

## STANDALONE FINANCIAL STATEMENTS

## CASH FLOW STATEMENT

for the Year Ended March 31, 2016

	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Exceptional Items and Tax	1,020.91	347.50
Adjustments for:		
Depreciation and amortization expense	79.62	88.84
Finance Costs attributable to other than financial services operations	220.11	306.91
Interest Income on Current Investments	-	(6.08)
Interest Income on Loans and Bank Deposits	(240.21)	(202.54)
Dividend on Non Current Investments	(47.31)	(3.92)
Dividend on Current Investments	(5.74)	(28.22)
Loss on Sale of Fixed Assets (Net)	2.19	3.69
Write-down of inventories	4.17	14.40
Provision on Assets of Financial Services	167.59	49.12
Profit on Sale on Current Investment (Net)	-	(0.42)
Provision for Doubtful Debts	3.93	0.50
Exchange Gain on proceeds from Sale of Domestic Formulation Business	-	(242.81)
Unrealised foreign exchange (gain) / loss	(89.94)	(55.88)
<b>Operating Profit Before Working Capital Changes</b>	<b>1,115.32</b>	<b>271.09</b>
<b>Adjustments For Changes In Working Capital:</b>		
Adjustments for (increase) / decrease in operating assets		
- Trade receivables	(17.64)	(44.55)
- Other Current Assets	(78.80)	(28.90)
- Other Non Current Assets	(195.03)	(19.77)
- Long Term Loans and Advances	(881.18)	(338.03)
- Inventories	(58.24)	(45.97)
- Amounts invested in Debentures and Others - (Net)	(6,965.38)	(1,582.10)
- Short Term Loans and Advances	(1.28)	(1,273.98)
Adjustments for increase / (decrease) in operating liabilities		
- Trade Payables	23.86	(4.21)
- Other long-term liabilities	4.89	(22.71)
- Long-term provisions	0.84	5.47
- Other current liabilities	247.01	46.85
- Short-term provisions	4.50	7.80
<b>Cash (Used in) Operations</b>	<b>(6,801.13)</b>	<b>(3,029.01)</b>
- Taxes Paid (Net of Refunds)	(289.10)	(297.55)
<b>Net Cash (Used in) Operating Activities Before Exceptional Items</b>	<b>(7,090.23)</b>	<b>(3,326.56)</b>
<b>Exceptional Items:</b>		
- Cost associated with R&D scale down, net of recoveries	(35.49)	(42.61)
<b>Net Cash (Used in) Operating Activities (A)</b>	<b>(7,125.72)</b>	<b>(3,369.17)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for Purchase of Fixed Assets	(340.40)	(135.67)
Proceeds from Sale of Tangible / Intangible Assets	0.55	9.85
Purchase of Current Investments:		
- in Mutual Funds	(10,482.92)	(17,660.99)
Proceeds from Sale of Current Investments:		
- in Mutual Funds	10,582.96	17,560.95
Interest Received	344.70	224.01
Bank balances not considered as Cash and cash equivalents		
- Fixed deposits placed	(73.00)	-
- Matured	53.00	-
Loans to related parties	(1,491.17)	-
Dividend on Non Current Investments	47.31	3.92
Dividend on Current Investments	5.74	28.22
Purchase of Equity Investments in subsidiaries	(59.97)	(31.39)
Purchase of Equity Investments (others) & Investment in Partnership Firm	(1.07)	(2,946.90)
Proceeds from Sale of Domestic Formulation Business	-	781.62

# CASH FLOW STATEMENT

for the Year Ended March 31, 2016

	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)
Restricted Escrow deposit placed	(45.99)	-
<b>Exceptional Items:</b>		
- Consideration received on sale of Lab Diagnostics and Point of Care Business	-	13.30
- Sale of Investment in Vodafone India Limited	-	8,900.45
- Sale of Investment in subsidiary	-	2.50
- Sale of Piramal Clinical Research Business	5.00	-
- Sale of R&D assets	3.71	-
- Sale of Property	11.30	-
<b>Net Cash Generated from / (Used in) Investing Activities (B)</b>	<b>(1,440.25)</b>	<b>6,749.87</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings [Excludes Exchange Fluctuation Loss of ₹2.97 crores (Previous Year NIL) on reinstatement of Foreign Currency Loan]		
- Receipts	5,819.98	600.00
- Payments	(408.32)	(80.00)
Proceeds from Short Term Borrowings		
- Receipts [Excludes Exchange Fluctuation Loss of ₹2.30 crores (Previous Year Gain ₹3.03 crores) on reinstatement of Foreign Currency Loan]	24,485.34	18,109.98
- Payments	(20,333.59)	(20,659.33)
Finance Costs Paid (other than those attributable to financial services operations)	(232.31)	(313.55)
Dividend Paid	(640.71)	(901.26)
Dividend Distribution Tax Paid	(131.74)	(153.97)
<b>Net Cash Generated from / (Used In) Financing Activities (C)</b>	<b>8,558.65</b>	<b>(3,398.13)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents [(A)+(B)+(C)]</b>	<b>(7.32)</b>	<b>(17.43)</b>
<b>Cash and Cash Equivalents As At March 31, 2015</b>	<b>27.32</b>	<b>23.43</b>
<b>Add: Cash balance acquired through merger (Refer Note 33)</b>	<b>-</b>	<b>21.32</b>
<b>Cash and Cash Equivalents As At March 31, 2016 (Refer Note 19)</b>	<b>20.00</b>	<b>27.32</b>
<b>Cash and Cash Equivalents Comprise of:</b>		
Cash on Hand	0.04	0.09
Balance with Scheduled Banks in Current Accounts	7.68	27.18
Margin Money	12.28	0.05
	<b>20.00</b>	<b>27.32</b>

## Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard - 3.
- In case of previous year, the above Cash Flow Statement does not include assets (other than cash and cash equivalents) / liabilities acquired on merger of Piramal Pharmaceutical Development Services Private Limited, Oxygen Bioresearch Private Limited and PHL Capital Private Limited for which no consideration was paid. (Refer Note 33).
- Previous year figures have been regrouped and recasted wherever necessary to conform to current year's classification.

This is the Cash Flow Statement referred to in our report of even date.

For **Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

**Jeetendra Mirchandani**  
Partner  
Membership Number: 048125

Mumbai, May 16, 2016

**Ajay G. Piramal** Chairman  
**Rajesh Laddha** Chief Financial Officer  
**Leonard D'Souza** Company Secretary

Mumbai, May 16, 2016