with back-ended outflows
- ✓ Acquired retail portfolio with regular cash inflows

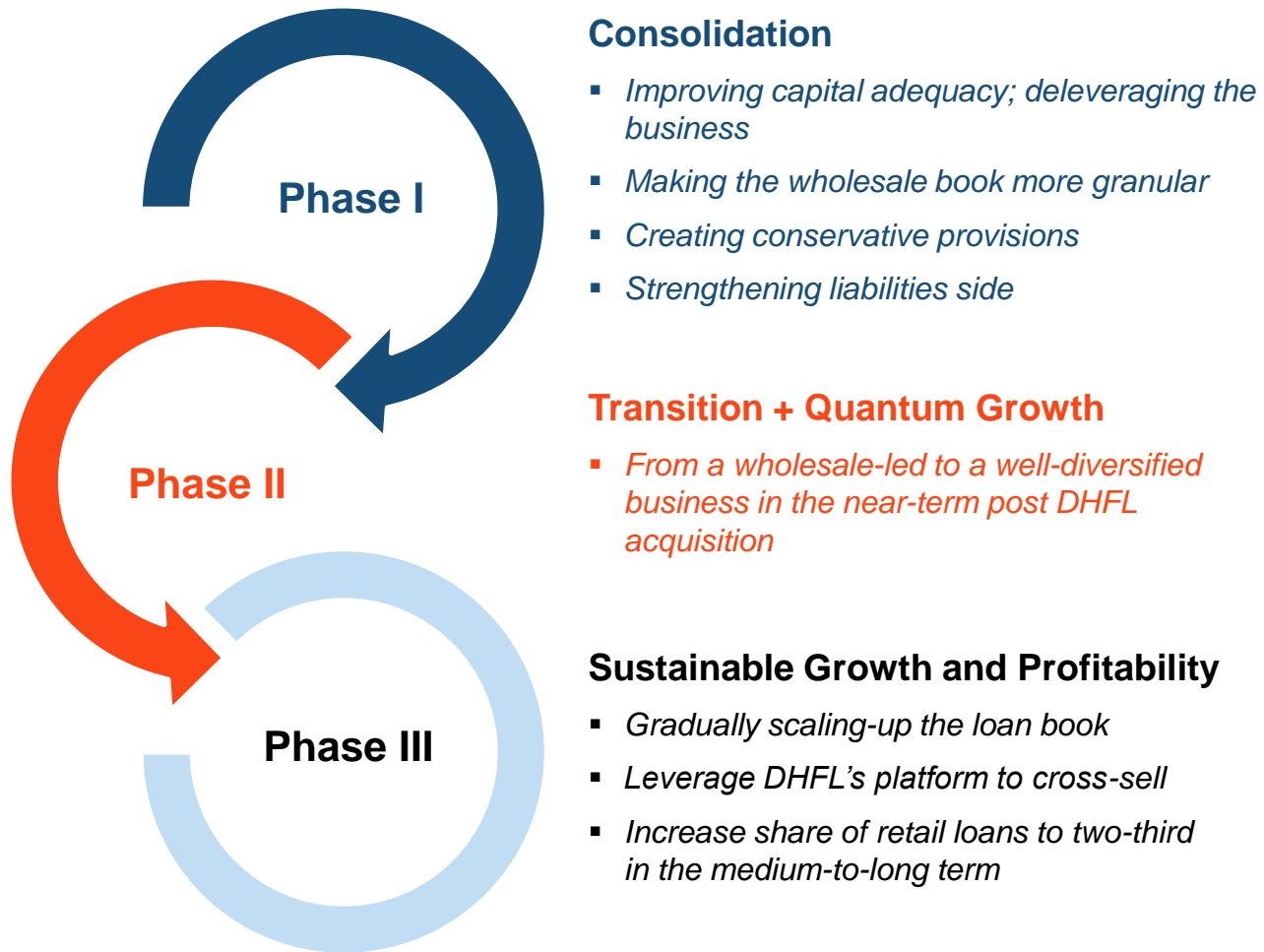
DHFL acquisition lowers cost of borrowings and further improves ALM¹ profile

Note: (1) Asset Liability Management

Focusing on sustainable growth and profitability



Strategic roadmap: Progressing on transformation agenda



Key growth and ROE drivers (medium-to-long term)

- ✓ **Immediate reduction in average cost of borrowings**
~9.5% (pro forma, post DHFL merger) vs. 10.8% (actual) for FY2021
- ✓ **Potential decline in incremental cost of funds**
Driven by loan book growth and diversification, with an increase in the share of retail loans
- ✓ **Improved capital utilization**
Increase in Financial Services net debt-to-equity from 1.6x (Jun-2021) to 3.5x (in near term)
- ✓ **Change in retail product mix**
Expansion of product portfolio with differentiated, customized products
- ✓ **Future growth engine**
Leverage platform of 301 branches and ~1 million customers (life-to-date) to cross-sell
- ✓ **Recovery from retail NPA accounts in acquired portfolio**
Deployment of recovery tools (collection models, recovery prioritization, invoking SARFAESI, etc.)



2. Piramal Pharma Limited

Will be a large India listed Pharma company focused on CDMO, Complex Hospital Generics and India Consumer Healthcare

Pharma business with global operations and footprint

Pharma

FY21 Revenue: INR 5,776 Crs¹
EBITDA: INR 1,283 Crs; EBITDA Margin: 22%

	CDMO	Complex Hospital Generics	India Consumer Healthcare	JV with Allergan
Target Market ⁴	US\$55-70bn ⁵ (Global)	Over US\$50bn (Global)	US\$6-10bn (India)	US\$350m (India)
Market Position ⁴	Among top 3 in India and 13th largest CDMO globally	4th largest inhaled anesthesia player globally, and US market leader in intrathecal products	#11 rank in OTC segment in India	#1 in ophthalmology segment in India
FY21 Revenue	INR 3,616 Cr	INR 1,669 Crs	INR 501 Crs	INR 365 Crs

- Focused on patient and customer centricity
- EHS initiatives designed to create long term sustainability and value for its stakeholders
- Excellent regulatory and compliance track record

Key Highlights: Piramal Pharma

 <p>14% Revenue 10 year CAGR^{1,2} 28% EBITDA 10 year CAGR^{1,2}</p>	 <p>76% Revenue from North America, Europe and Japan</p>	 <p>100+ countries with commercial presence</p>
 <p>15 Development & manufacturing sites (North America, Europe and India)</p>	 <p>Nil Official Action Indicated (OAI)s issued</p>	 <p>~15 acquisitions successfully executed and integrated³</p>

Notes: (1) Excludes financials corresponding to JV with Allergan (Piramal has 49% stake in this JV); Pharma revenue includes foreign exchange gains/losses
(4) Management estimates, industry articles (5) Estimated market size for small molecules within the CDMO segment

(2) CAGR from FY11 to FY21

(3) Since 2011

Targeting attractive, large, and growing markets with high entry barriers

Pharma CDMO

End-to-end Integrated model with niche capabilities



- ✓ **3x increase in phase III molecules** from 10 in FY17 to 30 in FY21
- ✓ Significant **growth in commercial products under patent** from 11 in FY19 to 19 in FY21
- ✓ **Expertise in niche, complex and high margin areas** like HPAPI¹, ADCs², sterile injectables, hormones & peptide API³
- ✓ **Over 500 customers** including Big Pharma, emerging biopharma and generics companies

Complex Hospital Generics (CHG)

Differentiated product portfolio with global distribution



- ✓ **High entry barriers** across multiple complex products
- ✓ **Distribution to >100 countries** & >5,500 hospitals in US
- ✓ Caters to hospitals, surgical centers, and veterinary centers
- ✓ Pipeline of 30+ products
- ✓ **Vertically integration enabling high margin through own manufacturing /** global network of CMO partners

India Consumer Healthcare (ICH)

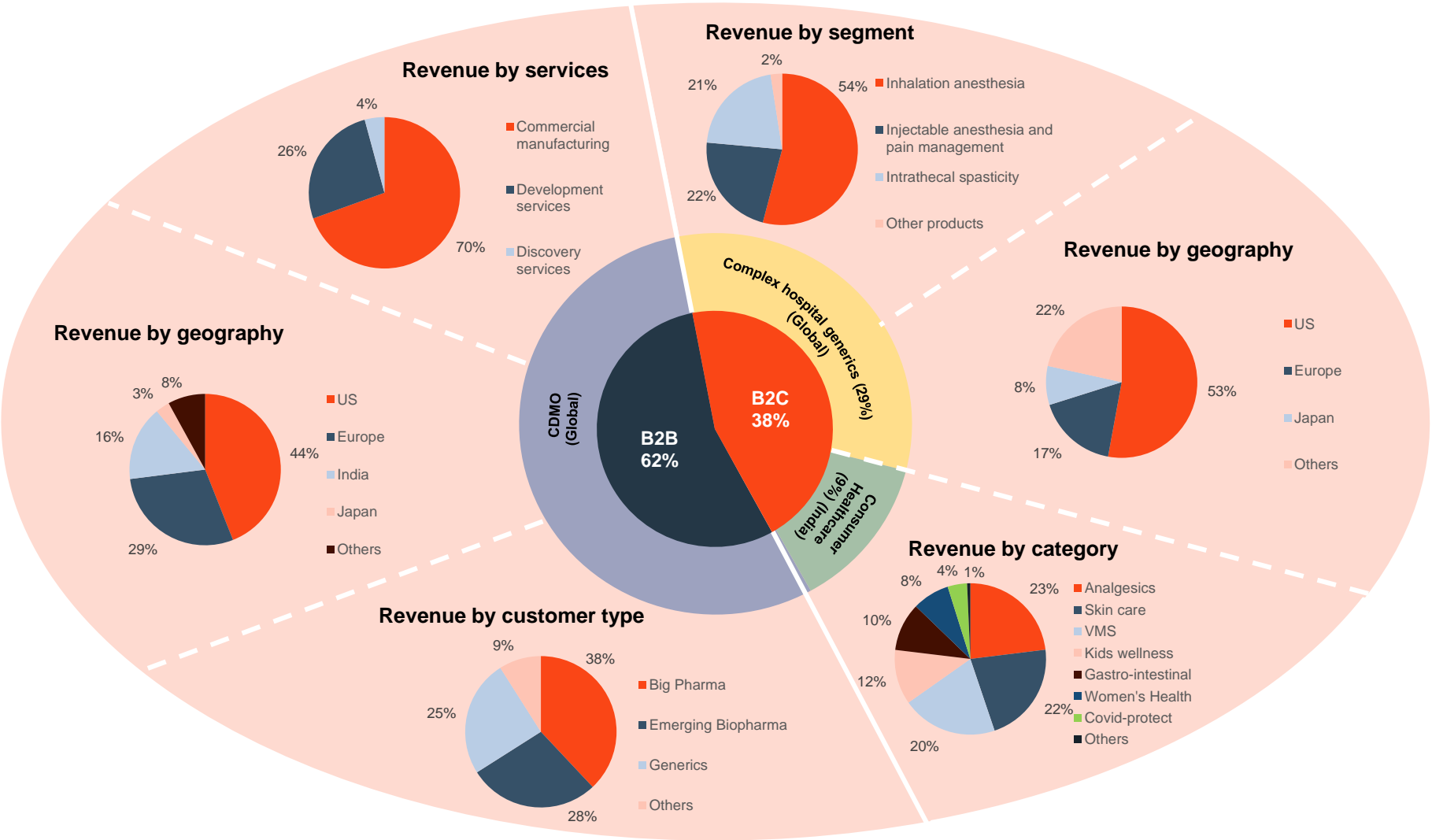
Strong brands with India-wide distribution



- ✓ **Portfolio of 21 brands** across multiple categories
- ✓ Despite pandemic, launched **~20 products and ~40 SKUs**
- ✓ Network covers **direct reach to 250,000+ outlets**
- ✓ **Leveraging e-commerce; 7 products ranked #1** in the respective category on Amazon

Notes: (1) High Potency Active Pharmaceutical Ingredient; (2) Antibody Drug Conjugates; (3) Active Pharmaceutical Ingredient

Diversified presence across regions, capabilities & customer categories

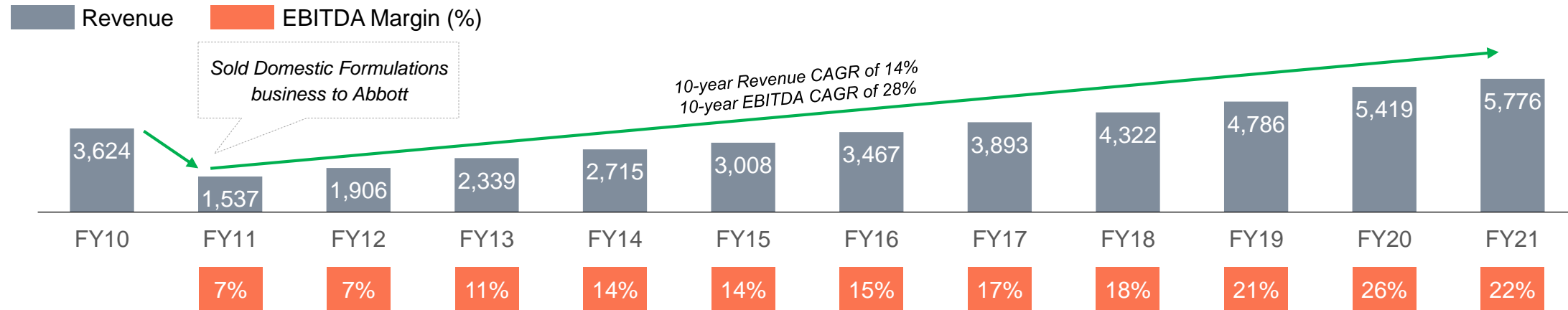


Notes: (1) FY21 revenues

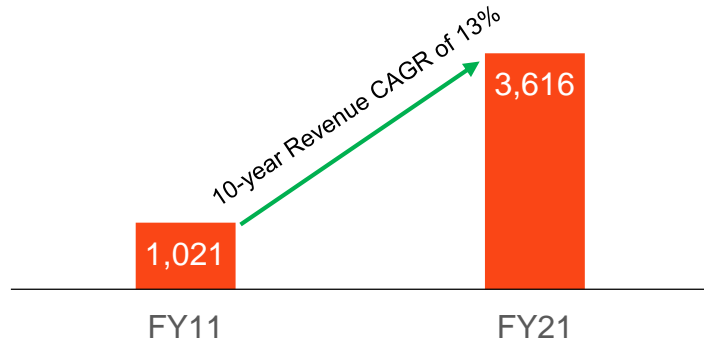
Consistent long-term track-record of revenue growth

(In INR Crs)

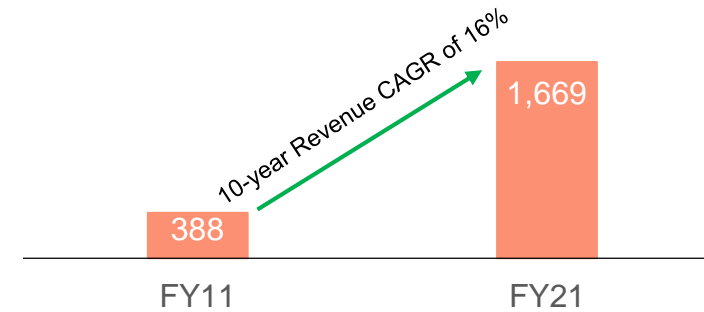
Consolidated revenue and EBITDA margin



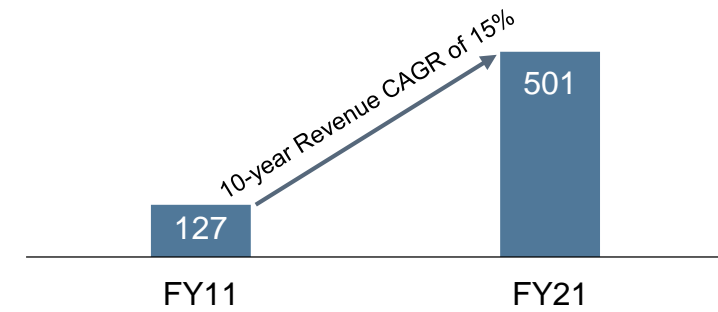
CDMO



Complex Hospital Generics



India Consumer Healthcare



Notes: (1) Consolidated Revenue includes CDMO, Complex Hospital Generics and India Consumer Healthcare and certain Foreign exchange income/loss (2) FY2016-21 results prepared based on IND AS, prior periods are IGAAP

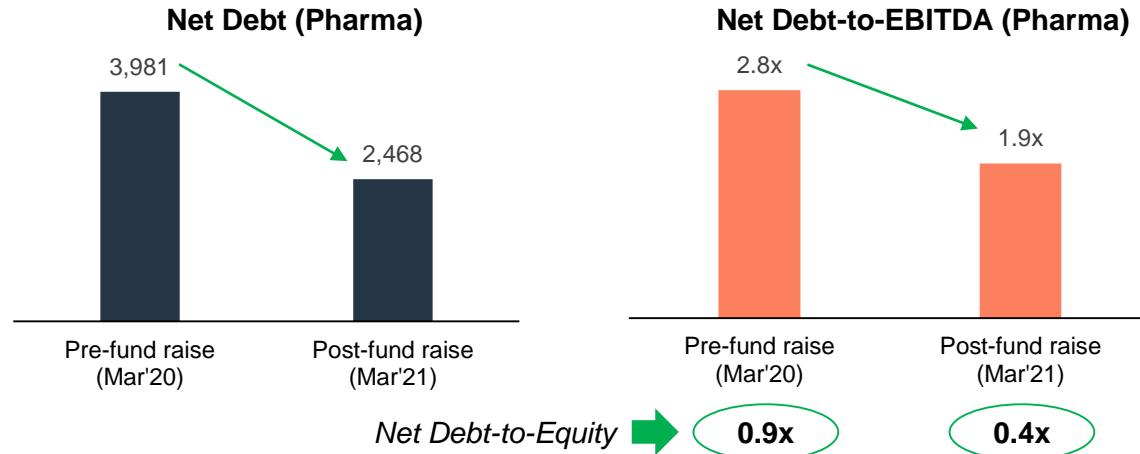
Capital Raise and Growth & Profitability Levers

Capital raise and balance sheet strengthening

(In INR Crs)

USD 490m raised as fresh equity for a 20% stake in the Pharma business

Balance Sheet Strengthening post fund raise



Investing organically and inorganically across all our Pharma businesses



CDMO: Acquired Hemmo Pharma, a peptide API manufacturer



CDMO: Acquired solid oral dosage facility in Sellersville, Pennsylvania



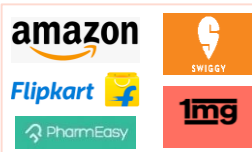
CDMO: Announced investment of \$35 Mn in Riverview facility



CHG: Acquired 49% remaining stake in Convergence Chemicals



ICH: Brand building of key products



ICH: Using E-commerce to pilot launches and drive growth

Growth & Profitability Levers

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
- ✓ 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

Dial-in details for the Investor Call



Event	Location & Time	Telephone Number
Conference call on 7 th October, 2021	India – 6:00 PM IST	+91 22 6280 1264 / +91 22 7115 8165 (Primary Number)
		1800 120 1221 (Toll free number)
	USA – 8:30 AM (Eastern Time – New York)	Toll free number 18667462133
	UK – 1:30 PM (London Time)	Toll free number 08081011573
	Singapore – 8:30 PM (Singapore Time)	Toll free number 8001012045
	Hong Kong – 8:30 PM (Hong Kong Time)	Toll free number 800964448
For online registration	Please use this link for prior registration to reduce wait time at the time of joining the call – https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=6738114&linkSecurityString=198331038c	



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