

The Board of Directors
Piramal Enterprises Limited
Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai – 400013,
India

1. We have reviewed the unaudited consolidated financial results of Piramal Enterprises Limited (the “Company”), its subsidiaries, joint venture/joint operation and associate companies (hereinafter referred to as the “Group”) for the quarter ended December 31, 2016 which are included in the accompanying ‘Statement of Consolidated Unaudited Results for the quarter and nine months ended December 31, 2016’ together with the notes thereon (the “Statement”). The Statement has been prepared by the Company’s Management pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations, 2015”) and SEBI Circular dated July 5, 2016, which has been initialled by us for identification purposes. The Statement is the responsibility of the Company’s Management and has been approved by its Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company’s opening unaudited consolidated Balance Sheet as at April 1, 2015 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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.
3. A review is limited primarily to inquiries of group personnel and analytical procedures applied to group’s 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.
4. We did not review the financial results of (i) 37 subsidiaries and 1 joint operation considered in the preparation of the Statement and which constitutes total revenue of Rs. 162,274 lakhs and Rs. 307,133 lakhs and net profit of Rs. 40,308 lakhs and Rs. 34,141 lakhs for the quarter and nine months ended December 31, 2016; and (ii) 1 associate company which constitutes net loss of Rs. 58 lakhs for the quarter and nine months ended December 31, 2016. The one of the joint operation’s consolidated financial results have been prepared considering the financial results of its subsidiary, its associate and 6 subsidiaries and 2 associates of such associate (together referred to as “the components”). These financial results and other financial information have been reviewed by other auditors whose reports have been furnished to us, and our conclusion on the Statement to the extent they have been derived from such financial results is based solely on the report of such other auditors.
5. We did not review the financial results of (i) 20 subsidiaries considered in the preparation of the Statement and which constitutes total revenue of Rs. 10,145 lakhs and Rs. 21,154 lakhs and net profit of Rs. 1,216 lakhs and Rs. 2,198 lakhs for the quarter and nine months ended December 31, 2016; and (ii) 3 associate companies and 1 joint venture which constitutes net profit of Rs. 170 lakhs and Rs. 2,681 lakhs for the quarter and nine months ended December 31, 2016. The unaudited financial results and other financial information has been assessed by the management and provided to us, and our conclusion on the Statement to the extent they relate to these subsidiaries, joint venture and associate companies is based solely on such unaudited financial results furnished to us by the management.



6. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 and SEBI circular dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai
February 13, 2017

PIRAMAL ENTERPRISES LIMITED
Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013
STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

Particulars	(Rs. in Lakhs)				
	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures for previous period ended
	31/12/2016 (Unaudited)	30/09/2016 (Unaudited)	31/12/2015 (Unaudited)	31/12/2016 (Unaudited)	31/12/2015 (Unaudited)
Income from operations					
Gross Sales / Income from Operations (inclusive of Excise duty)	231,383	193,640	177,506	601,128	465,808
Other Operating Income	2,791	2,975	1,095	7,283	3,237
Total Income from Operations	234,174	196,615	178,601	608,411	469,045
Expenses					
Cost of Materials Consumed	20,918	32,947	30,093	84,620	95,259
Purchase of Stock-in-Trade	12,030	4,245	3,453	19,446	9,225
Changes in inventories of finished goods, work-in-progress and stock-in-trade	3,196	(5,687)	3,484	(5,583)	(8,117)
Employee benefits expense	45,966	41,957	43,000	131,215	124,829
Depreciation and amortisation expense	11,011	7,328	8,769	26,016	17,962
Research and development expenses	2,120	2,594	3,726	7,142	10,278
Other Expenses, Net	41,445	46,194	37,347	124,892	112,249
Total Expenses	136,686	129,578	127,872	387,748	361,685
Profit / (Loss) from operations before other income, finance costs and exceptional items	97,488	67,037	50,729	220,663	107,360
Other Income	5,208	4,234	3,521	14,743	19,990
Profit / (Loss) from ordinary activities before finance costs and exceptional items	102,696	71,271	54,250	235,406	127,350
Finance Costs	59,063	45,523	25,670	144,126	64,787
Profit / (Loss) from ordinary activities but before exceptional items	43,633	25,748	28,580	91,280	62,563
Exceptional Income / (Expense) (Refer Note 9)	(181)	-	(1,502)	(181)	(2,669)
Profit / (Loss) from ordinary activities before tax	43,452	25,748	27,078	91,099	59,894
Tax Expense, Net (Refer Note 6)	7,576	312	1,012	12,494	3,273
Net Profit / (Loss) from ordinary activities after tax	35,876	25,436	26,066	78,605	56,621
Extraordinary Items (Net of Tax Expense)	-	-	-	-	-
Net Profit / (Loss) before non controlling interest and share of profit / (loss) of associates and joint ventures	35,876	25,436	26,066	78,605	56,621
Share of profit / (loss) of associates and joint ventures	4,532	5,200	4,625	15,532	14,546
Non Controlling interest	-	-	-	-	-
Net Profit / (Loss) after non controlling interest and share of profit / (loss) of associates and joint ventures	40,408	30,636	30,691	94,137	71,167
Other Comprehensive Income and (Expense), net of tax :					
A. Items that will not be reclassified to profit or loss	(90,516)	21,884	(22,577)	(468)	(84,988)
B. Items that will be reclassified to profit or loss	4,880	(4,233)	1,842	647	11,183
Total Comprehensive Income and (Expense)	(45,228)	48,287	9,956	94,316	(2,638)
Paid-up Equity Share Capital (Face Value Rs.2/- each)	3,451	3,451	3,451	3,451	3,451
Earnings Per Share (EPS) (of Rs.2/- each)					
a) Basic and diluted EPS before extraordinary items for the period (Rs.)	23.42	17.75	17.79	54.55	41.24
b) Basic and diluted EPS after extraordinary items for the period (Rs.)	23.42	17.75	17.79	54.55	41.24



Segment Wise Revenue, Results, Assets, Liabilities and Capital Employed

(Rs. in Lakhs)

	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures for previous period ended
	31/12/2016	30/09/2016	31/12/2015	31/12/2016	31/12/2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Segment Revenue					
Total Income from Operations					
a. Pharmaceuticals manufacturing and services	97,568	88,854	90,099	273,640	255,145
b. Financial services	90,230	81,525	46,054	235,231	119,169
c. Information management	46,376	26,236	42,453	99,540	94,736
Total	234,174	196,615	178,606	608,411	469,050
Less: Inter Segment revenue	-	-	5	-	5
Total Income from Operations	234,174	196,615	178,601	608,411	469,045
2. Segment Results					
Profit / (Loss) including Exceptional Items but before Tax, Finance Cost and Exchange Gain					
a. Pharmaceuticals manufacturing and services	3,388	4,578	2,642	15,179	8,713
b. Financial services	39,467	31,424	18,392	100,653	53,443
c. Information management	16,029	(489)	17,843	15,667	23,184
Total	58,884	35,513	38,877	131,499	85,340
Add : Exchange Gain, Net	(55)	1,102	1,017	1,902	9,166
Add : Unallocated Income / (Net of unallocated cost)	(3,936)	(3,373)	(3,646)	(11,687)	(7,484)
Less: Finance Cost (unallocated)	11,441	7,494	9,170	30,615	27,128
Total Profit / (Loss) Before Tax	43,452	25,748	27,078	91,099	59,894
3. Capital Employed					
(Segment Assets - Segment Liabilities)					
a. Pharmaceuticals manufacturing and services					
Segment Assets	646,609	533,390	460,322	646,609	460,322
Segment Liabilities	(98,237)	(67,484)	(82,118)	(98,237)	(82,118)
b. Financial services					
Segment Assets	3,060,691	3,351,195	1,710,786	3,060,691	1,710,786
Segment Liabilities	(2,127,024)	(2,387,904)	(854,285)	(2,127,024)	(854,285)
c. Information management					
Segment Assets	563,066	531,258	531,766	563,066	531,766
Segment Liabilities	(51,621)	(49,542)	(39,036)	(51,621)	(39,036)
d. Unallocated					
Segment Assets	206,969	182,319	145,159	206,969	145,159
Segment Liabilities	(809,952)	(654,910)	(572,341)	(809,952)	(572,341)
Total Capital Employed	1,390,501	1,438,322	1,300,253	1,390,501	1,300,253



Notes:

1. The Standalone and Consolidated financial results for the quarter and nine months ended December 31, 2016, have been reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on February 13, 2017.

2. Standalone Information
(Rs. In lakhs)

	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures for previous period ended
	31/12/2016 (Unaudited)	30/09/2016 (Unaudited)	31/12/2015 (Unaudited)	31/12/2016 (Unaudited)	31/12/2015 (Unaudited)
1. Income from Operations	61,980	121,260	89,011	287,366	236,903
2. Profit / (Loss) before tax	7,670	51,768	27,888	89,688	69,119
3. Profit / (Loss) after tax	6,016	44,758	27,167	76,539	70,282

3. The Consolidated Financial Results for the quarter and nine months ended December 31, 2016 have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning April 1, 2016, the Company has for the first time adopted Ind AS with a transition date of April 1, 2015.

4. The secured listed non-convertible debentures of the Group aggregating to Rs.382,500 Lakhs as on December 31, 2016 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 Group exceeds hundred percent of the principal amount of the said debentures.

5. The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

Description	(Rs. in Lakhs)	
	Quarter Ended 31/12/2015 (Unaudited)	Nine Months Ended 31/12/2015 (Unaudited)
Net profit as per Previous GAAP (Indian GAAP)	32,171	77,036
On account of measuring Financial Assets at Amortised Cost through Effective Interest Rate method and Fair value through Profit & Loss	(4,704)	(11,346)
On account of measuring Financial Liabilities at Amortised Cost through Effective Interest Rate method	(651)	(1,299)
Expected Credit Loss provision on Financial Assets	(2,347)	(2,935)
Impact of non amortisation of goodwill on acquisition	1,890	5,552
Mark-to-market valuation of derivatives	329	(201)
Amortisation of Commission on fund raising	(178)	(737)
Remeasurement of defined benefit obligations transferred to Other Comprehensive Income and (Expense)	(74)	233
Rent equalisation	(294)	(588)
Remeasurement of net pension assets	2,104	2,104
Reversal of Contingent Consideration	1,371	1,371
Others	(60)	(305)
Deferred Tax impacts on above	1,134	2,282
Net profit as per Ind AS	30,691	71,167
Other Comprehensive Income and (Expense), net of tax	(20,735)	(73,805)
Total Comprehensive Income and (Expense)	9,956	(2,638)

6. Tax expense (Net) comprises of Current tax and Deferred Tax and is net of MAT credit entitlement.



7. During the period:

a. The Group through its wholly owned subsidiary, PEL Pharma Inc., has acquired 100% stake in Ash Stevens Inc. a US based Contract Development and Manufacturing Organisation ('CDMO'), in an all cash deal on August 16, 2016 for a total consideration of Rs. 30,143 Lakhs.

The Group has accounted for the acquisition date fair values of assets and liabilities on a provisional basis in accordance with Ind AS 103.

b. The Group through its wholly owned subsidiary, Piramal Critical Care UK Limited, has acquired five anesthesia and pain management injectable products from Janssen Pharmaceutica NV, in an all cash deal on October 10, 2016 for an upfront consideration of Rs. 106,992 lakhs (inclusive of transaction costs), and an earnout consideration upto USD 20 Million (equivalent Rs.13,310 lakhs), if the Product portfolio achieves certain agreed financial milestones over the next 30 months.

c. The Company has acquired four brands from Pfizer Limited on September 26, 2016 for a consideration of Rs.12,081 lakhs (inclusive of transaction costs).

8. Subsequent to the quarter end, the Group through its wholly owned subsidiary, Piramal Critical Care UK Limited, has entered in to an agreement to acquire a portfolio of Intrathecal spasticity and pain management drugs from Mallinckrodt LLC in an all cash deal on January 30, 2017 for a consideration of Rs.116,417 lakhs and upto an additional USD 32 Million (equivalent Rs.21,786 lakhs) payable depending on financial performance of the acquired assets over the next 3 years.

9. Exceptional Income / (Expense) includes:


a. Employee severance costs during the quarter and period ended December 31, 2016 Rs. 181 lakhs; for the previous quarter and period ended December 31, 2015 Rs.8 lakhs and Rs.915 lakhs respectively;

b. Loss on sale of clinical research business known as 'Piramal Clinical Research (PCR)' (formerly known as Wellquest) during the previous period ended December 31, 2015, Rs.260 lakhs and

c. impairment of Intangible / tangible assets during the previous quarter and period ended December 31, 2015 Rs. 1,494 lakhs

10. The results for the quarter and nine months ended December 31, 2016 include the results of associates to whom Ind AS does not apply currently and hence, the results are accounted based on currently applicable Indian GAAP.

For **PIRAMAL ENTERPRISES LIMITED**



Ajay G. Piramal
Chairman

February 13, 2017, Mumbai

