

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
STANDALONE FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
PIRAMAL ENTERPRISES LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **PIRAMAL ENTERPRISES LIMITED** ("the Company"), for the three and nine months ended December 31, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)



Rupen K. Bhatt
Partner
(Membership No.046930)

Mumbai, January 30, 2018

PIRAMAL ENTERPRISES LIMITED

Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai - 400 070
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2017

Particulars	Three months ended 31/12/2017	Three months ended 30/09/2017	Corresponding Three months ended 31/12/2016	Year to date figures for current period ended 31/12/2017	Year to date figures for previous period ended 31/12/2016	Previous Year ended 31/03/2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations	871.06	802.25	619.80	2,293.94	2,873.66	3,809.31
Other Income (Net)	26.73	177.90	158.96	377.89	508.60	357.15
Total Income	897.79	980.15	778.76	2,671.83	3,382.26	4,166.46
Expenses						
Cost of materials consumed	216.30	197.12	178.20	607.63	592.42	791.27
Purchase of Stock-in-Trade	31.04	24.44	34.30	76.69	97.80	127.55
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(50.78)	5.11	(12.75)	(93.48)	(69.03)	19.06
Excise Duty	-	-	10.58	8.32	31.39	43.10
Employee benefits expense	107.86	103.69	92.06	315.89	275.87	370.63
Finance costs	250.94	242.39	221.81	713.96	974.18	1,178.34
Depreciation and amortisation expense	29.76	25.77	24.48	80.45	69.85	94.49
Other Expenses, Net	219.12	157.71	152.94	580.25	512.46	622.09
Total Expenses	804.24	756.23	701.62	2,289.71	2,484.94	3,246.53
Profit Before Exceptional Items and Tax	93.55	223.92	77.14	382.12	897.32	919.93
Exceptional Expense (Refer Note 7)	-	-	(0.44)	-	(0.44)	-
Profit before Tax	93.55	223.92	76.70	382.12	896.88	919.93
Tax Expense						
(1) Current Tax (including tax expense of prior years)	25.45	49.75	(119.94)	91.87	23.61	195.42
(2) Deferred Tax	(12.95)	23.51	136.48	16.89	107.88	(52.27)
Net Profit after Tax	81.05	150.66	60.16	273.36	765.39	776.78
Other Comprehensive Income and (Expense) (OCI)						
A. Items that will not be subsequently reclassified to profit or loss						
(a) Changes in fair values of equity instruments through OCI	995.49	(89.33)	(902.93)	745.35	(20.00)	846.35
(b) Remeasurement of Post Employment Benefit Plans	(0.50)	1.16	0.53	(3.84)	(3.05)	(1.94)
Less: Income Tax Impact on above	0.18	(0.41)	(1.24)	1.33	-	0.67
B. Items that will be subsequently reclassified to profit or loss						
Hedging Reserve	2.56	(1.33)	(1.45)	0.95	(1.45)	0.20
Less: Income Tax Impact on above	(0.89)	0.46	0.49	(0.33)	0.49	(0.07)
Other Comprehensive Income / (Expense) (OCI) for the period, net of tax expense	996.84	(89.45)	(904.60)	743.46	(24.01)	845.21
Total Comprehensive Income / (Expense) for the period	1,077.89	61.21	(844.44)	1,016.82	741.38	1,621.99
Paid-up Equity Share Capital (Face Value Rs.2/- each)	34.56	34.51	34.51	34.56	34.51	34.51
Other Equity (excluding Revaluation Reserves)						14,388.09
Earnings Per Equity Share (EPS) (of Rs.2/- each) (not annualised)						
a) Basic and Diluted EPS before extraordinary items for the period (Rs.)	4.35	8.73	3.48	15.43	44.35	45.01
b) Basic and Diluted EPS after extraordinary items for the period (Rs.)	4.35	8.73	3.48	15.43	44.35	45.01



Piramal Enterprises Limited
(Formerly Known as Piramal Healthcare Limited)

CIN : L24110MH1947PLC005719

Registered Office: Piramal Ananta, Agastya Corporate Park, Opp Fire Brigade, Kamani Junction, LBS Mag, Kurla (West), Mumbai 400 070 India

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Notes

1. The standalone financial results for the three months and nine months ended December 31, 2017, have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on January 30, 2018. The statutory auditors, Deloitte Haskins & Sells LLP have issued an unqualified review conclusion. Standalone financial results for the three months and nine months ended December 31, 2016 and year ended March 31, 2017 were reviewed/audited by the previous auditors - Price Waterhouse.

2. Segment Wise Revenue, Results and Capital Employed

Particulars	Three months ended 31/12/2017	Three months ended 30/09/2017	Corresponding Three months ended 31/12/2016	Year to date figures for current period ended 31/12/2017	Year to date figures for previous period ended 31/12/2016	Previous Year ended 31/03/2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(Rs. in Crores)						
1. Segment Revenue						
Total Income from Operations, Net						
a. Pharmaceuticals	514.95	501.60	442.75	1,387.91	1,405.45	2,138.07
b. Financial services	356.11	300.65	177.05	906.03	1,468.21	1,671.24
Total	871.06	802.25	619.80	2,293.94	2,873.66	3,809.31
Less: Inter Segment revenue	-	-	-	-	-	-
Total Income from Operations, Net	871.06	802.25	619.80	2,293.94	2,873.66	3,809.31
2. Segment Results						
a. Pharmaceuticals #	75.16	199.51	42.52	338.46	220.27	334.40
b. Financial services	126.52	89.11	58.76	292.44	810.88	872.89
Total	201.68	288.62	101.28	630.90	1,031.15	1,207.29
Less: Depreciation and Amortisation expense	29.76	25.77	24.48	80.45	69.85	94.49
Less: Finance Cost (unallocated)	85.61	93.48	61.64	272.14	174.10	260.22
Add : Unallocated Income / (Net of unallocated cost)	7.24	54.55	61.54	103.81	109.68	67.35
Total Profit / (Loss) Before Tax	93.55	223.92	76.70	382.12	896.88	919.93
#Segment results of Pharmaceuticals includes exchange loss of Rs. 36.59 crores for the three months ended December 31, 2017 and exchange gain of Rs. 54.59 crores for the three months ended September 30, 2017.						
3. Capital Employed (Segment Assets - Segment Liabilities)						
a. Pharmaceuticals						
Segment Assets	5,607.78	5,732.38	5,070.70	5,607.78	5,070.70	5,166.96
Segment Liabilities	(707.34)	(697.47)	(692.91)	(707.34)	(692.91)	(696.13)
b. Financial services						
Segment Assets	23,054.26	18,031.40	14,921.52	23,054.26	14,921.52	15,537.88
Segment Liabilities	(9,574.56)	(9,088.15)	(6,178.68)	(9,574.56)	(6,178.68)	(5,826.58)
c. Unallocated						
Segment Assets	5,585.98	5,092.53	4,614.27	5,585.98	4,614.27	4,769.88
Segment Liabilities	(4,542.67)	(5,144.36)	(4,174.20)	(4,542.67)	(4,174.20)	(4,529.41)
Total Capital Employed	19,423.45	13,926.33	13,560.70	19,423.45	13,560.70	14,422.60

Note:

Segment results of Pharmaceuticals segment represent Earnings before Interest, Tax, Depreciation and Amortisation and Segment results of Financial services represent Earnings before Tax, Depreciation and Amortisation.



3. The secured listed non-convertible debentures of the Company aggregating to Rs. 3,990 Crores as on December 31, 2017 are secured by way of the hypothecation over the specified identified receivables and a first ranking pari passu mortgage over Specifically Mortgaged Property.
The Asset cover on the secured and unsecured listed non-convertible debentures of the Company exceeds hundred percent of the principal amount of the said debentures.
4. Compulsorily Convertible Debentures ("CCD") for an aggregate amount of Rs. 4,996.19 Crores have been allotted to the CCD holders upon receipt of the necessary funds on October 25, 2017. Considering the effect of conversion of these CCDs into equity shares, the Earnings Per Share (Basic and Diluted) for the three months and nine months ended December 31, 2017 is not comparable with that of the earlier periods.
5. The Company has filed a Draft letter of offer with Securities and Exchange Board of India on November 8, 2017 for rights issue of equity shares for an amount upto Rs. 2,000 Crores.
6. During the three months and nine months ended December 31, 2016, the Company transferred a portion of its lending portfolio comprising of Loan book assets of Rs. 13,950.27 Crores (Rs. 1,212.26 Crores for the quarter ended December 31, 2016) and Borrowings of Rs. 12,510.58 Crores (Rs. 1,195.68 Crores for the quarter ended December 31, 2016), forming part of its financial services business to its wholly owned subsidiary Piramal Finance Limited, for a net consideration of Rs. 1,439.69 Crores (Rs. 16.58 Crores for the quarter ended December 31, 2016). Hence the results for the three months and nine months ended December 31, 2017 are not comparable with the results for three months and nine months ended December 31, 2016.
7. Exceptional Expense includes:
Employee severance costs of Rs. 0.44 Crores for the three months and nine months ended December 31, 2016.

For **PIRAMAL ENTERPRISES LIMITED**


Ajay G. Piramal
Chairman

January 30, 2018, Mumbai

