

REPORT ON CORPORATE GOVERNANCE

A report for the financial year ended March 31, 2018 on the compliance by the Company with the Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), is furnished below.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organisation. Good Corporate Governance leads to long-term stakeholder value and enhances interests of all stakeholders. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organisation towards creating wealth and stakeholder value.

The Company's essential character is shaped by the values of transparency, customer satisfaction, integrity, professionalism and accountability. The Company continuously endeavours to

A. Composition and Size of the Board

The Company's policy is to maintain an optimum combination of Executive and Non-Executive / Independent Directors. The composition of your Company's Board, which comprises 13 Directors, is given in the table below and is in conformity with Regulation 17(1) of the Listing Regulations and other applicable regulatory requirements. About 62% of the Company's Board comprises Independent Directors. There are no Nominee Directors representing any institution on the Board of the Company.

Name of Director	Other Directorships ¹		Membership of other Board Committees ²	
	as Member	as Chairman	as Member	as Chairman
Executive Directors – Promoter Group				
Mr. Ajay G. Piramal – Chairman	8	2	1	-
Dr. (Mrs.) Swati A. Piramal – Vice Chairperson	8	1	-	-
Ms. Nandini Piramal	4	-	1	-
Non – Executive, Non Independent Director – Promoter Group				
Mr. Anand Piramal	8	-	-	-
Executive Director – Non Promoter Group				
Mr. Vijay Shah	4	-	-	-
Non-Executive, Independent Directors				
Mr. Gautam Banerjee	2	-	-	-
Mr. Keki Dadiseth	5	1	3	1
Dr. R.A. Mashelkar	7	-	1	-
Prof. Goverdhan Mehta	-	-	-	-
Mr. Siddharth Mehta	-	-	-	-
Mr. S. Ramadorai	4	5	1	-
Mr. Deepak Satwalekar	4	-	-	-
Mr. N. Vaghul	5	1	1	2

Notes:

- This excludes directorships in foreign companies and companies licensed under Section 8 of the Companies Act, 2013 / Section 25 of the Companies Act, 1956.
- This relates to membership of Committees referred to in Regulation 26(1) of the Listing Regulations, viz. Audit Committee and Stakeholders Relationship Committee of all public limited companies, whether listed or not and excludes private limited companies, foreign companies and companies licensed under Section 8 of the Companies Act, 2013 / Section 25 of the Companies Act, 1956.

improve on these aspects. The Board views Corporate Governance in its widest sense. The main objective is to create and adhere to a corporate culture of integrity and consciousness. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. The Company's philosophy on Corporate Governance is guided by the Company's philosophy of Knowledge, Action, Care and Impact.

The Board of Directors fully supports and endorses the Corporate Governance practices as envisaged in the Listing Regulations.

2. BOARD OF DIRECTORS

As can be seen from the following paragraphs, your Company's Board comprises individuals who are reputed in respective fields of general corporate management, science and innovation, public policy, business, finance and financial services. From time to time, members of the Board receive recognition from the Government, industry bodies and business associations.

- **Role of Independent Directors**

Independent Directors play a key role in the decision-making process of the Board and in shaping various strategic initiatives of the Company. These Directors are committed to act in what they believe to be in the best interests of the Company and its stakeholders. These Directors are professionals, with expertise and experience in general corporate management, science and innovation, realty, public policy, business, finance and financial services. This wide knowledge of their respective fields of expertise and best-in-class boardroom practices helps foster varied, unbiased, independent and experienced perspective.

The Company benefits immensely from their inputs in achieving its strategic direction.

Your Company has several subsidiaries, both in India and overseas. In order to leverage the experience of Independent Directors of the Company for the benefit of and for improved Corporate Governance and better reporting to the Board, some of the Independent Directors also serve on the Boards of subsidiary companies.

An Independent Director is the Chairman of each of the Audit & Risk Management Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee.

- **Meeting of Independent Directors**

The Company's Independent Directors met on January 30, 2018 without the presence of Executive Directors or members of management. At this meeting the Independent Directors reviewed the following:

- 1) Performance of the Chairman;
- 2) Performance of the Independent and Non-Independent Directors;
- 3) Performance of the Board as a whole and its Non-Administrative Committees.

The Independent Directors also set out the process for Performance Evaluation for the next year and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. All the Independent Directors attended the meeting, except for Prof. Goverdhan Mehta who could not attend the meeting owing to compelling personal reasons.

The Chairman of the meeting of the Independent Directors takes appropriate steps to present views of the Independent Directors to the Chairman of the Company.

- **Familiarization Programme for Independent Directors**

The Company has established a Familiarization Programme for Independent Directors. The framework together with

the details of the Familiarization Programme conducted has been uploaded on the website of the Company. The web-link to this is <https://bit.ly/2M3rT6E> www.piramal.com/investor/corporate-governance/policies-code-compliances#detailSection.

The familiarization programmes undertaken during the year included, *inter alia*, a visit to United Kingdom where the Directors visited Morpeth site, London which gave the Board Members a first-hand impression of the site and an in depth understanding of it's working as well as an update on key customer projects.

The discussions at various Board Meetings provide the Board members with a realistic view of the Company's businesses, the challenges and its potential.

At the Board Meetings, the following aspects are presented to the Board:

- Nature of the industry in which the Company operates – detailed presentation on the business operations / plans are made by the respective functional heads;
- Business model of the Company including Risks and challenges being faced by the Company;
- Changes in business environment and impact thereof on the working of the Company;
- Strategic future outlook and way forward to achieve Vision 2020.

- **Inter-se relationships among Directors**

Mr. Ajay G. Piramal and Dr. (Mrs.) Swati A. Piramal are the parents of Ms. Nandini Piramal and Mr. Anand Piramal. Except for this, there are no inter-se relationships among the Directors.

- **Board Evaluation**

Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors as a whole and of its Committees and Non-Executive Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects. The performance of the Executive Directors is evaluated on the basis of achievements of their Key Result Areas ('KRAs').

The Board of Directors has expressed its satisfaction with the evaluation process.

B. Board Meetings and Procedures

There are a minimum of six Board Meetings held every year. The yearly calendar for the Board / Committee meetings is

fixed well in advance and is in confirmation with the availability of the directors, so as to facilitate active and consistent participation of all directors in the Board / Committee meetings. Apart from these, additional Board Meetings are convened to address the specific needs of the Company. In case of business exigencies or matters of urgency, resolutions are passed by circulation, as permitted by law. Video conferencing facilities are provided to enable Directors who are unable to attend the meetings in person, to participate in the meeting via video conferencing.

The Board has unrestricted access to all Company related information. Detailed presentations are made to the Board covering operations, business performance, finance, sales, marketing, global and domestic business environment and related details. All necessary information including but not limited to those mentioned in Part A of Schedule II to the Listing Regulations, are placed before the Board of Directors. The Members of the Board are at liberty to bring up any matter for discussions at the Board Meetings and the functioning is democratic. Members of the senior management team are invited to attend the Board Meetings, which provides additional inputs to the items being discussed by the Board. The Company has a well-established process in place for reporting compliance status of various laws applicable to the Company.

Important decisions taken at Board/Committee meetings are communicated promptly to the concerned departments/ divisions. Update on matters arising from previous meetings are placed at the succeeding meeting of the Board/ Committees for noting.

I. Meetings Held

Eight Board Meetings were held during the year, as against the minimum statutory requirement of four meetings and the gap between any two Board Meetings was not more than one hundred and twenty days, thereby complying with applicable statutory requirements.

Dates of meetings held during the year and Attendance of Directors therein is as follows:

Dates of the Board Meetings	No. of Directors Present at the Meeting
April 3, 2017	10
May 12, 2017	11
August 1, 2017	13
September 4 - 7, 2017	11
October 12, 2017	10
November 6, 2017	12
December 1, 2017	12
January 30, 2018	12

From the above, it can be seen that the Meetings of the Board are well attended.

II. Details of Directors attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) held on August 1, 2017 are given in the following table:

Name of Director	Board Meetings		Attended last AGM
	Held during tenure	Attended	
Mr. Ajay G. Piramal	8	8	Yes
Dr. (Mrs.) Swati A. Piramal	8	6	Yes
Ms. Nandini Piramal	8	8	Yes
Mr. Anand Piramal	7	7	Yes
Mr. Vijay Shah	8	7	Yes
Mr. Gautam Banerjee	8	8	Yes
Mr. Keki Dadiseth	8	7	Yes
Dr. R.A. Mashelkar	8	5	Yes
Prof. Goverdhan Mehta	8	6	Yes
Mr. Siddharth Mehta	8	7	Yes
Mr. S. Ramadorai	8	7	Yes
Mr. Deepak Satwalekar	8	7	Yes
Mr. N. Vaghul	8	8	Yes

Note: Mr. Anand Piramal was appointed as a Non-Executive Director with effect from May 12, 2017.

C. Shareholding of Non-Executive Directors

The individual shareholding of Non-Executive Directors (including shareholding as joint holder) as on March 31, 2018 is given below:

Name of Director	No. of shares held
Mr. Keki Dadiseth	5,217
Dr. R.A. Mashelkar	8,125
Prof. Goverdhan Mehta	5,000
Mr. S. Ramadorai	5,300
Mr. Deepak Satwalekar	10,434
Mr. N. Vaghul	10,434
Mr. Anand Piramal	2,76,945

None of the Non-Executive Directors hold any Compulsorily Convertible Debentures.

3. STATUTORY BOARD COMMITTEES

Meetings of Statutory Committees held during the year and Directors' Attendance

Committees of the Company	Audit & Risk Management Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee
Number of Meetings held	7	6	4	3
	Directors' Attendance			
Mr. Ajay G. Piramal	-	6	-	-
Dr. (Mrs.) Swati A. Piramal	-	-	-	-
Ms. Nandini Piramal	-	-	-	3
Mr. Anand Piramal	-	-	-	-
Mr. S. Ramadorai	-	5	-	-
Mr. Keki Dadiseth	7	5	-	-
Mr. N. Vaghul	7	6	-	-
Mr. Deepak Satwalekar	-	-	4	-
Prof. Goverdhan Mehta	-	-	-	3
Dr. R.A. Mashelkar	5	-	-	-
Mr. Vijay Shah	-	-	4	2
Mr. Gautam Banerjee	-	-	-	-
Mr. Siddharth Mehta	-	-	-	-

Note:

Dr. (Mrs.) Swati A. Piramal, Mr. Anand Piramal, Mr. Gautam Banerjee and Mr. Siddharth Mehta are not members of any Committee.

A. Audit & Risk Management Committee

I. Constitution of the Committee

The Audit & Risk Management Committee comprises three Non - Executive Independent Directors, viz:

1. Mr. N. Vaghul – Chairman
2. Mr. Keki Dadiseth
3. Dr. R.A. Mashelkar

All the members of the Committee have sound knowledge of finance, accounts and business management. The Chairman of the Committee, Mr. N. Vaghul has extensive accounting and related financial management expertise.

The composition of this Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013 and Regulations 18 and 21 of the Listing Regulations. Mr. Leonard D'Souza, Company Secretary, is the Secretary to the Committee.

II. Terms of Reference

The terms of reference of the Audit & Risk Management Committee are aligned with the terms of reference provided under Section 177(4) of the Companies Act, 2013, Part C of Schedule II and Regulation 21 of the Listing Regulations.

III. Meetings Held

The Audit & Risk Management Committee met seven times during the financial year 2017-18, on the following dates, including before finalisation of annual accounts and adoption of quarterly financial results by the Board:

April 3, 2017	May 12, 2017	July 31, 2017
November 6, 2017	December 1, 2017	January 30, 2018
March 21, 2018		

It can be seen from the above table that the frequency of the Committee Meetings was more than the minimum limit prescribed under applicable regulatory requirements and the gap between two Committee Meetings was not more than one hundred and twenty days.

The functional / business representatives also attend the meetings periodically and provide such information and clarifications as required by the Committee, which gives a deeper insight into the respective business and functional areas of operations. The Cost Auditors and the Internal Auditors attend the respective Audit & Risk Management Committee Meetings, where cost audit reports / internal audit reports are discussed.

Mr. N. Vaghul, Chairman of the Audit & Risk Management Committee was present at the last AGM.

B. Nomination & Remuneration Committee

I. Constitution of the Committee

The Nomination & Remuneration Committee ('NRC') comprises four members as per details in the following table:

Name	Category
Mr. N. Vaghul – Chairman	Non – Executive, Independent
Mr. Keki Dadiseth	Non – Executive, Independent
Mr. S. Ramadorai	Non – Executive, Independent
Mr. Ajay G. Piramal	Executive, Promoter

The composition of this Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

II. Terms of Reference

The terms of reference of the NRC are aligned with the terms of reference provided under Section 178 of the Companies Act, 2013 and Para A of Part D of Schedule II of the Listing Regulations.

III. Meetings Held

The Committee met six times during the financial year 2017- 18 on the following dates:

May 12, 2017	August 1, 2017	September 7, 2017
October 12, 2017	November 6, 2017	December 1, 2017

Mr. N. Vaghul, Chairman of the Nomination & Remuneration Committee was present at the last AGM.

IV. Performance Evaluation Criteria for Independent Directors

The Performance Evaluation Criteria for Independent Directors comprises certain parameters like professional qualifications, experience, knowledge and competency, active participation at the Board / Committee meetings, ability to function as a team, initiative, availability and attendance at meetings, commitment and contribution to the Board and the Company, integrity, independence from the Company and other Directors and whether there is any conflict of interest, voicing of opinions freely, etc. These are in compliance with applicable laws, regulations and guidelines.

C. Stakeholders Relationship Committee

I. Constitution of the Committee

The Stakeholders Relationship Committee comprises two members, as per details in the following table:

Name	Category
Mr. Deepak Satwalekar - Chairman	Non - Executive, Independent
Mr. Vijay Shah	Executive

The composition of this Committee is in compliance with the requirements of Section 178 of Companies Act, 2013 and Regulation 20 of the Listing Regulations.

II. Terms of Reference

The Stakeholders Relationship Committee reviews and ensures the existence of a proper system for timely resolution of grievances of the security holders of the Company including complaints related to transfer of shares, non receipt of balance sheet and declared dividends.

The terms of reference of the Committee are aligned with the terms of reference provided under Section 178 of the Companies Act, 2013 and Para B of Part D of Schedule II of the Listing Regulations.

III. Meetings Held

The Committee met four times during the financial year 2017-18, on the following dates:

May 17, 2017	August 1, 2017
November 6, 2017	January 30, 2018

Mr. Deepak Satwalekar, Chairman of the Stakeholders Relationship Committee was present at the last AGM.

IV. Stakeholders Grievance Redressal

There was 1 pending complaint at the beginning of the year. 30 complaints were received and redressed to the satisfaction of shareholders during the year under review. There was 1 outstanding complaint as on March 31, 2018. No requests for transfer and dematerialization were pending for approval as on March 31, 2018.

The Company did not receive any complaints relating to Compulsorily Convertible Debentures during the year.

The Registrar and Share Transfer Agents (RTA), M/s. Link Intime India Private Limited, attend to all grievances of shareholders received directly or through SEBI, Stock Exchanges or the Ministry of Corporate Affairs. Most of the grievances / correspondences are attended within a period of 7 days from the date of receipt of such grievances.

The Company maintains continuous interaction with the RTA and takes proactive steps and actions for resolving shareholder complaints / queries. Likewise, the Company also has regular interaction with the Debenture Trustees to ascertain the grievances, if any, of the Debenture holders. There was no grievance received from the Debenture Trustee or from any of the Debenture holders during financial year 2017-18.

V. Compliance Officer

Mr. Leonard D'Souza, Company Secretary, is the Compliance Officer. The Company has designated the email ID complianceofficer.pel@piramal.com to enable stakeholders to email their grievances.

D. Corporate Social Responsibility Committee

I. Constitution of the Committee

The Corporate Social Responsibility Committee comprises three members, as per details in the following table:

Name	Category
Prof. Goverdhan Mehta - Chairman	Non-Executive, Independent
Ms. Nandini Piramal	Executive, Promoter
Mr. Vijay Shah	Executive

The composition of the Committee is in compliance with Section 135 of the Companies Act, 2013.

II. Terms of Reference

The terms of reference of the Corporate Social Responsibility Committee are aligned with the terms of reference provided under Section 135 of the Companies Act, 2013.

III. Meetings Held

The Committee met three times during the financial year 2017-18 on the following dates:

August 1, 2017	November 6, 2017	March 27, 2018
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4. REMUNERATION OF DIRECTORS

A. Remuneration to Executive Directors:

Remuneration paid to the Executive Directors is recommended by the Nomination & Remuneration Committee, approved by the Board and is subject to the overall limits as approved by the shareholders.

Details of remuneration paid / payable to the Executive Directors for the year ended March 31, 2018 are given below:

				(₹)
Name of Director	Designation	Salary & Perquisites	Performance Linked Incentive	Total
Mr. Ajay G. Piramal	Chairman	8,62,48,800	3,44,99,520	12,07,48,320
Dr. (Mrs.) Swati A. Piramal	Vice Chairperson	3,95,30,700	1,58,12,280	5,53,42,980
Ms. Nandini Piramal	Executive Director	2,87,49,600	1,14,99,840	4,02,49,440
Mr. Vijay Shah	Executive Director	4,78,17,000	1,91,26,800	6,69,43,800

The variable component of remuneration (Performance Linked Incentive) for Executive Directors are determined on the basis of several criteria including their individual performance as measured by achievement of their respective Key Result Areas (KRAs), strategic initiatives taken and being implemented, their respective roles in the organization, fulfillment of their responsibilities and performance of the Company. This is in accordance with the Company's Remuneration Policy.

B. Sitting fees and commission paid to Independent Directors

Details of sitting fees and commission paid / payable to the Independent Directors for the financial year 2017-18 are given below. These are within the limits prescribed under the Companies Act, 2013:

				(₹)
Name of Independent Director	Sitting Fees	Commission	Total	
Mr. Gautam Banerjee	9,00,000	27,00,000	36,00,000	
Mr. Keki Dadiseth	17,50,000	27,00,000	44,50,000	
Mr. S. Ramadorai	10,50,000	27,00,000	37,50,000	
Mr. Deepak Satwalekar	17,50,000	27,00,000	44,50,000	
Dr. R.A. Mashelkar	11,00,000	27,00,000	38,00,000	
Prof. Goverdhan Mehta	7,50,000	27,00,000	34,50,000	
Mr. Siddharth Mehta	8,00,000	27,00,000	35,00,000	
Mr. N. Vaghul	23,00,000	27,00,000	50,00,000	

Notes for Directors' Remuneration:

- Mr. Anand Piramal, Non-Executive Director does not receive any sitting fees or any other remuneration.
- The terms of appointment of Executive Directors as approved by shareholders, are contained in their respective Agreements entered into with the Company. The tenure of office of the Whole-Time Directors is between three to five years from their respective date of appointment. The Agreements also contain clauses relating to termination of appointment in different circumstances, including for breach of terms, the notice period for which is three months. While there is no specific provision for payment of severance fees for any of the Executive Directors, the Board is empowered to consider the same at its discretion, taking into account attendant facts and circumstances.
- No amount by way of loan or advance has been given by the Company to any of its Directors.

- During the year ended March 31, 2018, 10,050 Stock Options were granted to Mr. Vijay Shah, Executive Director at an exercise price of ₹ 1,890 per Option. In addition to the exercise price, applicable TDS would also be payable at the time of exercising the Stock Options. Out of the Options so granted, the Nomination and Remuneration Committee / Board of Directors would determine the actual number of stock options that would vest, after considering performance and other factors. It may be noted in this regard that since the Company's ESOP Scheme is implemented through the ESOP Trust and the shares given by the ESOP Trust against exercise of stock options are those that have been acquired by the ESOP Trust from the secondary market and no new shares are issued by the Company, there will not be any increase in the share capital of the Company, nor will there be any impact on the Earnings Per Share or other ratios relating to share capital, as a result of exercise of the Stock Options.

There was no pecuniary relationship or transactions with Non - Executive Directors vis-à-vis the Company other than sitting fees and commission that is paid to the Non - Executive Independent Directors.

- e. During the financial year ended March 31, 2018, Non-Executive Independent members of the Board were paid sitting fees at the rate of ₹ 1,00,000 per meeting of the Board, Audit & Risk Management Committee and Independent Directors attended by them. The sitting fees paid to Non-Executive Independent Directors for attending meetings of all other Committees is ₹ 50,000 per meeting. As regards commission to Non-Executive Independent Directors is concerned, the same is determined by the Board on the basis of performance based criteria and other factors.

5. GENERAL BODY MEETINGS

A. Details of the Annual General Meetings held during the preceding 3 years and Special Resolutions passed thereat are given below:

Annual General Meeting (AGM)	Date	Time	Venue	Details of Special Resolutions passed
68 th AGM	August 6, 2015	3.00 p.m.	Yashwantrao Chavan Pratisthan, General Jagannath Bhosale Marg, Opposite Mantralaya, Nariman Point, Mumbai - 400 021.	(i) Re-appointment of Mr. Vijay Shah as Executive Director (ii) Issue of Non-Convertible Debentures on Private Placement basis (iii) Approval under Section 188 of the Companies Act, 2013 for holding office by Mr. Peter DeYoung in the Company
69 th AGM	August 1, 2016	3.00 p.m.	Walchand Hirachand Hall, Indian Merchants' Chambers Building, 4 th Floor, IMC Marg, Churchgate, Mumbai- 400 020.	(i) Inter-Corporate Investments (₹ 32,500 Crores over and above limit approved by shareholders by Postal Ballot on November 14, 2015) (ii) Borrowings (₹ 44,000 Crores over and above the applicable regulatory limit) (iii) Payment of commission to Non-Executive Directors (upto 1% of net profits of the Company) (iv) Issue of Non-Convertible Debentures on Private Placement basis
70 th AGM	August 1, 2017	3.00 p.m.	Yashwantrao Chavan Pratisthan, General Jagannath Bhosale Marg, Opposite Mantralaya, Nariman Point, Mumbai - 400 021.	(i) Re-appointment of Mr. Ajay G. Piramal as Chairman of the Company (ii) Re-appointment of Ms. Nandini Piramal as Executive Director (iii) Issue of Non-Convertible Debentures on Private Placement basis

B. Postal Ballot

I. Details of Special Resolution passed through Postal Ballot during FY 2017-18

Date of Notice	Proposal	No. & % of votes cast in favour	No. & % of votes cast against	Date of passing of the resolutions
May 12, 2017	Special Resolution seeking approval of the members for issuance of equity shares and / or convertible securities for an aggregate amount not exceeding ₹ 5,000 Crores.	12,98,60,882 (99.72%)	3,70,620 (0.28%)	June 14, 2017

As will be seen from the above table, the above mentioned resolution was passed by overwhelming requisite majority.

II. Person who conducted the Postal Ballot exercise

Mr. N.L. Bhatia, Practicing Company Secretary was appointed as Scrutinizer for the above mentioned Postal Ballot process.

III. Procedure for Postal Ballot

The Notice, Explanatory Statement along with the Postal Ballot Form and self-addressed, postage pre-paid envelope, were dispatched to the members to enable them to consider and vote for or against the proposals within a period of 30 days from the date of dispatch. After the last date of receipt of Postal Ballots, the Scrutinizer, after due verification, submitted his report. Thereafter, the results of the Postal Ballot were declared by Mr. Vijay Shah who was authorised to declare the results on behalf of the Board of Directors. The same were filed with the stock exchanges and posted on the website of the Company and at its Registered Office.

IV. E-voting facility

E-voting facility was offered to all the members to enable them to cast their votes electronically, instead of dispatching the Postal Ballot Form by post.

V. Whether any special resolution is proposed to be conducted through Postal Ballot

At present there is no proposal to pass any resolution through postal ballot.

6. DISCLOSURES

• Related Party Transactions

- All transactions entered into with Related Parties in terms of provisions under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year 2017-18 were undertaken in compliance with the aforesaid regulatory provisions;
- There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company;

- c) Suitable disclosure as required by the Indian Accounting Standards (IND AS 24) has been made in the notes to the Financial Statements;
 - d) The Board has approved a policy for related party transactions which has been uploaded on the website of the Company and can be accessed at <https://bit.ly/2I31GTi> www.piramal.com/investor/corporate-governance/policies-code-compliances#detailSection;
 - e) The Register of Contracts / statement of related party transactions, is placed before the Board / Audit & Risk Management Committee regularly;
 - f) Transactions with related parties are disclosed in Note No. 38 of the Statement of Accounts, which forms part of this Annual Report.
- **Details of non-compliance, penalties, strictures imposed by the Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets during the last 3 years**
SEBI issued an order dated October 3, 2016 with respect to Piramal Enterprises Limited, Mr. Ajay G. Piramal, Dr. (Mrs.) Swati A. Piramal, Ms. Nandini Piramal and Mr. N. Santhanam (former director) imposing an aggregate penalty of ₹ 6,00,000 (Rupees Six Lakhs only) in respect of certain technical non – compliances with the Model Code of Conduct prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 1992. An appeal has been filed by the Company, Mr. Ajay G. Piramal, Dr. (Mrs.) Swati A. Piramal, Ms. Nandini Piramal with the Securities Appellate Tribunal against the said Order.

No other penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter relating to capital markets during the last 3 years.

- **Listing Fees**
Listing fees for financial year 2018-19 have been paid to the Stock Exchanges on which the shares of the Company are listed.
- **Vigil Mechanism / Whistle Blower Policy for Directors and employees**
The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, for its Directors and employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The details of establishment of Vigil Mechanism/ Whistle Blower Policy are posted on the website of the Company and the weblink to the same is <https://bit.ly/2I31GTi> www.piramal.com/investor/corporate-governance/policies-code-compliances#detailSection. No Director/ employee has been denied access to the Audit & Risk Management Committee.

- **Compliance with mandatory / non mandatory requirements**
 - a. The Company has complied with all the applicable mandatory requirements of the Listing Regulations.
 - b. The Company has also adopted the non mandatory requirement as specified in the Listing Regulations regarding unmodified financial statements.

7. MEANS OF COMMUNICATION

The Company recognizes the importance of two way communication with shareholders and of giving a balanced reporting of results and progress and responds to questions and issues raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person at the Annual General Meeting. Some of the modes of communication are mentioned below:

A. Quarterly Results:

The approved financial results are forthwith sent to the Stock Exchanges where the shares are listed and are displayed on the Company's website www.piramal.com and are generally published in Business Standard (all editions) (English) and Mumbai Lakshadweep (Marathi), within forty eight hours of approval thereof.

B. Presentations:

Presentations made to the institutional investors / analysts are intimated to the Stock Exchanges within the prescribed time period under the Listing Regulations and are simultaneously hosted on the website.

C. Website:

The Company's website www.piramal.com contains a separate dedicated section for Investors, the link to which is <http://www.piramal.com/investor/overview> where all information and relevant policies to be provided under applicable regulatory requirements, are available in a user friendly form.

D. Annual Report:

The Annual Report containing inter-alia the Audited Annual Accounts, Consolidated Financial Statements, Board's Report, Auditors' Report, Corporate Governance Report and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report. The Annual Report is also posted on the website of the Company.

E. Designated Exclusive Email ID:

The Company has designated the Email ID complianceofficer.pel@piramal.com exclusively for investor servicing. This Email ID has been displayed on the Company's website www.piramal.com at <https://bit.ly/2K2HNxP> www.piramal.com/investor/contacts.

F. Reminder to Investors to claim unclaimed dividend:

Reminders to claim unclaimed dividend are sent to the shareholders periodically every year.

G. SEBI Complaints Redress System (SCORES):

All complaints received through SEBI SCORES are resolved in a timely manner by the Company, similar to other complaints.

H. NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre)

NEAPS and BSE Listing Centre are web based application systems for enabling corporates to undertake electronic filing of various periodic compliance related filings like shareholding pattern, results, press releases, etc.

8. GENERAL INFORMATION FOR SHAREHOLDERS

A. Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24110MH1947PLC005719.

B. Change in Registered Office of the Company

The Registered Office of the Company was shifted within the local limits of Mumbai from Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013 to Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West) Mumbai 400 070 with effect from November 6, 2017.

C. Annual General Meeting

Day, Date and Time: Monday, July 30, 2018 at 3.00 p.m.
Venue: Rangaswar Auditorium, 4th floor, Yashwantrao Chavan Pratishthan, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai- 400 021

The Company shall also provide facility of e-voting and ballot voting for the ensuing Annual General Meeting.

D. Financial Calendar

The financial year of the Company starts on April 1 and ends on March 31 of next year.

Financial reporting for:

Quarter ending June 30, 2018	July 30, 2018
Half year ending September 30, 2018	October 25, 2018
Quarter ending December 31, 2018	January 28, 2019
Year ending March 31, 2019	April 26, 2019
Annual General Meeting for the year ending March 31, 2019	July / August, 2019

The above dates are subject to change pursuant to unforeseen circumstances.

E. Book Closure Period

Monday, July 23, 2018 to Monday, July 30, 2018 (both days inclusive).

F. Dividend Payment Date

During the period from July 31, 2018 to August 4, 2018

G. Listing on Stock Exchanges

Equity Shares

BSE Limited (BSE),

[Scrip Code: 500302]

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

National Stock Exchange of India Limited (NSE),

[Trading Symbol: PEL]

“Exchange Plaza”, Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051.

ISIN : INE140A01024

Reuter’s code : PIRA.BO

: PIRA.NS

Bloomberg code : PIEL:IN

H. Stock Market Data

High, Low and Average Closing Price and Trading Volume of the Company's Equity Shares during each month of the last financial year 2017-18 at BSE and NSE are given below:

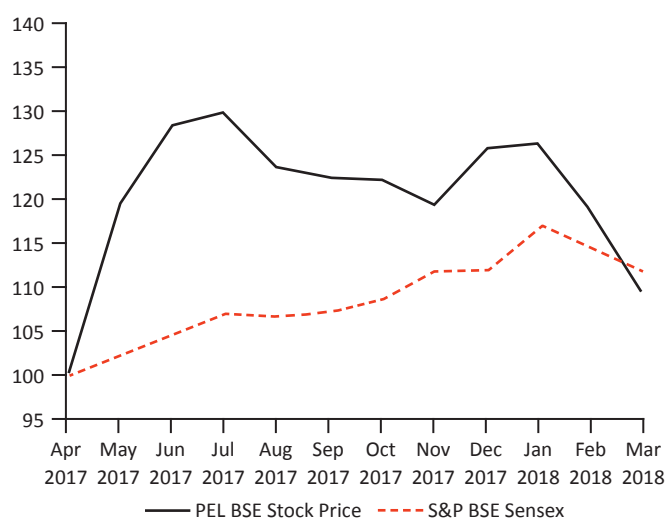
Month	BSE Limited ("BSE")				National Stock Exchange of India Limited ("NSE")			
	High (₹)	Low (₹)	Average Closing Price (₹)	Monthly Volume	High (₹)	Low (₹)	Average Closing Price (₹)	Monthly Volume
Apr, 2017	2,535.00	1,902.00	2,211.73	3,98,993	2,534.00	1,899.05	2,212.80	2,94,906
May, 2017	2,941.90	2,458.95	2,666.45	10,12,941	2,949.90	2,457.00	2,666.02	4,55,033
Jun, 2017	3,083.05	2,730.90	2,875.55	4,54,366	3,088.95	2,725.55	2,874.86	3,82,443
Jul, 2017	3,001.10	2,777.00	2,906.78	4,42,087	3,050.00	2,775.00	2,906.32	2,58,614
Aug, 2017	3,027.15	2,536.35	2,764.66	10,48,312	3,027.00	2,536.00	2,765.37	2,88,489
Sep, 2017	2,926.60	2,556.50	2,735.84	5,57,645	2,930.30	2,550.65	2,735.08	3,21,908
Oct, 2017	2,819.75	2,608.55	2,728.10	2,46,798	2,820.00	2,606.25	2,727.99	2,58,544
Nov, 2017	2,817.65	2,557.75	2,665.20	4,01,320	2,819.90	2,551.15	2,663.56	2,84,526
Dec, 2017	2,943.85	2,655.05	2,814.17	3,49,512	2,947.75	2,615.55	2,816.34	3,28,319
Jan, 2018	2,921.90	2,703.00	2,825.45	41,63,470	2,925.00	2,705.15	2,827.58	2,80,022
Feb, 2018	2,773.30	2,488.50	2,644.73	1,98,902	2,780.00	2,482.55	2,646.20	2,51,936
Mar, 2018	2,640.00	2,279.05	2,434.75	5,91,856	2,582.50	2,275.00	2,434.22	3,67,128

Source: BSE and NSE Websites

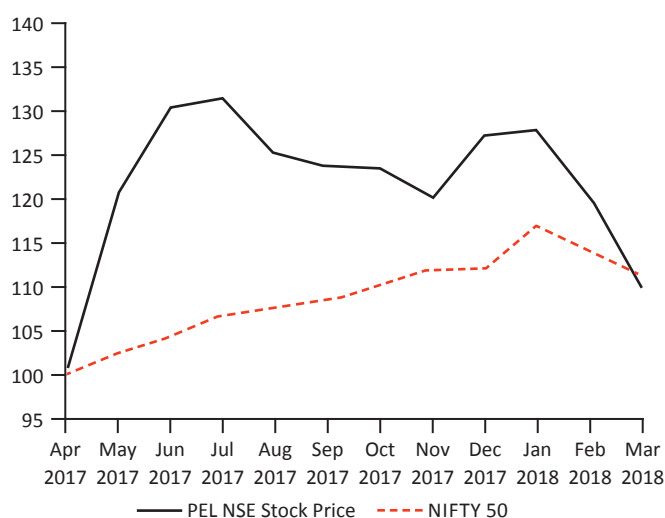
I. Stock Performance vs S&P BSE Sensex and NIFTY 50

Performance of the Company's Equity Shares on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") relative to the BSE Sensitive Index (S&P BSE Sensex) and CNX Nifty (NIFTY 50) respectively are graphically represented in the charts below:

Average monthly closing price of the Company's shares on BSE as compared to S&P BSE Sensex



Average monthly closing price of the Company's shares on NSE as compared to NIFTY 50



- **Liquidity**

Shares of the Company are actively traded on BSE and NSE as is seen from the volume of shares indicated in the table containing stock market data and hence ensure good liquidity for the investors.

J. Share Transfer Agents

M/s. Link Intime India Pvt. Ltd. (“Link Intime”), are the Share Transfer Agents of the Company. The contact details of Link Intime are given below:

Link Intime India Pvt. Ltd.

C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.

Tel: +91 22 49186000 / 49186270

Fax: +91 22 49186060

Email ID: piramal.irc@linkintime.co.in

K. Share Transfer System (in physical segment)

For administrative convenience and to facilitate speedy approvals, authority has been delegated to the Share Transfer

Agents (RTA) and Authorized Executives to approve share transfers in physical form. Share transfers/ transmissions approved by the RTA and/or the authorised executives are placed before the duly empowered Administrative Committee of the Directors / Board Meeting from time to time.

In case of shares in electronic form, the transfers are processed by NSDL / CDSL through respective Depository Participants.

In case of shares held in physical form, all transfers are completed within 15 days from the date of receipt of complete documents. As at March 31, 2018 there were no Equity Shares pending for transfer. Also, there were no demat requests pending as on March 31, 2018.

The Company obtains from a Company Secretary in Practice, half yearly certificate of compliance with share transfer and other formalities as required under Regulation 40 of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.

L. Distribution of Shareholding by size as on March 31, 2018

No. of Shares held	No. of shareholders	% to total no. of shareholders	No. of shares	% to total no. of shares
1 to 100	74,064	68.69	1,902,493	1.06
101 to 200	10,280	9.53	14,42,475	0.80
201 to 500	14,110	13.09	43,88,391	2.43
501 to 1000	5,451	5.06	39,19,439	2.17
1001 to 5000	3,144	2.92	5,813,547	3.22
5001 to 10000	288	0.26	19,44,740	1.09
10001 to 20000	174	0.16	23,92,124	1.33
20001 to 30000	63	0.06	15,38,957	0.85
30001 to 40000	42	0.04	14,91,241	0.83
40001 to 50000	23	0.02	10,48,628	0.58
50001 to 100000	74	0.07	55,37,478	3.07
Above 100000	106	0.10	14,88,54,161	82.57
TOTAL	1,07,819	100.00	18,02,73,674	100.00

M. Dematerialisation of shares

As on March 31, 2018, 17,25,53,392 equity shares (95.72% of the total number of shares) are in dematerialized form as compared to 16,41,38,550 equity shares (95.12% of the total number of shares) as on March 31, 2017.

The Company's shares are compulsorily traded in dematerialised form and are admitted in both the Depositories in India - National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Particulars of Shares	Equity Shares of ₹ 2/- each		Shareholders	
	Number	% of total	Number	% of total
Dematerialized	17,25,53,392	95.72	82,043	76.09
NSDL	16,79,65,786	93.17	55,680	51.64
CDSL	45,87,606	2.55	26,363	24.45
Sub - Total				
Physical Form	77,20,282	4.28	25,776	23.91
TOTAL	18,02,73,674	100.00	1,07,819	100.00

N. Statement showing shareholding pattern as on March 31, 2018

Category of Shareholder	No. of shareholders	Total no. of shares	% to total no. of shares
Shareholding of Promoter and Promoter Group	18	9,26,28,347	51.38
Non Promoter- Non Public			
Piramal Enterprises Limited Senior Employees Welfare Trust	1	15,95,167	0.88
Public shareholding			
Mutual Funds / UTI	68	12,21,978	0.68
Alternate Investment Funds	1	24,453	0.01
Financial Institutions / Banks	22	47,71,092	2.65
Central Government/State Government(s)	1	213	0.00
Insurance Companies	1	8,91,391	0.49
Foreign Portfolio Investors (Corporate) / FII's	503	4,88,80,305	27.11
Foreign Banks	1	333	0.00
Non-Institutions			
Bodies Corporate	1,216	26,25,071	1.46
Individuals			
(i) holding nominal share capital up to ₹ 2 lakh	1,01,498	1,94,17,040	10.77
(ii) holding nominal share capital in excess of ₹ 2 lakh	9	18,31,286	1.02
Others			
(i) Non Resident Indians	1,411	3,65,969	0.20
(ii) Non Resident Indians - Non Repatriable	848	5,33,029	0.30
(iii) Foreign Companies	2	43,16,911	2.39
(iv) Overseas Bodies Corporate	1	3,946	0.00
(v) Clearing Member	296	1,49,292	0.08
(vi) Trusts	26	18,142	0.01
(vii) Foreign Nationals	2	100	0.00
(viii) Hindu Undivided Family	1,891	4,50,794	0.25
(ix) Unclaimed Suspense Account	1	14,762	0.01
(x) IEPF	1	5,34,012	0.30
(xi) LLP	1	41	0.00
Total Public Shareholding	1,07,800	8,60,50,160	47.73
TOTAL	1,07,819	18,02,73,674	100.00

O. Convertible Securities

During the year the Company has allotted 4,64,330 Compulsorily Convertible Debentures (CCDs) of face value of ₹ 1,07,600 each for cash at a price of ₹ 1,07,600 per CCD. The CCDs are convertible into 40 equity shares of face value of ₹ 2 each on April 19, 2019 or at any time prior to that at the option of the CCD holder.

On November 24, 2017, 5,625 CCDs were converted into 2,25,000 Equity shares of the Company.

Listing details of the CCDs are as under:

BSE Limited - Scrip Code: 912459

National Stock Exchange of India Limited - Trading Symbol: PEL

ISIN: INE140A08SX5

P. Outstanding GDRs / ADRs / Warrants or any convertible instruments conversion date and likely impact on Equity

As on March 31, 2018, 4,58,705 CCDs are outstanding which are convertible into 1,83,48,200 equity shares of ₹ 2 each of the Company on or before April 19, 2019. Further pursuant to Regulation 53 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the CCD holders, at the time of conversion, will have the option to subscribe to 7,97,748 equity shares of ₹ 2 each of the Company which have been reserved in favour of them pursuant to the Rights Issue of the Company made vide Letter of Offer dated February 1, 2018.

Q. Debt Securities

Non-Convertible Debentures issued by the Company from time to time are listed on the Wholesale Debt Market Segment (WDM) of NSE.

Debenture Trustees

IDBI Trusteeship Services Limited

Asian Building, Ground Floor, 17, R Kamani Marg,

Ballard Estate, Mumbai 400001.

Tel: +91 22 4080 7007.

Fax: +91 22 6631 1776.

R. Commodity Price Risk or Foreign Exchange Risk and hedging activities

The Company is exposed to Currency Risk arising from its trade exposures and Capital receipt / payments denominated, in other than the Functional Currency. The Company has a detailed policy which includes setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform

and also lays down the checks and controls to ensure the continuing success of the treasury function.

The Company has defined strategies for addressing the risks for each category of exposures (e.g. for exports, for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

S. Plant Locations of PEL and its Subsidiaries

India:

- Plot No. K-1, Additional M.I.D.C, Mahad, District Raigad, 402 302 Maharashtra.
- Plot No. 67-70, Sector II, Pithampur, District Dhar, 454 775, Madhya Pradesh.
- Digwal Village, Kohir Mandal, Sangareddy District, Zaheerabad, 502 321, Telangana.
- Ennore Express Highway, Ennavur Village, Ennore, Chennai 600 057, Tamil Nadu.
- Light Hall, A wing, Hiranandani Business Park, Saki Vihar Road, Chandivali, Andheri (East), Mumbai - 400 072, Maharashtra.
- Plot Nos.18 and 19 - PHARMEZ, Village Matoda, Sarkhejbawala, NH 8A, Taluka Sanand, Ahmedabad - 382 213, Gujarat.

Overseas:

Piramal Healthcare UK Limited

- Morpeth, Northumberland, UK
- Grangemouth, Stirlingshire, UK

Piramal Healthcare (Canada) Limited

110, Industrial Parkway North, Aurora, Ontario, L4G 3H4, Canada.

Piramal Critical Care Inc.

3950 Schelden Circle, Brodhead Road, Bethlehem, PA 18017, USA.

Piramal Pharma Solutions Inc.

1575 McGrathiana Parkway, Lexington, Kentucky, 40511, USA.

Ash Stevens LLC

18655 Krause Street, Riverview, MI 48193, USA

T. Disclosures with respect to the Demat Suspense Account / Unclaimed Suspense Account

In accordance with the requirement of Regulation 34 (3) and Part F of Schedule V of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2017	2,695	14,868
Shareholders who approached the Company for transfer of shares from suspense account and to whom shares were transferred during the year	14	106
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2018	2,681	14,762

The voting rights on such unclaimed / outstanding shares in the suspense account as on March 31, 2018 have been frozen and will remain frozen till the rightful owner claims the shares.

U. Address for Correspondence with the Company

Registered Office:

Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla West, Mumbai 400070.

Tel. No.: (91 22) 3802 3000/4000

Fax No.: (91 22) 3802 3084

9. SUBSIDIARY COMPANIES

The subsidiaries of the Company function independently, with an adequately empowered Board of Directors.

POLICY FOR MATERIAL SUBSIDIARIES

A Policy for determining Material Subsidiaries has been formulated in compliance with the requirements of Regulation 16 of the Listing Regulations. This Policy has been uploaded on the website of the Company and can be accessed at

<http://www.piramal.com/investor/corporate-governance/policies-code-compliances#detailSection>.

10. CODE OF CONDUCT

The Board has laid down a Code of Conduct and Ethics for the Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for financial year 2017-18. Requisite declaration signed by the Executive Director to this effect is given below.

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Codes of Conduct and Ethics for Directors and Senior Management of the Company in respect of the financial year 2017-18."

Vijay Shah
Executive Director

Copies of the aforementioned Codes have been put on the Company's website and can be accessed at <http://www.piramal.com/investor/corporate-governance/policies-code-compliances#detailSection>.

11. CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from M/s. N.L. Bhatia & Associates, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations, is attached to the Board's Report forming part of the Annual Report.